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**TALENT MANAGEMENT AS A STRATEGIC PRACTICE FOR
SUPPORTING EMPLOYEE ENGAGEMENT**

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ABSTRACT
The attraction and retention of talents is one of the most important focus areas in today's organizations. Moreover, talented employees are seen as strategic assets since in the end people execute and lead businesses. In order to attract and keep these important employees, human resource management focuses nowadays more on talent management, which includes strategies and practices for talent attraction, talent development and engagement. Due to its importance, talent management as a concept has gotten attention among previous research. The aim of this study is to examine more deeply, what is the strategic role of talent management in overall business strategy, its main focus areas and moreover, how to support better employee engagement with talent management strategies.

The theoretical framework of this study is built around talent management as a concept, its processes, yet also employee engagement and different talent management strategies supporting it. In this study the aim is to explain talent management and its connection to employee engagement both through literature and empirical research data. The research has been executed with qualitative research design. The data were collected through interviews with six different informants from five organizations, which all have talent management practices in place. All of the informants are specialists in HR related matters. Finally, the data was being analyzed with content analyze as a research method.

The main findings of this research suggest that talent management has an important role in business strategy; it aims at placing employees with right skills to right positions, and highlights the key competencies needed in order for the company to succeed. Moreover, it is vital to develop important employees in order to retain them. Talent management has a strong connection to employee engagement, since all talent management processes aim at engaging employees better. Most important strategies for engagement in talent attraction phase are fair recruitment processes and emphasizing employer values. Thus, even more important are the internal processes for employees, such as individual development opportunities, focus on career paths, responsibilities and great leadership.

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1. INTRODUCTION

In today's business world, finding and keeping talented employees is one of the key focus areas in organizations. In the end, businesses are run by people. Dedicated employees formulate the goals, vision and execute business strategy and make important decisions regarding development plans. (Dawn & Biswas 2013; Bergeron 2004.) However, having the exactly right people with right skills for certain matching positions is also considered as one of the biggest challenges executives face in the current business world (Bergeron 2004.) In order to manage the attraction and retention of suitable talented employees, organizations are adding more strategic efforts in human resource management. Managing talent can be seen as equally important as managing finance in the business, since people are critical in overall strategic processes (Dawn & Biswas 2013).

1.1 Background of the research

One of the key topics in human resource management field for the past years has been talent management, its practices and overall talent strategies related to it. The core idea of having talent strategies is that organizations are in desire to signify what kind of competencies and skills are the most crucial for the business and strategy, and maintain these skills best way as possible now and in the future. Talent management includes both the aspects on how to attract right people and how to keep and engage them. Moreover, talent acquisition and retention practices are focusing on the key talents and recognizing the importance of the right people in the organization. All in all, who would not want to attract and retain important, talented people in the organization?

Lately, talent management as a concept has been a popular topic also in research projects and it has been recognized as really important human resource practice among multiple studies (Dawn & Biswas 2013; Bergeron 2004; Bhatnagar 2007; Cheese 2008). Nowadays attracting and keeping talents is highly competitive and there are constantly new changes in employment matters, new demands for different skills and new career expectations that all effect to human resource management. Due to these aspects, previous studies have focused on introducing the concept, talent management practices and objectives from a general point of view. Moreover, the term lacks one clear definition and studies have tried to explain what talent management is and why it is important.

In addition, some studies have also recognized the importance of talent management in order to engage employees (Hughes & Rog 2008; Bhatnagar 2007). According to these previous studies, talent management is important since it focuses on finding right talents yet also how well these talented employees engage and retain in the organization. Thus, there has been less research on the direct relationship between talent management and employee engagement and how to really support better retention with talent management practices. As mentioned, most of the previous studies have been executed in quite general point of view by concentrating on the talent management concept.

In order for organizations to find and keep the best talents effectively for the help of talent strategy processes, the situation demands also deeper understanding of the engagement processes and moreover talent management practices related to this. In this research the purpose is therefore to examine how and with what methods to better attract and engage key talents with talent management and talent strategies. Moreover, the aim of this research is to discover the importance and strategic role of talent management and its contribution to employee engagement.

1.2 Research objective and research questions

In order to learn more about talent management and employee engagement, the main purpose of this research is to first explain talent management as concept and examine what is the strategic aim of talent management, followed by how talent management practices and employee engagement are connected and what kind of talent management strategies and tools are considered as efficient ones in order to attract and retain important employees and key talents. Most importantly the final aim is to examine the advantages of talent management for better employee engagement and retention. The research will include a wide literature review about the research phenomena, yet also gather empirical data from five different organizations which all have talent management practices in place. Real examples from business environment explain the research phenomena more precisely.

The following research questions will help to explain the research problem;

- *What is the meaning and purpose of talent management?*
- *How does strategic aspect show in talent management?*
- *What is the relationship between talent management and employee engagement?*
- *What kind of talent strategy methods are used in talent attraction and retention?*

1.3 Main concepts in the research

This study often refers to the term *HRM* when discussing overall human resource management field, including all repetitive HR processes and structures. With the term *strategic human resource management* the aim is to highlight more of the strategical role of HRM, focusing on the proactive management of employees and transformative processes in addition to the traditional HR (Becton & Schraeder 2009). In strategic human resource management people are seen as a strategic asset and the improvement of competitive advantage can be achieved by management of human assets (Long 2007). Through human resource management practices organizations can achieve higher levels of performance through people and increase involvement yet also commitment.

This research addresses talent management through wider human resource practice, *knowledge management* which is part of strategic human resource management. Knowledge management aims at defining the competencies and knowledge needed in the organization and deploying right people to right positions. The aim is to have right knowledge in every function and develop employees competencies best way as possible. Competencies are defined based on strategic aspects as well.

In brief, *talent management* in this study refers to a strategic human resource practice which aims to attract, develop and retain talented employees. With the term *talent* this research refers to employees who are important and bring the organization forward with their key competencies. *Employee engagement and retention* are strongly present in this study as well. Engagement refers to the motivation, desire of being a part of the organization and readiness to move the company forward. Retention refers to keeping the employees yet also their decision to stay in the organization.

1.4 Structure of the research

This research consists of six chapters. The first chapter includes an introduction to the study and the research area. The first chapter is followed by chapters 2-3, which are part of the literature review in the research. The second chapter includes a background review of the research phenomena and explains talent management concept more closely based on literature. The focus is on the strategic role of talent management and its importance. The chapter includes also discussion about talent recognition and talent as concept. In the next chapter the focus is on talent retention and talent management's role in employee engagement. First, the concept of employee engagement is explained

more deeply. After this the chapter focuses on explaining the connection between talent management and employee engagement and how talent management strategies and practices can support engagement according to literature.

The chapters 4-5 introduce the empirical part of the research. In chapter four the research methodologies are being presented, including data collection and data analyze methods. In the end all of the research participants are introduced more closely. The chapter five includes the research findings, by presenting the most important themes found from empirical data collection. The research findings are gathered based on frameworks from literature review. Finally, the last chapter shares conclusions and discussion of the research, including also suggestions for future research.

2. STRATEGIC TALENT MANAGEMENT

In this section, the aim is to gain a deeper understanding of talent management concept. First, the background and purpose of talent management is presented carefully through general discussion about the concept. After this discussion, the meaning and use of talent concept is analyzed, with describing different approaches in talent management. Finally, the chapter will focus on talent management's strategic role and aspirations beside overall business strategy.

As today's business environment becomes more and more competitive and tighter, so does the finding and retention of key talents with the right skills. According to Hughes and Rog (2008), the ability to attract and retain talent is perceived as being the most critical people management issue in organizations. Indeed, many organisations are facing real challenges in finding yet engaging the right talents for their needs. The competition of talent can be described also as *"war for talent",* and this term has been used conveniently in studies after the late 1990s (Carcary & Whelan 2011). Bhatnagar & Srivastava (2008) state that many organizations are searching and in desire to engage talents with same kind of talent skills and this tightens the competition in employee markets.

When facing these challenges, one of the key priority areas is to implement HR practices more strategically, especially with talent management and its methods (Bhatnagar 2007). Talent management can be described as a strategic and useful HR practice used in recruiting and retaining employees, when finding both new skilled employees yet promoting and developing current employees or when finding future leaders within the company. These talented employees make up the human capital pool for the organization and have an important role in creating competitive advantage for companies (Collings & Mellahi 2009).

However, many organizations still have not implemented solid talent development strategies either due to budget or capacity (Downs 2015), even if these actions would be essential for succession. Talent management also tends to lack the needed clarity as a concept (Lewis & Heckman 2006), and this might have an influence to organizations. Whether or not the term talent management is used in all work environments, with certain talent mindset it is easier to recognize the key competencies among employees and ensure these skills stay within the organization also in the future.

2.1. Formation of talent management concept

Talent management is built on a wider human resource concept and practice known as *knowledge management* and it also creates the whole base for talent management methods. Therefore it is vital to address this concept when explaining talent management more specifically. The main purpose of knowledge management is to ensure that organization has the right knowledge and skills in place now and in the future, which includes replacing individuals with needed competencies to right positions. This includes actions such as development of employees, knowledge sharing as well as competency planning. Since knowledge is recognized as one of the most important organizational assets, it should be managed and developed well. People who share the tacit knowledge and skills should be continuously developed in any organization in order to retain these employees. (Carcary & Whelan 2011.)

With well executed employee development and skill trainings organization can influence on employees commitment and engage them better (Viitala 2005). In addition to development opportunities, knowledge management should include clear planning for knowledge processes and how the knowledge is shared in organization (Firestone & McEiroy 2005). Often organization has number of individuals who have the core knowledge and networks for knowledge sharing and these people should have a significant role in knowledge and learning processes (Carcary & Whelan 2011).

The core focus of knowledge management is indeed in skill development. According to Viitala (2005) with knowledge management the organization is able increase its competitive advantage by strengthening knowledge and skills in every function. These core skills and competencies are the most critical ones for organizations success and they go hand in hand with the business strategy. First, the organization has to define these core skills that are vital for the strategy. Categories may include core competences and spotting the most talented employees. It can be beneficial to map the skills by using lists, vacancy descriptions and metrics for employee skill development.

Figure 1 demonstrates the important factors of knowledge management and how to execute it. Needed knowledge and skills should always be planned and based on current vision and strategy and they create the framework for planning. At the same time it is vital to set and evaluate the targets - where the organization aims with certain skillset among employees. Once these have been planned, also individualistic skills should be defined and after this it is possible to build development plans for employees. (Viitala

2005.) The main tools for development are development conversations, competency mapping and target conversations.

Figure 1. Different sectors of knowledge management (based on Viitala 2005).

4. Make plans for skill development

1. Define targets &how to get there

STRATEGY

Mission Vision

3. Define knowledge and skills in individual level

2. Define needed knowledge and skills in organizational level

In order to maintain the required skills and employee development, knowledge management practices should in longer term involve also practical development with learning practices and especially training periods for new employees. In all of these practices it is vital to understand how knowledge and information is built and especially shared in the organization. HR usually works together with supervisors and they plan the suitable actions and tools for developing employees. (Viitala 2005.) In practice, supervisors are often the ones who execute the conversations and discuss future opportunities with the employees.

Talent management

Talent management can be seen as a vital part of knowledge management, and its methods support every aspect within developing employees which knowledge management in general tends to highlight. In short, talent management as a concept refers to the *acquisition, attraction, allocation, development, retention and succession of the most important, value adding people in an organization* (Ingham 2006). In order to understand talent management better and discuss about its divisions, from Table 1 we can see popular definitions for talent management according to previous studies.

Table 1. Definitions for talent management from existing literature.

Tarique & Schuler (2010)	Talent management is about systematically utilizing HRM activities (complementary HRM policies and practices) to attract, develop and retain individuals with high levels of human capital (e.g. competency, personality and motivation) consistent with the strategic directions of the enterprise in a dynamic and competitive environment.
Jauhari & Seghal (2013)	Talent management is an HR practice aimed at addressing competition for high value labour in widening global markets alongside key employees demand for fast track career development. Levels: workforce planning, talent acquisition, talent development, talent deployment, retention and evaluation
Dawn & Biswas (2013)	Talent management practice is a human resource strategy that seeks to acquire, develop, deploy and retain talented and high potential employees. Talent management can be described as having the right people with the right skills in the right jobs at the right time. The objective of talent management implies organization's capability to create the talent resources, and to attract, develop and retain them for executing business strategy.
Ingham (2006)	The acquisition, attraction, allocation, development, retention and succession of the most important, value adding people who create the competitive advantage. Most of all, having the right people in the right place at the right time to maximize business opportunities.

Lewis & Heckman (2006)	1) Collection of typical human resource department practices: recruiting, selection, development and career and succession management 2) Predicting or modeling the flow of HR throughout the organization, based on such factors as workforce skills, supply and demand, and growth and attrition 3) Sourcing, developing and rewarding employee talent
Collings & Mellahi (2009)	Activities and processes that involve the systematic identification of key positions which differentially contribute to the organization's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization.

Even though the concept has gotten a lot of attention in the past years, it can be noticed that the definitions may variate and there is no consistent single definition for talent management (Collings & Mellahi 2009; Lewis & Heckman 2006). Multiple studies handling talent management have created a certain confusion of talent management term, since the term is being used widely to describe different HR practices (Lewis & Heckman 2006). However, through the found definitions it is possible to build a more clear meaning for talent management with combining the most crucial aspects and purposes of the concept.

Many of the presented definitions share same core ideas of talent management, regarding its main purpose, used methods or practices and strategic aspect. First of all, it can be clearly presented that as concept itself, talent management is seen as a strategic HR practice which focuses on identifying, developing and most of all retaining great, talented people among the company (Altman 2008; Tarique & Schuler 2010; Dawn & Biswas 2013; Ingham 2006). The aim is to have the right people in the right place at the right time to maximize business opportunities and create competitive advantage through key employees. In the end, effective talent management policies demonstrate commitment to human capital, which results in more engaged employees (Bhatnagar 2007).

In order to identify, attract and engage skilled people within any organization, talent management processes involve many different HRM practices (Festing & Schäfer 2013). According to many studies, multiple important human resource practices such as recruiting, selection, development, career planning and succession management can all be considered as vital talent management actions (Hughes & Rog 2008; Jauhari &

Seghal 2013; Lewis & Heckman 2006). However, Lewis and Heckman (2006) remind that talent management term should not be used to replace whole human resource management concept and every traditional HR practices, even if general literature has a tendency to do so. Literature may refer to talent management only in purpose of rebranding human resources, even if talent management has a different and more strategical meaning and is not covering overall aspects of traditional HR.

On the contrast, some studies identify talent management practices more narrowly. Collings & Mellahi (2009) state that talent management includes only certain specified practices; first the careful identification of key positions in organization and then developing categorized talent pools for these positions. This viewpoint highlights that talent management should not be used as widely in all HR practices as previous discussion shows. Instead, it focuses on the positions which are the most crucial ones for business success and talent pools for these positions should involve potential and high performing employees to fill these roles, who are willing to commit to the organization in longer run.

Based on these discussions, it is important to recognize that talent management can include different HR actions; however, the concept has a deeper and more strategic meaning in addition to traditional HR practices. Whether the practices include multiple HR practices or less, every process starts with finding the key competencies among employees which tend to create talent and good performance. After this, organization is able to develop talent pools in order to projecting employee needs and managing the development of employees from position to others (Lewis & Heckman 2006).

As said, the key thing is to implement all talent management actions *strategically*, since every definition shares the idea of talent management being a highly strategic HR practice. Talent management needs to be seen as essential for achieving the organization's strategic goals if it is going to get the attention and resources it requires (Dawn & Biswas 2013). With this mindset, talent management is considered most of all as a strategic mentality of valuing talented employees and seeing them as competitive advantage (Hughes & Rog 2008). Moreover, the strategic aspect of talent management makes the whole concept more coherent, since every process of it aims in adding value for the organization. (Lewis & Heckman 2006). This means linking the talent management processes to overall business strategy and executing strategic employee planning. In the longer run, the purpose of talent management is to build the overall competitive advantage stronger for organization with deploying and maintaining skilled, talented people, who have a strong commitment to the organization's strategy and direction.

In this research talent management is defined with using these important frameworks found from literature. First of all, talent management is indeed seen as a HR practice which includes attracting, developing and retaining great employees. Secondly, the assumption is that talent management includes all the useful practices which help in these stages, and especially engage the talented people better within the organization. The third aspect of the concept is to focus on the strategic role of talent management, which is strongly present in this research as well. Moreover, according to Lewis and Heckman (2006) the strategic focus of talent management separates the concept from normal human resource methods, and therefore it should be highlighted. The core idea of talent mindset is creating a talent strategy and planning strategically important aspects and practices for talent management, hand in hand with overall business strategy. Due to its importance, the strategic aspect of talent management is being discussed more closely further in this chapter.

To sum up the different divisions of talent management, Figure 2 below demonstrates the levels of talent management in wider concepts. Indeed, the first levels of talent management are workforce planning and talent acquisition, when the potential of an employee is being planned, recognized and selected for example in recruitment process. The second levels talent development and deployment refer to the development of employees and placing right skills to right positions strategically.

Figure 2. The levels of talent management (Jauhari & Seghal 2013).
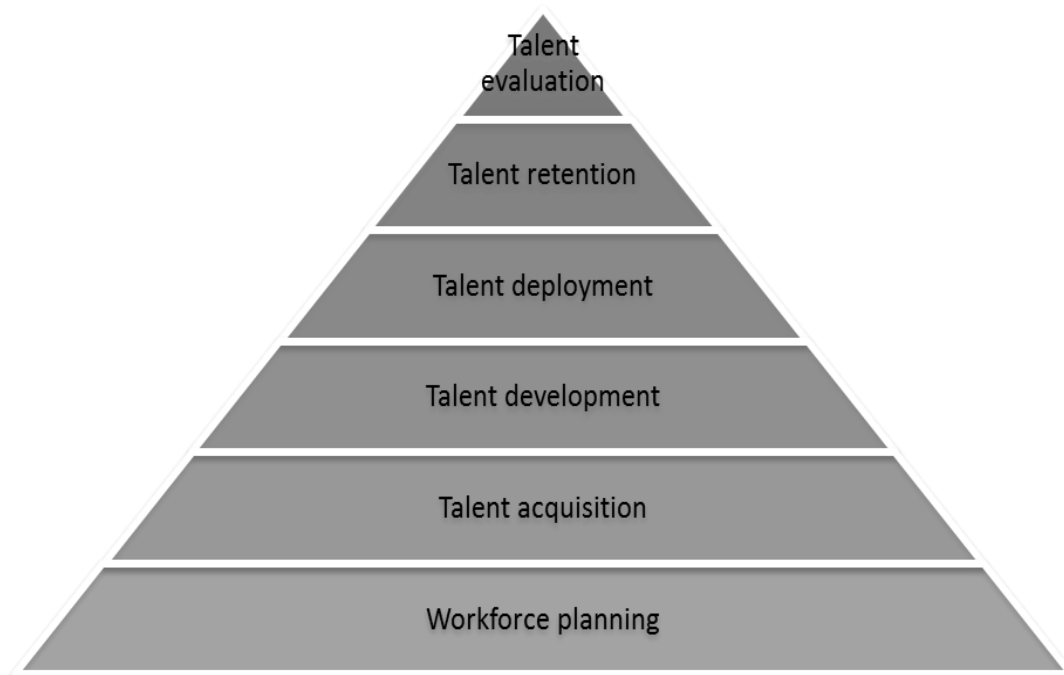
Finally, the retention and evaluation of talented employees highlights the engagement process of the employees in order to retain them in the organization in the future and maintain their effort in implementing business strategy. Engagement is one of the core focus areas in talent management (Bhatnagar 2008).

2.2. Definition of talent

Talent management actions are generally practiced to people who are noticed as important, talented employees among current employees, or seen as a fit to the organization in talent acquisition process prior entering the organization. Regarding the concept of *talent*, the term can be explained better through existing literature and previous studies. Most commonly talents can be described as highly skilled people who have variety of certain appreciated characteristics and a fast ability to learn and grow within the organization. Usually these certain characteristics are important skills, knowledge, characters or drivers that together build up the talent trait. (Festing & Schäfer 2013.) In short, these skills are highly beneficial for the organization and talents can be seen as strategic assets for improving company performance. It is also recognized that talent may be seen differently in different organizations, yet organizations should always define what talent means in their business in order to execute talent management practices effectively.

Talent concept and strategies relating to it can be practiced mainly in few ways; either in order to describe limited groups of people with outstanding skills, or in contrast to refer to the whole staff as talented employees. The implementation and use of talent categorizing has also been one of the main discussions among talent management literature. With wide talent mindset, it is possible to practice talent management for every employee, with re-appraising everyone's skills and implementing talent management in an efficient way (Hughes & Rog 2008; Caplan 2014). Caplan (2014) has even criticized traditional talent management for categorizing employees to different talents since in worst case scenarios this may create egos and elites among the employees.

However, it is still highly in common to utilize talent management for specified people. The reasons behind this reflect both on the talent management concept in general yet on the strategical aspect of most crucial employees. According to Collings & Mellahi (2009) talent management should be targeted to specified group of people since otherwise it is difficult to differentiate talent management from normal human resource management.

In addition, talents are often the high performers within company and therefore get the attention and recognition for talent, along with their remarkable skills. Downs (2015) expresses that even if it is important to provide development opportunities for all employees, the high performers and key talented people often bring organizations certain thrive and make great efforts even in the challenging environments. Hughes and Rog (2008) support this thought and state that talented employees have high potential or performance and they have the skills to make a great influence on the company's performance as well. Hereby, it is also important to reappraise their skills and deploy these people to right positions.

Often people recognized as talents grow in the organization and become major employees in the longer run, as they are spotted, nurtured, developed and then engaged and rewarded within their work (Human Resource Management International Digest 2012). The process involves that individuals must be continually inspired to do their best and groups must be motivated to deliver top performance in order to grow their potential (Earle 2003). The grow process is essential since most likely these talents are possible future leaders within the organization and build a vital pipeline for future open positions (Downs 2015).

Recognition of talent

Due to the importance of these people, it is also highly vital to understand how to recognize talent and important competencies among employees. Organizations have different tools for recognizing and finding valuable employees yet most common ones are performance appraisals or reviews, organizational talent reviews, individual development plans or career plans. In performance reviews and development plans the employee and manager work together openly discussing about performance trends and progression of the employee, whereas talent reviews are usually implemented by only between HR and managers. Talent reviews focus more on scaling the skills of employees, competencies and succession planning for future. In addition to these, talent can be found via anecdotal data, such as documents, recommendations or success stories about the employee. (Downs 2015.)

Categorizing talent to high performers vs. high potentials

In the internal talent recognition process for current employees, organization might categorize key employees more specifically since not all talented employees are high performers automatically. According to Downs (2015) and Hughes & Rog (2008) talent can be seen either as *high performance* or *high potential* and it is essential to define these two separately since there are big differences in the concepts. High performers are usually superior performers in their own areas of expertise and the expertise is highly shown to the outside world as well. In contrast, the high potentials function with many expertise areas since they are really fast learners when facing new functions and topics. This way, they build a strong experience pool for themselves and have essential potential for bigger roles in the future.

What is vital to realize, is that usually high-potential people are also high performers, yet it is not always the case other way around. It is stated in Downs's (2016) study that only 29 % of high performers are also high potentials, where as 93 % of high potentials are also high performers. This issue should be taken into consideration, since many organizations may promote *high performers* straight to leadership roles, when the person might not be the right fit for a leadership position after all and the personal qualifications are not taken fully in consideration. Potential does not automatically mean high performance rates, since it can be shown in other ways as well. More important is to define what potential actually means within the talented employees who would possibly have a bigger role in the future (HRM International Digest 2012).

As seen in Table 2, the rate of potential and performance can be categorized into different groups within employees. With the categories, organization can more easily define the employees who have high potential yet also high performance records, or other way around; strong performance yet not possibly the potential for being able to expand with the future business. Downs (2015) has used categories such as rising stars, emerging talent, lower performers and strong performers. The most talented group can be called leading edge, who might be the potential future leaders. In addition to these, Ingham (2006) proposes talent pools such as people in key roles, leadership teams, individuals with skills that are rare in employment market, high performers who bring special value and high potentials for future such as graduates.

Table 2. Examples of different talent categories (Downs 2015).

Potential	High potential	*Incorrect fit* Under-performing high potential leader due to either newness to their role, their management team, business strategy, or in wrong role	*Rising star* Solid performance with high potential to make greater contributions to the business in the future	*Leading edge* Strong performance together with strong leadership capability to drive innovative growth of the business in the longer term
	Expandable	*Questionable fit* Inconsistent or low performance with limited capability to improve performance	*Proficient* Solid business performance and a focus on current business challenges	*Emerging talent* Strong business performance and solid management of function, coupled with a focus on current business challenges
	Well placed	*Lower performer* Inconsistent or low business performance. Likely to be working from outdated business models	*Solid performer* Solid business performance for current situation; risk of falling behind due to complexity or the role of leadership capability	*Strong performer* Strong business performance for current business challenges. Questionable ability to expand with the business
		Below expectations **Performance**	Meets expectations	Exceeds expectations

Whether or not organization is using these kinds of categories, it is crucial to understand what high potential and performance means within the organization. Regarding the qualifications and skills, Sahay (2014) highlights that organization should not only define yet also study the top performers; what kind of skills do these people have and what competencies does the organization value the most. In the end the high potentials have to be tailored to the need of the business since they should share the same fit towards organizational goals (HRM International Digest 2012). In the beginning of these processes it is important to plan how to attract those people who will be able to help the organization to succeed, and also integrate and retain these people in a longer run (Sahay 2014).

From the listed talent categories, high performance viewpoints and overall talent discussion found from previous studies, it can be perceived that talent management tends to be mainly implemented for limited groups of people among current employees. In these

occasions talent may have a fairly clear definition since it includes the specified competencies or high performance. However, due to the discussion found from literature, it is highly informative to acknowledge the different options in talent management implementation. Organizations must define what talent means to them and in which circumstances it is being used. Whether the organization chooses to implement talent management to specified employees or to every employee, more important is to focus on discovering the potential in employees, map their competencies and skills, their importance for the organization and moreover execute talent management processes with high quality. These actions are all present in talent development.

2.3 Strategic role of talent management

As it was previously addressed, talent management has mainly strategic aspirations and also talent management actions or practices build on this. Therefore the strategic role of talent management has to be well analyzed and presented. In order to succeed in talent management, companies must have certain strategic talent mindset all around the organization so that the responsibility for finding, growing, developing and engaging talented people is executed in many different company functions (Cheese 2008). Talent mindset also requires real strategical actions in order to be efficient, since businesses will not be able to grow without the right people, and on the other hand, they cannot reach the right talent without making strategic efforts for it (Sahay 2014). These two go hand in hand.

Focus on strategic aspects is also present in whole human resources field, and overall HR has transformed more and more into strategical. According to Becton & Schraeder (2009), transforming human resources management processes from their traditional administrative focus to a more strategic business contribution is a key to improving performance of individuals and the organization. Bhatnagar and Srivastava (2008) support this, stating that HR has a significant role in reaching organizations performance and effectiveness. Good example is from recruitment perspective, since better talent acquisition reflects positively to employee engagement and performance. In the end, smart and right business practices can keep many of the real talents on board in the company (HRM International Digest 2012). No wonder, that talent management is seen as one of the most important practices among overall strategic human resource management, and often referred with the term talent strategy.

With talent management, developing, facilitating and tracking the efforts, HR can become more essential to the business and move away from the transactional role (Hughes

& Rog 2008). In order to maintain talent acquisition and talent management practices, organizations must implement a clear strategy for this. The core idea of defined talent strategy is to plan how to prepare the workforce to execute the business strategy most efficiently. Strategy usually involves action plans for acquiring, retaining and also organizing the talents. (Bergeron 2004.) Specific human resource plan helps to identify future employee needs as well as upcoming challenges in recruitment needs (Viitala 2005). Bhatnagar and Srivastava (2008) add that in the acquiring stage, even the talent resourcing process has to be well-defined and well-executed in order to find the best employees.

However, it should not be only the HR function to implement these practices – also the managers, including especially CEO, and other employees can and should be involved in finding talented employees. Also Hughes and Rog (2008) highlight this thought; nowadays it is extremely vital that the whole organization is committed to retain and engage valued employees – especially the managers have big responsibility in this and therefore they should be prepared and trained well enough for recognizing important competencies among employees. With this kind of mindset organizations can more easily match the right people with right skills to right positions and also perform better.

Key part of talent strategy is to evaluate existing talent markets; the existence of potential employees that organization might have for either internally or externally to new positions. These are seen as a core focus area for organizational success since talent management can be seen as a source of comparative advantage. Some companies even worry, that there is too little logical connection between core business management processes and talent management, yet the strategic planning processes connect deeply with how the company creates success. (Boudreau & Ramstad 2005.)

Whether executed in HR or elsewhere, before the actual talent strategy planning it is vital to have a wide understanding of the business and where the business is going. After that it is more relevant to plan the real strategy for the future and create a vision of what the future will look like. One should always think about business strategy when creating specific talent strategy since these two go together hand in hand. (Hills 2009.)

Businesses are made of people, and after seeing this correlation organizations are able to ensure they understand the needed skills to look for and fill within the company. According to Bhatnagar and Srivastava (2008) it is crucial for all organizations to develop a talent strategy that does deep into the organization and is able to integrate right key employees who are also able to perform in a changing business climate.

Cheese (2008) states, that in order for an organization to become talent powered and focused, business has to take certain actions in talent strategy:

1. Maintain visible leadership that is focused on talent
2. Build and overall talent strategy, aligned to the business strategy. Look at short and long term talent issues
3. Encourage diversity and understand how to attract and retain more diverse talent from diverse talent sources
4. Develop and reward line manager for nurturing talent
5. Modernize HR and training to better enable the key processes of talent discovery and development

2.4 Creating a hierarchy for talent management

When planning talent strategies, companies can adjust their talent management actions suitable for their own needs and business strategy. Vital in the process is to remember that every organization should always first define their own talent management and set the purpose of it before implementing the practices. (Hughes & Rog 2008.) Afterwards, talent management can be implemented as an investment in a long-term with practices such as talent identification, development, placement, coaching, mentoring and career planning. With these actions, the organization is able to create a stronger, closer relationship with the talents and develop certain firm-specific knowledge and skills. (Festing & Schäfer 2013.)

Lewis and Heckman (2010) have implemented a clear base model for talent management hierarchy (see Figure 3) which helps to understand the most common stages of talent management and strategy in a more concrete way. Most importantly, every organization should define their own talent practices to be used and make a strategy for talent management systems; how to mark employees competencies and where and how to define different talent pools and career paths. Here, important is to identify what performance and competencies the organization expects from employees and afterwards create suitable talent pools to support the process.

Figure 3. Talent management hierarchy (Lewis & Heckman 2010).

Talent Management Component	*Relevant Questions Moving Down Levels*
Strategy Sustainable Competitive Advantage	What market opportunities exist? Which organizational resources yield advantage?
Strategy Implications for Talent	Where will improvements in talent quality drive strategic gains? Where will improvements in talent fungibility drive strategic gains?
Talent Pool Strategy	How do we position various talent pools? • What kind of combination of performers (A vs. B vs. C) do we need? • What compensation policy should we adopt? (above/below/at market) • Which pools should be linked in career ladders?
Talent Management Systems	How do we implement talent pool strategies across the company? • Competency architectures • Enterprise-wide data systems
Talent Practices	Which practices efficiently meet our talent goals and can be captured by our systems? • Selection and recruiting • Performance management and compensation administration

In this process, organizations can evaluate which HR practices support their talent strategy the most and what HR systems support and are used in the talent evaluation. According to Dawn & Biswas (2013) the talent management system that acts as a drive to performance excellence, has to be integrated with the rest of the areas in an organization through effective talent management strategy. In the end, a systemic and simple HR architecture is the foundation of a successful talent strategy in any organization (Bhatnagar 2007). Clear organizational processes, culture and strategic direction will

lead to a better talent management, and real advancement happens when there are committed and highly motivated talents who have a strong sense of purpose about their work. (Jauhari & Seghal 2013).

In the longer run, all of these talent management processes must be also measured in order to show real results and gains of talent strategy. Organizations have to make sure that developing and defining talent also creates value to the business. (Cheese 2008.) Some of the succession indicators and measures are for example rate of retention of high-potential employees, rate of promotions of talents, scores on training evaluations and rate of implementation of solutions to business issues (Downs 2015). These will help to evaluate if talent strategy succeeds in recognizing right talents and their ability to perform among business strategy, yet most importantly if talent strategy helps in engaging the talented employees. Due to the importance of retention, talent strategy methods and their correlation to employee retention rates are being analyzed more in the next chapter.

3. TALENT MANAGEMENT'S ROLE IN EMPLOYEE ENGAGEMENT

As mentioned in the last chapter, attracting and retaining talented employees in organizations is one of the biggest challenges since there will be more competition of the right talents in the job market. Due to the talent crisis, nowadays it is essential to focus more on employee attraction and retention and the practices needed to increase the level of engagement among important employees (Ohlrich 2015). After reviewing talent management and talent strategy as concepts, it can be noticed that talent management strongly focuses on the aspect of better employee engagement and overall retention in a longer run. Retaining skilled employees is seen as one of the main aims of talent management in addition to talent recognition, and working towards strategic goals and higher performance among employees.

There is also evidence and previous research done which indicate how talent management practices are strongly reflecting to employee retention. Indeed, one of the most relevant methods to get people engaged is to invest in talent management practices. According to Festing & Schäfer (2014), with talent management the organization can most of all motivate the most talented people to stay in the current organization. In addition, Hughes & Rog (2008) have seen in their study that all stated talent strategies had a direct positive effect on talent motivation, whereas talent development and retention practices had the highest impact on employee commitment and contribution.

In order to understand how talent management and its methods correlate to better employee engagement among key employees and learn the real connection between these two concepts, in this chapter the aim is to first open employee engagement as a concept and secondly, address different talent strategy processes connected to employee retention. The chapter will present important divisions of talent management, yet also more practical methods that are considered vital when attracting and retaining employees. The recognized actions from the existing literature are seen as overall talent management methods and divisions in this research. These practices are seen to be executed to skilled and important employees within the organization.

3.1. Employee engagement

Motivation and actual talent retention are built around employee engagement, and therefore it is highly important topic in talent management strategy. In fact, the engagement impacts straightly to employee productivity and overall talent retention rates (Bhatnagar & Srivastava 2008), so these all aspects go hand in hand. Such as talent management, employee engagement is an often cited term which lacks one specific definition (Rog 2008). According to literature employee engagement can be described as the measure of emotional and behavioral energy and passion that the employees have for their organizations (Hughes & Rog 2008; Jauhari & Sehgal 2013; Shuck, Twyford, Reio & Shuck 2014).

Schaufeli, Salanova, Gonzalez-Roma & Bakker (2002) explain the concept more in detail with their well-known model. Passionate employee engagement builds on three important dimensions; vigor, dedication and absorption (see Figure 4). Vigor refers to the shown energy level and mental resilience within employees, which also effect on the level of effort while working. Energy is a vital aspect of engagement since it drives the employee. The second character, dedication, implicates the amount of enthusiasm, sense of significance, inspiration, pride and readiness for challenges that the employee may face at work. These characteristics implicate a strong involvement in the organization. The third and final dimension called absorption reflects to the concentration and deep work "flow" that employee experiences while working. Flow is described as a state of experience that includes clear mind, strong attention and concentration to the work. With absorption and the characteristics of it, time passes quickly while working since employee is strongly focusing on the tasks.

Figure 4. Engagement dimensions (based on Schaufeli et al. 2002).
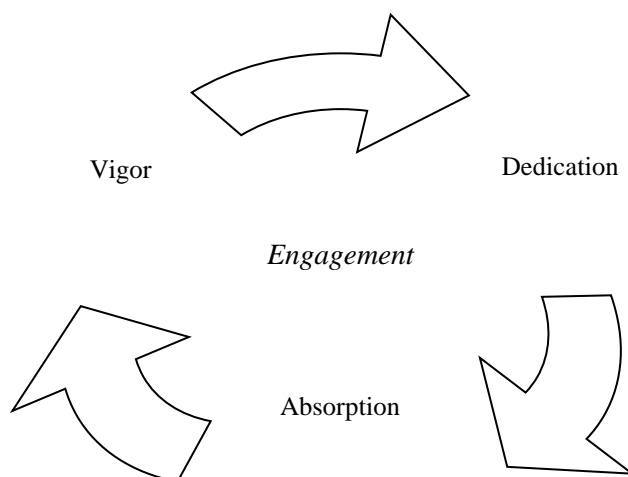
In practice these characteristics of energy, involvement and efficacy are seen as commitment and drive towards the organization. Engaged employees also believe in the organization's mission and understand how to achieve it with their own work effort. (Hughes & Rog 2008; Srivastava & Bhatnagar 2007; Aggarwal, Datta & Bhargava 2007.) Schaufeli et al. (2002) add, that engaged employees have a deep connection with their work and they believe in their own abilities to perform well in demanding tasks. Usually this level of high engagement is the result of social exchange between the employee and employer. Both parties expect to get something in return from their effort, and therefore benefit from their relationship. Social exchange theory explains that in addition to economic benefits, the relationship involves strong social elements which build the commitment in the relationship. (Aggarwal et al. 2007.)

Engagement involves also a deeper emotional bond and connection with the whole organization and engaged people give their best effort in accomplishing goals for the organization. This shows as a passion and connection with the organization, whereas disengaged employees may put only time yet no energy or passion towards their tasks. (Jauhari & Seghal 2013.) In order for the employee to have an emotional bond with the organization, a set of promissory expectations held by the employee should be fulfilled for example regarding the work role fit and the organization. Aggarwal et. al (2007) and Festing and Schäfer (2014) describe this as psychological contract (PC) among the employee and employer. In practice this indicates the expectations and obligations both the employee and employer have for their social relationship. Aggarwal et al. (2007) highlight that employee's engagement and fulfillment are built on psychological levels. There are three different layers of employee engagement:

1. **Psychological meaningfulness:** how meaningful it is for the employee to bring great effort to the performance (measured by job enrichment, work role fit)

2. **Psychological safety:** how safe is it for employee to bring the full effort to the organization (measured by supervisor relations, co-worker relations and norms)

3. **Psychological availability**: how available is the employee to perform (measured by resources, work role security and outside activities)

In the end, high engagement impacts to overall employee productivity and employee retention. Especially the emotional link between the employee and organization assists final retention (Jauhari & Sehgal 2013). Engaged employees often show higher performance, positive attitude towards work and organization, higher well-being levels as well

as proactive working style (Mäkikangas, Schaufeli, Tolvanen & Feldt 2013). Due to the positive attitude and effort, an engaged employee will most likely share positive thoughts about the organization, remain within the organization and show superior level of effort. These aspects together will eventually minimize turnover and have an influence on better service quality, productivity and profitability. (Hughes & Rog 2008.)

3.1.1 The relationship between talent management and employee engagement

As it can be noted, employee engagement shares many same attributes and aims than talent management, since both are related to employee productivity, high performance and retention. Jauhari & Seghal (2013) introduce in their research that actually the concepts are fairly close to each other; both employee engagement and talent management can be seen as management philosophies which tend to have similar strategic aspirations or intentions. They explain employee engagement as a management philosophy based on the idea of including the right people in the right places, at the right time. This is the main base for creating engagement among employees. As a comparison, talent development is then about ensuring that the right people and skills are used on the right vacancies at the right time. Both philosophies focus on strategic deployment of people within the organization, in order for the business to function most effectively yet maintain committed employees.

Figure 5. The comparison of employee engagement and talent development (based on Jauhari & Seghal 2013).
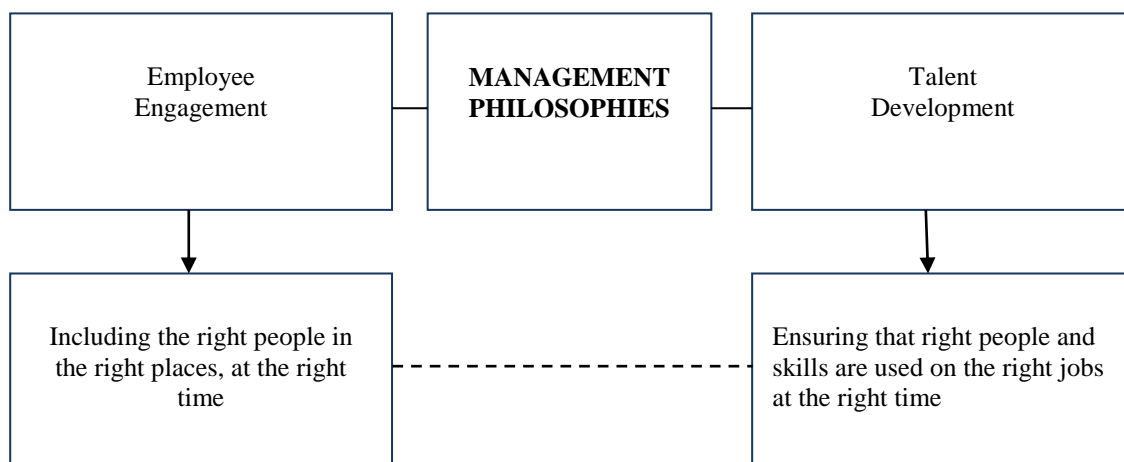
As the figure 5 demonstrates, engagement and talent management are linked to each other in a concept level. Moreover, talent management is perceived as integral part of employee engagement and part of executing it. This aspect is one of the main two strategic aims of talent management in addition to the objective of having talents successfully acquired and retained. (Hughes & Rog 2008.) Understanding employee engagement and its aspects is highly important when implementing HRM and especially talent management in organization, since organization's talent management strategy should always contribute to employee engagement among important employees. (Hughes & Rog 2008; Bhatnagar 2008.)

The connection of the concepts is shown in two ways. Most importantly, employee engagement is strongly present in the retention of talented employees. In talent management both employee engagement and psychological contract are recognized as processes for developing and retaining talented people, and this seems to be a common trend (Aggarwal et al. 2007; Jauhari & Sehgal 2013). In practice this indicates that it is effective to focus on engagement levels in order to practice talent management well. Bhatnagar (2008) suggests that with research it is possible to learn more about the different levels of engagement among talent-segments and whether or not the engagement levels are increasing over time.

The second main connection is built on the talent management's role to increase and maintain employee engagement levels. With better talent management strategy and improved practices it is possible to enhance and maintain engagement (Hughes & Rog 2008). Bhatnagar (2008) has researched the role of talent management in employee engagement levels and found out that when implemented well, practices that supported talent management also supported employee engagement. In a longer run, organizations that are able to engage their employees through an effective talent management strategy will build a competitive advantage with their talented people. (Hughes & Rog 2008.)

Human resource practices and actions in general have an important role in chancing the psychological contract status and engagement levels of employees, yet actions implemented by HR also influence strongly on work related outcomes (Aggarwal et al. 2007). Hughes & Rog (2008) state, that high-performance HRM-systems and many organizational outcomes such as organizational turnover and market value have a strong correlation. Moreover, many organizational outcomes which are directly related to *talent management* such as ease of recruitment, retention and employee turnover are associated closely with employee engagement (Hughes & Rog 2008.)

Taking these issues into consideration it is vital to recognize how talent management reflects to overall retention rates – if the employees are not managed well, attrition goes up. The cost of losing a talented employee can range from one to five times annual compensation, since it includes the lost business performance, customer satisfaction and cost of hiring and developing new employees. (Jauhari & Sehgal 2013.) With higher engagement the organization can prevent these situations. As an example, a study of Perrin (2003) shows that 66 percent of highly engaged employees plan to stay with their current employers as a comparison to only 12 percent of disengaged employees. In addition, engaged high potential employees are often more positive about their organization, more committed to develop the organization and they also express a stronger wish to stay in the organization. Overall, these employees often perform at a superior level of effort and decrease the employee turnover. (Khoreva & Zalk 2016.)

3.1.2 Managing engagement and talent retention strategically

Analyzing retention rates and understanding engagement drivers is highly business strategic, since talent engagement and retention are essential in order to achieve efficient business success yet also high quality practices for example in customer service and operational assignments (Dawn & Biswas 2013). As mentioned, engaged people who are in the right positions talent-wise also perform better. According to Hughes and Rog (2008) and Khoreva and Zalk (2016) increased levels of employee engagement associate in higher employee productivity and customer engagement levels, as well as revenue growth and higher profit margins.

In the end, organizations should manage retention consistently and understand what it takes to keep great employees, since business growth and talent retention are related, or even dependent to each other. (Dawn & Biswas 2013.) According to Dawn & Biswas 2013, the process of understanding engagement and long term talent retention includes three important factors:

1. Identify the cost of employee turnover
2. Understand why employees leave
3. Implement retention strategies

First, organizations must understand the cost of employee turnover and how much there is turnover overall. Employee turnover rates should be identified within certain timeframe, whereas the cost of employee turnover can be measured in the process as well. Besides the numbers it must be understood and discovered why employees tend to leave the organization. The real reasons for leaving might be found via hold exit-interviews with leaving employees or through employee surveys for current employees. After these factors it is possible to create retention strategies, which usually involve managing organizational culture and structure, recruitment strategy, pay and benefits philosophy and most of all employee development programs. All these will have an influence on better employee engagement and help to keep the best talents on-board.

3.2 Organizational strategies and methods in talent management

Improving employee retention rates thourgh talent management includes organizational strategies which are implemented thourgh certain talent management actions (Deery & Jago 2015). Therefore, the real connection between engagement levels and talent management is mainly shown through the talent strategy methods and different divisions that the concept has since talent management in the end aims to retain and engage important key employees, as well as develop them in a longer run. Organizations care for talent management since it helps in employee engagement, retention, aligning to strategic goals to identify future leadership, increased productivity, culture of excellence and much more (Jauhari & Seghal 2013).

As addressed in the previous chapter, talent management includes many different HRM actions and aspects which have a big influence on the behavior, attitudes and performances of employees (Festing & Schäfer 2013). Actions and practices build around recruitment, development, succession planning, whereas also performance management. Most importantly these practices are strategical yet also technology enabled and evidence-based HRM policies (Hughes & Rog 2008) that bring HR towards a strategic partner providing the organization straight information and useful figures when measuring talent management processes. In the core focus are methods that can help in attracting and engaging right people among the company and therefore help the organization to implement its business strategy most effectively.

In order to ensure good engagement levels within employees and develop talent management as well, primary phase is to understand how the level of engagement is built

and what drives the engagement. If the needs of employees are not understood, the cost-ly proposition might be unhappy employees leaving the organization. (Aggarwal et al. 2007.) Organization and especially HR can support the energy and passion levels with their actions, and develop talent management practices based on current engagement drivers. Important in the process is to remember that the most powerful talent manage-ment practices are firm specific and respond to an organization's unique business and human capital context (Bhatnagar 2008).

Overall, the employee engagement process has to include many vital processes in order to be successful. When thinking about talent management and employee engagement, it is important to recognize the differences in why people *enter* the organization and why people *remain* there (Ito, Brotheridge & McFarland 2013). These issues are vital when designing recruitment and retention strategies for the organization. Entering reasons are often influenced by employer attraction stage where the reputation and image of the company are important, whereas in retention stage there might be many deeper reasons and attributes. Based on these aspects, smart strategies are needed for both recruitment and retention of talent (Human Resource Management International Digest 2012). Tak-ing these aspects to consideration, in this research the attraction phase and retention phase are being used as frameworks for different talent strategy areas and methods in order to present the processes more consistently. Figure 6 represents the process of en-gagement through attraction and retention phases, which can be supported by talent management strategies.

Figure 6. Engagement through attraction and retention phases.
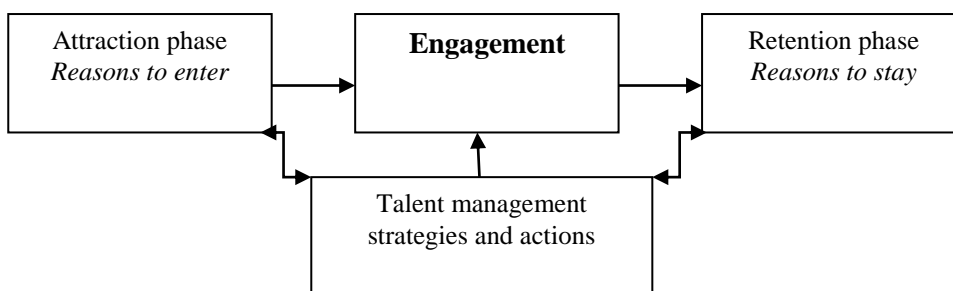
3.2.1 Focus areas and methods in talent attraction phase

Employer image and value-proposition strategies

One of the key and first aspects of talent management in attraction phase is the high focus on employer image. In today's business world this correlates on building a strong and clear employer brand, which employers can use to attract and retain right people to the organization (Ohlrich 2015, Bhatnagar & Srivastava 2008; Ito et al. 2013), both new employees as well as the the current ones. According to Bhatnagar (2007) employee engagement is driving employer brand equity. Employer brand interventions in recent research indicate talent management as a key driver for this strategy.

In the process of creating employer image the values of the company are especially important in order to attract the wanted talents. Employer brand identifies the company as an employer with value setting, yet at the same time it also indicates the policies and behaviors of the organization. Through values and most importantly sharing them via employer branding strategies, the current and potential employees are aware of existing value proposition and the benefits of committing to it as well. (Hughes & Rog 2008.) In addition, with employer branding actions organizations can show what they have to offer to employees in return of their commitment and performance (Ito et al. 2013).

Also Bhatnagar and Srivastava (2008) highlight the importance of values and organizational culture. Culture-fit between the employee and organization is important since it has a correlation to work behavior and higher engagement in the longer run. People become engaged with their work on the basis of how well their preferences and aspirations meet with those of the organization. Moreover, personal goals and values of the applicant should match to the organization, and this is seen as one of engagement drives among employees as well (Jauhari & Seghal 2013.) In terms of retention, organization must maintain its values and the environment that employees expect in the first place (Ohlrich 2013). This demands the organizations to know their own culture well in all talent management practices, especially in recruitment. In the actual recruitment process, suitability tests and personality tests for applicants are a tool for recognizing culture and value-fit (Bhatnagar & Srivastava 2008).

A strong employer brand with remarkable values is yet not enough when committing people. Hughes and Rog (2008) explain that the most important thing is that employees feel valued in the company and that they have opportunities available. Therefore, the

process of employer branding has to include the aspect of "what is in it for me"- thinking from employee's side also. Matters such as competitive pay, benefits, development, career opportunities and work-life balance have a vital role already in the employer branding phase and these have to be communicated to all employees. Bhatnagar & Srivastava (2008) highlight that employees have to be first given the needed knowledge, instructions and skills to do their job, and later on being recognized and rewarded.

Talent acquisition and talent pools

In addition to employer branding, there are many important factors and processes in talent acquisition that can help in talent attraction and engagement. The importance of integrating talent acquisition and talent management is something companies have often ignored, even though the talent acquisition processes have a big role in planning and placing resources efficiently. It is common that talent management practices are targeted to internally specified group of talents, yet nowadays also talent acquisition, both internal and external, should be integrated to other talent management practices. (Sahay 2014.)

With good talent acquisition and processes it is possible to have more deeper and sustainable value both for the company and its employees. Dawn & Biswas (2013) even state that in the war of talent, organizational success depends on effective talent acquisition policies. Competitive business environment creates many challenges for talent acquisition, since companies are nowadays looking for people with the same skills set and this causes competition of certain talented employees (Bhatnagar & Srivastava 2008). Also, even if there would be multiple applications coming in for companies, some positions remain as hard to fill positions and are not attracting the suitable candidates. (Ohlrich 2015.) These challenges demand strategic actions in order to attract and retain skilled people.

Talent acquisition is most of all ensuring that the right and very best talents are being recruited, also in a long run (Ingham 2006). Moreover, talent acquisition as a term has a deeper meaning than more frequently used *recruitment*, since recruitment reflects more on filling a position and hiring a person for a certain role, whereas talent acquisition focuses more on the future, the employee's potential to grow and strategic aspects (Dawn & Biswas 2013). Hereby it is easier to recognize the full potential and future career aspirations for the employee, which is also important from talent management aspect and

when engaging employees. Also Ingham (2006) highlights the importance of examining the career drivers of every applicant, so that recruitment focuses on the future. Recruitment and people executing it are responsible for matching the employee's expectations to the organization's, in order to increase engagement (Hughes & Rog 2008). Moreover, employer has to understand the preferences of future employees and in the longer run understand how these preferences change within the career path (Ito et al. 2013). Committing the future employee right from the beginning will help in overall engagement.

Regarding well executed and more value adding talent acquisition process, there are many practical talent acquisition methods to support better engagement. First of all, Bhatnagar and Srivastava (2008) highlight that nowadays all people in the job markets could be seen and treated as potential recruits and talents, almost as marketing function sees consumers as potential customers. Therefore, in the recruitment process word of mouth and networks are the most effective way of recruiting and attracting talented people. Employer branding creates the base for good employer image, yet future employees evaluate the values of the company carefully in the recruitment process with existing networks. One value adding talent acquisition method is also to receive referrals from the current employees, which requires networking as well (Bhatnagar & Srivastava 2008). Through social networking it is possible to find new clever ways to find great people from so called untested waters and widen the organizational network (HRM International Digest 2012).

Whether the talents come from inside the organization, via referrals or outside of the organization, having talent pools is also essential. The use of talent pools means that organization should first of all define the skillsets and competencies needed for the organization or specific position and secondly, gather potential current and future employees in to talent groups. In talent acquisition stage it is recommended to have a bigger talent pool rather than only having available applications coming in. With bigger talent pools the talent acquisition can be more efficient. (Bhatnagar & Srivastava 2008). Yet, it is also essential to expand traditional applicant pools and good employer branding actions help in that (Ito ym. 2013).

In today's competitive environment, there are many changes on how organizations source and hire talent. These new aspects have to be taken in to notice when attracting and engaging people. Sahay (2014) states, that new recruiting methodologies and strategies are developed and being used due to digitalization. Especially social media channels, mobile recruiting and semantic search are in common nowadays. Moreover, talent

acquisition involves more proactive search in external talent (Ingham 2006). In order to engage the talent from the beginning during recruitment process, organizations are focusing on new concepts such as candidate experience and candidate relationship management. (Sahay 2014.)

The main goal of these is to commit the talents better from the start, measure the candidate experience during talent acquisition and most importantly hear direct feedback from the future employees. Other processes are measured as well, such as time to fill for critical roles, brand equity, quality of hire (retention stage), new hire attrition and candidate pipelines. Quality of hire index is vital since it shows how many of the recruited people stayed in the company for at least one year and also delivered good results within the company. (Sahay 2014.) According to Kinley and Shlomo (2014) it is beneficial to follow the average competency ratings and performance scores of new hires one year after they have joined. These will help to analyze the engagement from performance perspective.

During this process organizations are able to spot competencies which are most predictive of initial success. Among those who have been in the company for more than three years, organizations can search even deeper factors for retention, and focus on employee strengths which create high potential and better performance. (Kinley & Shlomo 2004.) The strategic role of talent management and HR is especially seen in the talent acquisition process, since the organization is first planning the need for talents and then measuring the processes, competencies and employee quality carefully. (Sahay 2014.)

3.2.2 Focus areas and methods in talent retention phase

Competency mapping and talent identification

The recognition of key competencies within employees continues even more strongly after talent acquisition process since it helps to identify talented people among current employees. Competency mapping and talent recognition actions are therefore vital part of starting overall talent engagement process. Regarding engagement levels, Ohlrich (2015) has studied that in talent management processes, already the recognition of being named as a talent or high potential in the organization brings positive aspirations for the employee and increases performance yet also supports strategic priorities. Moreover, especially great performers want their talent to be recognized and nurtured within the

company they are working at. As already discussed in the previous chapter, in the talent recognition stage it might be useful to create different groups for employees; such as entry level talents, high potential talents and the most critical talents for business (Ohlrich 2015.) Being involved in these talent pools and receiving attention can have a positive impact to the performance and motivation of talent. The talented individual may recognize this as an investment in his or her career and feel valued in the organization. In the end, talents might be more fulfilled and satisfied in their daily work. (Festing & Schäfer 2014.)

If an organization uses talent identification, the process of talent recognition can be done either openly for employees or behind closed doors by group of managers. Downs (2015) states that if an employee is seen as highly skilled or talented one it is more in common to communicate it to the employee, than to keep the information among managers or HR. Hills (2009) supports this idea and highlights the importance of involving talented employees to the talent discussions from the beginning. This way the planning for next career step or path will be done together, listening also to employees own thoughts and desires regarding future opportunities.

For the sake of informing process, employees can feel important and critical for the organizations future success. In order to have these positive impacts, employees should know about their identification of talent (Festing & Schäfer 2014). In the end these benefits effect positively to employee engagement and overall retention as well. If the person is not informed and does not get exceptional feedback from manager, there is bigger chance of leaving the organization. Downs (2015) even suggests that talent pools should be shared to whole organization and make the processes even more transparent among all employees. Thus, this decision has to be made based on the organization's own culture and actions and what is considered as suitable and what might not.

Whether or not the talent process is shared, organizations should be a bit cautious with the exact term *talent* in competency mapping and, in case it is used internally to all employees. In this situation, even if the term tends to create positive aspirations among those employees recognized as talents it might label individuals too strictly to *talented* or *untalented* ones. This kind of division can be seen as unhelpful or even inappropriate, since talent may appear in different ways among different employees. Those people not recognized as talents may still be valuable assets. Instead of talent term, Ingham (2006) proposes using terms such as high potential and high performer since these might be

more convenient and would prevent the negativity of talent management processes. Moreover, preventing negativity also has a positive reflection to engagement.

Employee development

One of the core areas of employee engagement and retention is human resource development, since employee participation in overall HRD practices is being linked to higher levels of employee engagement (Shuck et al. 2014). From the human resource development areas, especially training and development have big impact on the engagement levels of employees (Hughes & Rog 2008). Due to this, development issues are also strongly present in talent management and its methods. Indeed, multiple studies suggest that after recognizing talented employees, the real focus of talent management should be on developing and rewarding people (Bergeron 2004; Hughes & Rog 2008; Ohlrich 2015, Downs 2015; HRM International Digest 2012).

There are multiple good reasons to execute employee development practices in the sake of better employee engagement. Ingham (2006) addresses, that real employer of choice will focus on developing their talented employees and bringing their full potential on board. The main aim of development processes is to provide talented employees continual opportunities to do challenging work and opportunities of having an influence on the organizations goals (Bergeron 2004). Challenging job assignments are important, since employees are more engaged in a working environment that offers them psychological meaning while working, with advanced job design and working conditions (Jauhari & Seghal 2013; Hills 2009). Moreover, with development practices companies can first recognize good experience and skills, and then grow people for greater succession (Hills 2009). Important here is that organizations should provide support for learning and development to high potential employees. (Khoreva & Zalk 2016.)

Most importantly career development opportunities deliver greater motivation, satisfaction and engagement among productive employees which all on the other hand reflect to the retention of key employees (Dawn & Biswas 2013). In addition, according to multiple studies (HRM International Digest 2012; Bhatnagar & Srivastava 2008; Hughes & Rog 2008; Deery & Jago 2015), development opportunities and trainings are addressed as one of the most important factors improving employee engagement and commitment among employees themselves, and these actions are therefore called *engagement driv-*

ers. Trainings empower the employees and therefore the overall work engagement increases (Deery & Jago 2015).

In addition to trainings, there are many suitable actions for development from which many previous studies bring out development programs, job rotation, development conversations, formal learnings and assignments, succession planning, coaching and mentoring (Hughes & Rog 2008; Ohlrich 2015; Downs 2015; Hills 2009; Shuck et al. 2014). The listed actions have been linked to positive organizational outcomes, such as job satisfaction and continuance commitment, and this motivates organizations to invest in learning and development opportunities even more (Shuck et al. 2014). In addition, it is also more cost effective to train and invest in current employees (Dawn & Biswas 2013). In talent management particularly, development programs and growth paths for employees are also considered as the biggest focus areas according to many studies (see Table 3).

Regarding the practices, open and honest career discussions are vital and they should be two way reviews; with clarifying both the needs and wishes of employees yet at the same time looking at the future career opportunities (Ingham 2006). In the case of finding future leaders, international management programs are also efficient (Bhatnagar & Srivastava 2008). According to Hills (2009) the best way would be to use these methods together as a mix, and especially include networking in every stage. Networking provides a chance for learning from others and it is efficient knowledge sharing method especially for future leaders. Often development programs especially are designed for high potential employees (Downs 2015), since talented employees should be assigned with high value roles or assignments for the future (Ingham 2006). Yet Dawn and Biswas (2013) remind that talent development opportunities should be implemented also to core contributors who might not be the highest performers or assigned with responsibility roles in the future. Offering development opportunities for everyone helps to maintain overall productivity.

In all development processes, talented employees should be informed about the upcoming actions and programs since employees tend to appreciate transparency and wish to have information about development opportunities. In addition to transparency, programs need to be designed well; with clarifying what is the aim of the program, its budget, tools and practices to be used and how the efficiency of the program will be measured. (Downs 2015.) Ohlrich (2015) highlights the measurements as well, since it

is important to follow especially retention rates of employees during and after executed development programs. This will help any organization to improve their processes.

The efficiency of the described development processes can be even stronger with *coaching or mentoring methods*, which both can be used in talent management. The core idea of coaching is to help people grow with finding and moreover improving their interpersonal traits. In this method the employee has a designated coach who supports and is present in the employee's growth process. Coaching usually focuses on one-on-one plan and process, where the employee will work on his specified areas and skillsets and eventually develop in these areas. (McDonald 2008; Hills 2009.) According to McDonald (2008) organizations should invest in coaching and find either coaches or mentors for talented employees. In the end, it tends to have important role in development and this way supports also engagement.

The coaches are often supervisors or other managers, since in learning and career aspirations supervisor is the one who is able to help the employees to understand their full potential and therefore create suitable developmental plans for future. As supervisory-employee relationship is strongly present in all employee engagement processes and HR practices regarding talent management, it is especially at the heart of learning and development environment. Close partnerships with manager is important in all development programs in order for them to be successful (Downs 2015). The relationship between manager and employee is indeed close in coaching and when the interaction between manager and team members is this positive, it also increases engagement levels. Through good cooperation, development opportunities found with coaching enable employees for growth and also impact on their performance positively. (Jauhari & Sehgal 2013.)

Whereas coaching has more of a short term approach and focuses on skill, trait and motivation development, mentoring takes more of long term approach. Mentoring is used mainly in helping other person to find a deeper new meaning in work and life, and this is usually done with the help of one mentor. (Jauhari & Seghal 2013.) This process can refer to finding the balance between work and leisure time and understanding the deeper meaning of aspirations and achievements of the person. Due to the different characteristics of mentoring, the method is not as much highlighted in talent management literature as well as coaching, even if it can be used in development practices.

Strategic talent development

One of the most common talent or employee development method used is *succession planning* and it helps to understand the importance of talent management more strategically (Dawn & Biswas 2013). Succession planning involves recognizing and developing the skills of talented employees, in order to ensure well-equipped pools of experienced talent for future internal recruitment purposes. It can be seen as a way of reassuring that there will be talent in the future and especially to important positions. (Hills 2009; Dawn & Biswas 2013.) With this method companies are investing in their own future when executing succession planning and overall internal talent development (McDonald 2008).

Moreover, organization can engage talented people better with succession planning, since these people are possibly going to fill crucial positions in the future. These employees can sense that their employer believes in them and wants to support their professional growth – this on the contrast has a positive effect on employee engagement. (McDonald 2008.) Succession planning can be done via building, which means promoting people from within or through buying; searching new talents externally. Common practice is to promote people from within, since this way organizations can provide more opportunities for employees to grow and develop. (Hills 2009.) This will eventually motivate and engage the talents and prevents them to look other opportunities from outside the organization. (Hills 2009; McDonald 2008.)

> *"It has been studied that organizations with high quality leadership programs and formal succession planning management programs have superior business results"* (Dawn & Biswas 2013).

Dawn and Biswas (2013) highlight the importance of succession planning especially in finding and developing future leaders within the organization. It is beneficial to identify and plan development for future leaders yet also for key specialists, and this tends to be one of the key areas of talent management. Succession planning involves integrated and organized actions for identifying, developing and retaining employees aligned with business strategy. The recognition stage of potential employees includes evaluation of the position requirements and comparing these to employee skillset.

If the talents are recognized as future leaders, these employees should be coached for the future role in early stage, providing them new responsibilities step by step and at the

same time developing their capabilities (McDonald 2008; Khoreva & Zalk 2016). In the end, these people are placed in to the most critical roles when they are ready. Leadership development activities that extend the capacity of those employees to assume leadership roles in the future shape the employee perceptions, attitudes and behaviors. These high potential employees expect their skills to be developed, and therefore development has an important role in engagement processes. (Khoreva & Zalk 2016.)

On the other hand, it is also important to notice that succession planning does not only imply to the filling of specified positions. Hills (2009) has studied succession planning as an practice more and states, that in addition for finding future stars, succession planning is moreover a smart talent management strategy adding talent retention throughout the organization. Instead of looking at the certain future positions, requirements and who could fill them, organizations should look at their people more closely to check their skills, aspirations and then create new roles for them. These roles can develop based on the skillset and especially own interests of employees. Due to this the engagement surely goes up, whereas at the same time the new roles create new strategic assets also.

Performance management

In the learning and development process one important aspect of talent management and employee engagement process is performance management and rewarding. According to Bhatnagar (2008) a robust performance management system is the base of talent management, since it aims to evaluate performance both through the aspect of organizational high and low performance rates yet also own goals of employees and from development aspect. Moreover, performance management helps to identify potential employees and top performers, which is of course beneficial in talent management. Afterwards the aim in organizations is to invent ways how to remain these people and talent management helps to reveal these hidden values. (Hughes & Rog 2008.)

Performance management with its processes is one of the important areas of improving employee engagement. Employees are more engaged when clear expectations are being presented to them and moreover when they get rewarded for meeting the expectations. (Bhatnagar 2007). In order for the performance management system to work successfully, there are different processes supporting it. First of all, in all performance management processes it must be communicated to employees that performance appraisals are

created to be constructive and that they are used one of the support tools of engagement. (Shuck et al. 2011.) When implementing performance reviews in practice, it is first vital to understand the job role and assignments in a specific position and set fair performance standards and targets for employees. After this the performance can be evaluated and followed through fair and accurate methods and criteria created based on the job role. The evaluation process should always include fair feedback sessions with the recipient and discussion about fair development opportunities supporting the performance as well. (Hughes & Rog 2008; Aggarwal et al 2007.) In the end, effective performance reviews can be considered as one the powerful retention strategies (Hughes & Rog 2008).

Regarding the fair performance standards and reviews, there are few important aspects to notice. In performance standards, accountability with employee engagement can be developed by performance appraisals to systematic data-metric systems that include equally weighted measures of business performance and organizational culture performance. This way the performance appraisals are fair and clear to all employees. (Shuck et al 2011.) In addition, the used performance reviews should not be executed only annually with listing the challenges of the employee, yet conversations should rather take in place regularly and include discussion about challenges yet opportunities among performance reviews since these send a supportive message to the employee and influence on engagement positively. (Shuck et al. 2011.) Nilsson & Ellström (2012) use the term performance interview instead of performance review, since interview describes the more open performance discussions better. Moreover successful employee performance has shifted from technical vocational competence towards more behavioral competence including personality traits and soft competence. Therefore the performance management process is nowadays also more complex since it is not only focusing on technical competences which can be measured by more formal criteria. Organizations have to take the individual attributes and career aspirations more in to notice. (Nilsson & Ellström 2012.)

Psychological contract and engagement in performance

Performance is part of the outcomes of psychological contract, which was discussed earlier in this research as a concept of employee engagement (Festing & Schäfer 2012). Managing performance with performance appraisals, compensation and benefits can encourage the formation of a psychological contract and make it stronger (Aggarwal et

al. 2007). When performance feedback is given, it signals whether or not the employee is contributing to the employment relationship. In the connection between individual and company performance, employees should understand the company's objectives and current levels of performance and how to assist to the organizational goals. If these are understood well, it drives the engagement of employees and commits them to perform better towards common goals. (Hughes & Rog 2008.)

Appraisals discussions are also good opportunities to discuss whether the employee is satisfied with his role and tools in daily work. Already in the contract making process it is vital to process performance related issues since the employee and employer start to build their psychological contracts towards each other. Performance management focuses on roles and responsibilities, and they provide conditions for employee engagement when these roles are psychologically appealing to the employee (Aggarwal et al. 2007). In the connection between individual and company performance, employees should understand the company's objectives and current levels of performance and how to assist to the organizational goals. If these are understood well, it drives the engagement of employees and commits them to perform better towards common goals. (Hughes & Rog 2008.)

After reviewing important talent attraction and retention methods that improve overall employee engagement, Table 3 in the following page supports the overall discussion with categorizing the most effective talent management actions and focus areas, found from talent management literature.

Table 3. Summary of important talent attraction and retention methods.

Hughes & Rog (2008)	Attraction
	    • Reputation of the organization as a good employer
	Retention
	    • Learning and development
	    • Internal communication
	    • Cultural enhancements
	    • Mentoring and coaching
	    • Communication among co-workers
	    • Employees treated with respect and rewarded

Bergeron (2004)	Attraction & Retention
	    • Focus on employee wants and needs – what value does the organization bring to the employee
	Retention
	    • Internal communication
	    • Performance measures
	    • Newsletters and surveys in development
	    • Recognize people, reward them for results
	    • Continual opportunities for challenging work
	    • Having an influence

Ohlrich (2015)	Attraction
	    • Values in attraction stage – match the employee to companies values – communicate values
	    • Understand the target audiences that company is recruiting
	    • Open communication about the career development, flexibility and environment
	Retention
	    • Work-life balance
	    • Personalized processes – understanding employees and their needs
	    • Talent management more personalized, listen to the employees
	    • Development conversations and plans
	    • Create measurements
	    • Create a retention philosophy – high potential talent, critical, entry-level etc.

Downs (2015)	Retention
	    • Employee development programs
	    • Development programs for high potentials
	    • Mentoring, coaching, assessments, formal learning, experiential learning, cases, assignments, job rotations, special events

Klun (2008)	Retention • Time off for employees • Rewarding with flexibility • Company can reward employees with flexibility and employees reward them with hard work and loyalty
Dawn & Biswas (2013)	Attraction • Organizational culture and structure • Recruitment strategy Retention • Pay and benefits philosophy • Employee support programs • Career development systems, career plans • Effective relationship with managers
Deery & Jago (2015)	Attraction • Appropriate education and job fit • Recruitment strategies Retention • Rewards, career management and development • Quality of trainings • Work engagement • Appropriate education and job fit • Work-life balance policies
Bhatnagar (2008)	Retention • Exciting work and challenge • Career growth and learning • Relationships • Fair pay • Supportive management

Summary of the chapter

From the discussion of this chapter it can be observed, that according to literature talent management has an important role in improving employee engagement and moreover, employee engagement is connected to talent management concept. First of all, talent management aims strategically to retain key employees through better engagement. Secondly, talent management can support and increase engagement mainly through the discussed talent management methods and actions. The attraction and retention strategies are focusing the most on the areas of well executed recruitment process, communicating and matching the company values to employees, employee development opportunities and performance management actions.

To aggregate the discussion of employee engagement and talent management, it is beneficial to examine a model for describing employee engagement and its relation to human resource development and other antecedents (Figure 7).

Figure 7. Theoretical model of the outcomes of employee engagement (Rana et al. 2014).
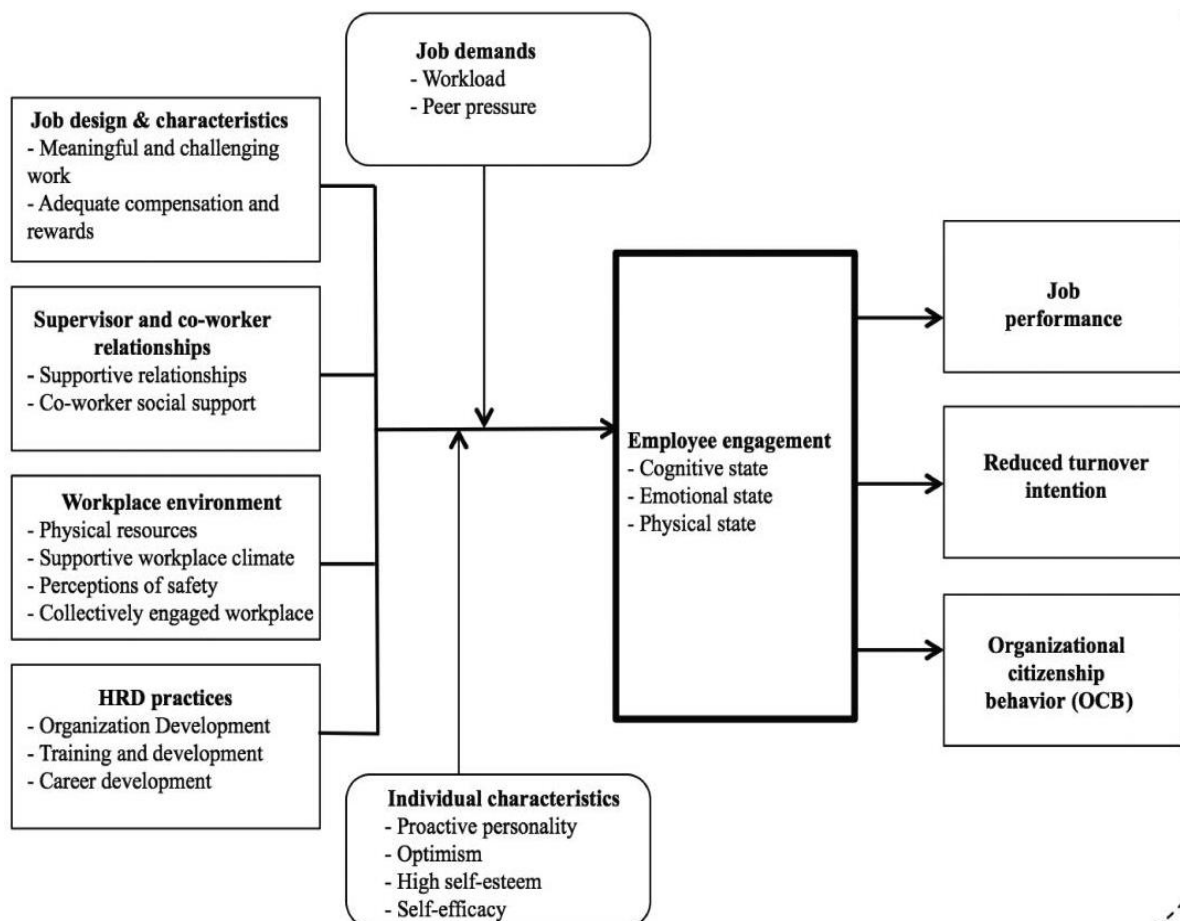
This theoretical model illustrates the connections of the main issues between talent management and employee engagement and therefore creates a clear and bigger picture on how engagement is being improved through human resource management. As it can be noticed, many of the antecedents are included in the discussion of talent management methods earlier in this chapter. The focus is on how different human resource management areas positively effect on employee engagement and finally to job performance, reduced turnover intention and organizational citizenship behavior. Thus, it is vital to acknowledge that employee engagement may be a product of many factors, yet these variables can be used to support it efficiently. (Rana et al. 2014.)

4. RESEARCH METHODOLOGY

With this research the aim is to clarify the importance and strategic role of talent management and its processes, and moreover focus on its influence on employee engagement. This research will gather empirical data about these themes and interview multiple participant companies. In order to understand the research implementation better, in this chapter the methodological aspects of the empirical research of this study are being represented and discussed more specifically. The discussion will first include the presentation of the research approaches, research methods and data collection, which all influence on the implementation of the research process. After these, the process of the research and the research subjects are presented.

4.1 Research approach and philosophy

When executing research it is essential to select certain research approaches since these have impact on the data collection and data analyze. This study approaches the research with qualitative method, focusing on the interpretation and understanding of the research phenomena when empirical data is being collected (Eriksson & Kovalainen 2008: 5). In general, qualitative research focuses on analyzing non-numerical data, such as interviews or even pictures and video clips (Saunders, Lewis & Thornhill 2009: 151). Qualitative method is often used when the aim is to research certain phenomena and have a holistic understanding of the issues studied (Eriksson & Kovalainen 2008: 3-5).

Through open interpretation and understanding, qualitative method approaches the research by understanding reality as socially constructed, produced and interpreted through cultural meanings. These characteristics are present in this research since talent management and its connection to employee engagement is being studied as a phenomena, aiming to gather new knowledge about how the concepts are shown in real-life business contexts. (Eriksson & Kovalainen 2008: 3-5.) In order to explain the research phenomena better, this study uses interviews as a method to gather the empirical data. Moreover, the interviews will provide valuable examples from different organizations and business contexts.

After choosing qualitative or quantitative research, there are three main research approaches to be used when defining how the empirical data is being approached – either with inductive, deductive or abductive approach. In brief, inductive style refers to an

approach where theories are created through perceptions received empirically. As contrast, in deductive approach the theory is being tested with deducing hypothesis and afterwards testing the hypothesis. (Saunders et al. 2009: 124 -126; Eriksson & Kovalainen 2008: 22-23.) Thus, in this study the most suitable data approach is the combination of these two styles; abductive. Abductive method refers to an approach where both the theoretical information and collected empirical data are taken in to notice when final theories are being developed through intuition (Gahmberg 2016). In this research the literature review builds main frameworks for the empirical data collection, thus no final hypothesis are made based from literature. The interviews provide data through open interpretation as well and help to understand the phenomena. In the end, abductive approach will help to gather the data findings and finally make conclusions based on theory and empirical data.

4.2 Data collection and research strategy

The empirical data was collected through executed interviews in different organizations, which all share knowledge and practices among the research area, talent management. Qualitative interviews are common and popular data collection method in business research when it is necessary to gather different opinions and viewpoints on the research phenomena (Saunders et al. 2009: 324). Through interviews the researcher can focus on particular issues that are related to the topic and use questions as frameworks to the most important themes (Eriksson & Kovalainen 2008: 78). In addition, interview is an efficient method to gather answers to open-ended questions which this study and research phenomena area includes. (Saunders et al. 2009: 324). Due to these aspects, interview was a natural choice in this study. Yet, it is also important to acknowledge that interviews are not easy to analyze despite their popularity in business research (Eriksson & Kovalainen 2008: 78-79) and therefore this research process has also evaluated the overall advantages and time effort to be used for the interviews.

In this research the interviews were conducted in five different organizations and in total there were two interviews held in the first company and four conducted in other companies. The organizations are represented later on in this chapter as companies A-E. All of the six interviewed participants are specialists in HR and talent management in their organizations and have wide knowledge of the research area. The interviews were conducted either face-to-face or via phone with the respondents, which are the most common types of holding personal qualitative interviews (Saunders et al. 2009: 321;

Eriksson & Kovalainen 2008: 78). The length of each interview was approximately one hour and fifteen minutes.

All of the interviews followed a semi-structured model which is often referred as *qualitative research interview*. By using the semi-structured model, the structure of the interview and all the interview themes were delivered to the interviewees prior to the interviews in order for the respondents to prepare for the interview themes well in advance. In the actual interviews, semi-structured method indicates that every interview follows a same structure regarding the questions, which helps in data gathering whereas makes the research process easier to analyze as well. However, using semi-structured interviews also enables having some room for open reactions from interviewees and additional questions if they arise. (Saunders et al. 2009: 320-321; Eriksson & Kovalainen 2008: 82.) In addition, all of the interviews in the process were recorded and transcribed in order to maintain structure and quality in the process. The transcriptions included all the words from interviews with also marking the pauses in the speech (Eriksson & Kovalainen 2008: 85).

4.2.1 Data analyze

There are multiple possible approaches in research projects to be chosen when the data is analyzed. In qualitative analyze the three main processes are summarizing, categorization and structuring the empirical data, which can be used either together or separately (Saunders et al. 2009: 490). In this study the aim was to analyze research data mainly with categorization, using qualitative research method content analyze as a framework. Content analyze aims to analyze the interviews one at the time, finding the most interesting and important themes and concepts and finally comparing and connecting these together as results. In order to achieve the final outcomes, the data is being categorized and grouped in areas which aim to create the most important focus themes from the data. (Gahmberg 2016; Saunders et al. 2009: 503-505.) In this research the categories were collected under bigger themes and the most highlighted issues were gathered together in separate tables. In order to gather all the needed information, the research process in this study has also included writing plentiful notes during the interviews and once analyzing them.

In this research the theoretical framework from literature supports strongly the gathered empirical data. The data analyze process has taken theoretical models into notice and the empirical data is being compared in the light of the literature. First of all, the inter-

view structure and questions were created based on the literature review and main themes found from there. The themes included first talent management in more general way; such as its purpose, strategic role and processes. After these the interviews focused on the connection between talent management and employee engagement; by discussing about engagement, its role in talent management and how to increase engagement in talent attraction and retention phases. The mentioned themes from literature review were present in the data collection phase and worked as a framework for the data collection.

However, the empirical data has a big role in explaining the research phenomena better through more detailed categories, and to fill the research gaps that literature left unfilled. In the end the research focuses on linking the theoretical framework from talent management strategies and empirical data gathered from participant companies. Once data is being collected and analyzed, the final data has been researched based on certain important focus areas and observations. Moreover, this is a common practice in content analyze (Tuomi & Sarajärvi 2009: 91-92). As mentioned, theoretical framework highlights the theories of talent management and employee engagement and these are present when presenting research conclusions. Hence, since the area of this research has not been studied widely previously, the empirical data received through interviews is in a primary role when the final results are being analyzed.

4.2.2 Research process

The overall research process started properly in September 2016 with a discussion with thesis instructor. During September there was also preparation and deeper familiarization with the scientific articles and research of the topic. The theoretical part of the research was completed in December 2016. After this the research companies were contacted and interviews were held during December 2016 – January 2017.

After the interviews, results were analyzed with using the described research methods and comparing the data to literature. The research findings were finalized in January – March 2017, and the thesis was finished in the end of March 2017. As a conclusion, the following figure gathers the main phases of the empirical research process one section at a time.

Figure 8. Summary of the empirical research process.
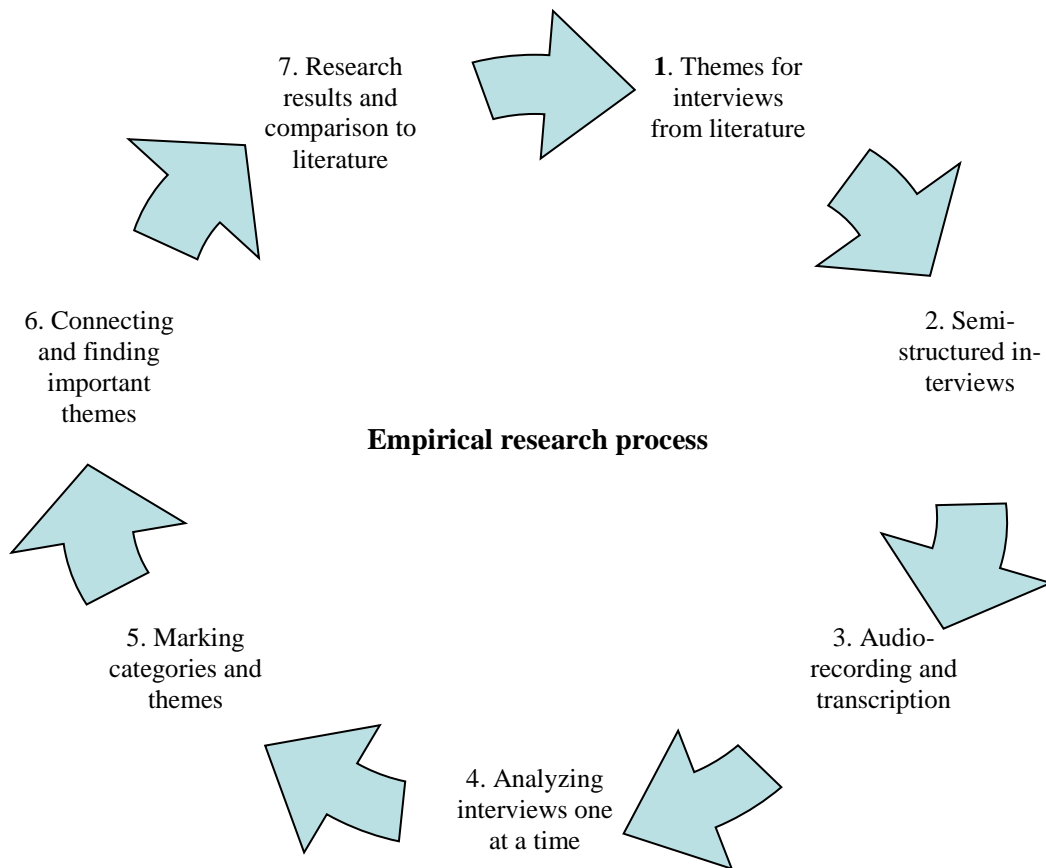
4.3. Introduction of the research participants

In this section the aim is to introduce the research organizations which have participated in the data collection through conducted research interviews. The introduction will include basic information about the organizations, background information about the interviewed participants yet also a brief description on how the respondents see the current state of talent management concept and its stability in the organizations. The study refers to the interviewed participants as informants later on this chapter.

The aim in this study is to represent the participants as anonymous, which as well limits what information can be revealed in the study. Due to this, the industries are not revealed since this information might easily expose the organizations. However, the personnel amounts and internationality aspect of the companies are included in the intro-

duction. This information is also relevant for the study, since it describes the size of the company and their human resources departments.

4.3.1 Company A

The company A operates internationally in many different countries and the total employee amount is over 200 yet under 500. In total, two people from the company were interviewed in this study and the informants work as HR Specialist and HR Manager. The interviewees have both worked at the company for multiple years. In this organization talent management is practiced, however the strategies are not well defined yet and the organization aims to develop these and moreover engage the key employees better within the company. This company differs slightly from the other research participants by the extent of current talent management strategies. Due to the smaller size of the company, there is no processed talent management strategy in place yet, nor specified responsible person regarding talent management field. By participating to this research, the company A is able to become more acquainted with clear talent management strategy thinking and how to best advantage from it, especially regarding better engagement.

For now, talent management as a term is not being used or established internally within the company yet talent management is still being practiced through many wider HR practices such as trainings, leadership development and succession planning. The company refers to these as ability/knowledge management. These actions are managed together by supervisors, HR Manager and separate training function. The company also has clear thoughts about the purpose of talent management and employee engagement and what is should highlight the most. At this point, the aim in company A is to develop talent strategies, especially regarding communication about career opportunities, the focus on employee development, future potentials and moreover to build stronger engagement levels. Talent management practices would need more structure and the company has recognized the need for improving certain processes, most importantly due to the possible growth in the future.

4.3.2 Company B

The company B operates internationally and employs 5000 people only in Finland and in total approximately 135 000 employees worldwide. The interviewed person has worked with talent management for six years in the company, and is responsible for the

organization's whole talent management field in multiple countries. Talent management as a concept and term has been used within the company for seven years and is settled both to HR and overall organizational practices. In addition, the company has deep talent management strategies in place which they follow internationally through same guidelines and structure. Moreover, the purpose and meaning of talent management and engagement are well defined and understood in organizational level. The person responsible of talent management implements talent management strategies closely with managers and top management. Since the current processes have been already strongly implemented to the corporation, company B aims now and in the future to expand their talent management strategy further – especially to external and internal recruitments.

4.3.3 Company C

The company C operates internationally in many countries and employs 4200 people worldwide, from which 2300 people work in the Finnish market. The interviewee works as HR Development Specialist and has been creating the talent management processes within the company. Talent management concept is settled as a term in the HR department, yet in organizational level the company often refers to it as capability/ability management. In total, the company has had talent management strategies in place at least for eight years – however, there has been talent management mindset present also before this period. This company highlights that the processes have been renewed and structured approximately five years ago, when HR developed the tools and systems yet also created clear strategies and practices to talent management. Before this, talent management was mainly implemented by top management with more simple tools. Nowadays talent management is strongly present in the company's strategic mindset, and both the structures and content of talent management processes are quite clearly defined. From development aspect, the company has some adjustments in talent management for the future. They aim to focus more on global aspect of talent management, especially by increasing the mobility of internal employees and career opportunities internationally. By doing this the company wants to highlight the importance of internationality in today's business world.

4.3.4 Company D

The company D has operations internationally and personnel amount in total is 26 000 from which 3000 people work in Finland. The interviewed person works in leadership development and coaching role, which includes also talent management issues. In the company D there is no separate responsible person for talent management tasks, hence talent management is present in every managers' and management team members' work. HR provides guidelines, structures and processes for talent management yet the actual strategic thinking is part of the work of supervisors. As a term, talent management is quite settled in organizational level yet it can be used on different basis. The company aims at implementing modern talent management and new thinking regarding the field, and therefore they are all the time developing their strategies and way of doing. The main purpose of talent management and its influence on engagement are understood well in the company, following also certain development processes - however, different managers and HR can see the emphasis of talent management differently. In addition, there are constant changes in the company's talent management structures and way of thinking, due to the development of their business field.

4.3.5 Company E

The company E employs over 10 000 people and operates internationally in 50 different countries. The interviewed person is responsible of talent management processes globally, focusing especially on leadership development and employee engagement. Talent management has been present in the company at least for 5 years, and it has settled well as a concept to the organization. The company E also uses the exact term throughout the organization in different markets, in order to be consistent. They have a clear base and structure for both the purpose of talent management and practical methods in the processes. In addition, they give big value for engagement issues in the processes. The company has created different stages for talent management in order to maintain practices and benefit from them. Moreover, talent management is strongly present in the strategy of human resource department, and mainly practiced among management team, HR and managers in the company. HR's role above all is to provide structures and processes for talent management and making sure that managers are able to carry out their responsibilities well. For now, the company is also focusing more on the future workforce and aiming to ensure that their talent management practices develop. They highlight that the know-how and capabilities constantly change in the industry's labour market and this has to be taken into notice also among talent management.

Informants from companies A-E

The next table presents the interviewees from different organizations as informants 1-6 and provides vital information about their titles and key responsibility areas. From company A, two informants were interviewed since talent management as a responsibility area is shared among these informants. In other participant companies the informants shared either full or main responsibility of talent management area.

Table 4. Informants from the research companies.

Company	Informants	Title	Key responsibility areas
A	Informant 1	HR Manager	Leadership development, talent management, performance management
A	Informant 2	HR Specialist	HR administration, employee development
B	Informant 3	Talent Manager	Talent management
C	Informant 4	HRD Specialist	Talent management, employee development
D	Informant 5	Leadership Coach	Leadership development, coaching, talent management
E	Informant 6	Director, Talent Management	Talent management, engagement, leadership development

In the following chapter of the research findings, the study refers to companies A-E if the findings are based on overall organizational issues or company processes. On the other hand, when the findings are based on interviewees own point of views, quotes and aspirations about the research phenomena, the study refers to informants 1-6.

5. RESEARCH FINDINGS

In this chapter the aim is to represent talent management and engagement themes and their implementation among the research organizations. The findings are represented through the main categories and themes which were emphasized in empirical material. The highlighted themes include the aim and strategic role of talent management, the relevant processes and most importantly talent management's contribution to employee engagement through certain focus areas especially in recruitment and internal employee development (see Figure 9). The empirical results are being reflected to the literature review when gathering the final findings and conclusions. Together, the examples and themes emphasized in the organizations and literature will help to build theories about the research phenomena.

Figure 9. Framework for the research findings.
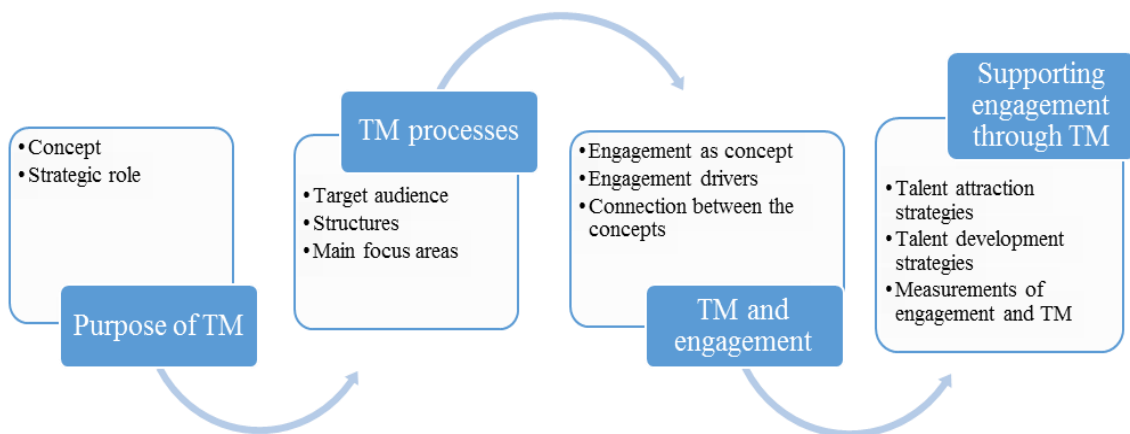
5.1 The aim of talent management

The theoretical part of this research highlighted that talent management and its actions can differ in organizations; however the strategic aim is often similar. Talent management focuses on attracting, developing and keeping the most valuable employees.

Based on the empirical data, the main aim and strategic aspirations of talent management are quite similar among all the research organizations. Informants 1, 2 and 3 from companies A and B used the same frame about talent management, stating that in their organizations it is based on the idea of *having and placing right people in the right*

places at the right time. On wider aspect, for companies B, C and D talent management aims at attracting, evaluating, developing and engaging employees. The company E wants to make sure they attract the right people with right capabilities for their business needs. In a longer run the aim is then to make sure the right people stay in the company, through developing them. Indeed, the empirical data put the biggest emphasis on development and engagement of current employees when talking about talent management (highlighted in companies A, B, C, D and E).

"Talent management is that right people join the organization and retain here, and develop themselves. It is about understanding employees and getting away from that hierarchic world that I would give you a certain assignment and then tell how to do it. It is about trusting people and letting them use their own strengths." Informant 5, Company D

"Talent strategy is all about aiming determinedly to engage employees, to get and strengthen retention here. We believe that with strong talent management processes and actions, and by finding the right places where people are able to utilize their talent, so these strengthen the engagement and retention. And also that you can constantly develop your own skills" Informant 3, Company B

"Talent management is ensuring that we have knowledge and skills in the future. Then there is also the engagement as one aspect. That we can keep the people in the company. Informant 4, Company C

"Talent management is a lot about that we want to make sure we are an attractive employer to those that are important target groups for us, and that we keep them in the company and develop them." Informant F, Company E

5.2 Strategic role of talent management

In addition to previous standpoints, talent management has strong strategic role in the organizations. Literature brought up that talent management should be linked to overall business strategy, since talented employees are competitive advantage for organizations. Talented people should be seen as the company's most valuable asset, since businesses are made of people. Talent management should include strategic employee planning, where the organization recognizes and prepares the workforce to execute business strategy most efficiently, focusing on the vision of the future. Competencies and skills needed in the organization should be defined as well.

The interviewed organizations together shared similar focus areas regarding the strategic role of talent management. Among the empirical data, in company A, B, C, D and E talent management is indeed part of overall business strategy and development plans. Informant 4 from company C points out that the strategic role is growing all the time in their organization. In company E talent management has a big role in ensuring and enabling that the organization is able to execute their business strategy.

One important aspect found from empirical material is that the employees and their skills have to been seen as strategic asset in order for the companies to succeed. The organization B aims to fill their business goals through right talent and company E highlights that through right people they can reach the strategic goals in the future. Also informants 4 and 5 from companies C and D highlight that their organizations have to understand how important the employees are and how important certain skills are for the company. Informant 4 from company C recognizes that if these are not understood, it is hard to succeed.

In practice, strategic role is mostly shown though plans regarding future. The empirical data emphasized that one of the most important aims of talent management is ensuring the right talents and skills for future. Planning is vital in this process. In company B and C it is important to define the needed skills and ensure that the organization has the needed know-how in place. There has to be also time allocation for learning and developing the skills of current employees. According to informant 6, company E also supports the importance of people plans which are based on the business strategy, planning the most important key positions both annually and in a longer run. These include all employee functions and leadership issues as well.

> *"Talent management is about recognizing the competencies and talent needed for the business to succeed now and in the future."* Informant 3, Company B

> *"It is recognizing the competencies needed among our people for the future and in order for the business to succeed in the upcoming years."* Informant 5, Company D

> *"Part of this is making sure that with the right people we are able to do what we aim to do in the future, ensuring that we can execute the strategy."* Informant 6, Company E

Many of the companies refer to the term resource planning in strategic talent management. Company B implements resource planning sessions where HR and management discuss about the most important key roles, talent planning and succession planning. Talent management issues are then present in overall strategy discussions among top management. In company C strategic conversations are held among management and HR, where they plan future resources which define recruitment needs. Also in company D the management team, especially the CEO, participates in talent management and together they aim to define the needed skills for the future. In the company E talent management is discussed in top management and HR is included in strategic discussions and in the end business strategy is linked to people issues. Talent management is one of the priorities among business strategy and the aim is to make a people plan and execute it into practice precisely through defined targets. The execution is done by HR and line organization. In comparison, in company A the strategic thinking of talent management and future is shown in leadership succession planning and ensuring that they have high potential leaders for the future. These discussions are held among top management and HR manager. The empirical data shows that the research companies highly value talent management in their strategy, on top management level.

5.3 Talent management processes and structure

The literature review presented that talent management is often practiced to specified talent groups, yet it can be also implemented for all employees. This choice defines how talent management is practiced among organizations. In addition, the literature showed there can be multiple different processes among talent management from talent acquisition and talent recognition to deployment and development. In the end organizations can create own hierarchies for it, yet important is to have clear definition and aim of talent management before practicing it further.

The empirical data highlighted the importance of talent management for all employees. The companies A, B, C, D and E all highlight that talent management actions are being practiced to whole staff and all employees should be developed. However, certain talent categories and groups are also in common. Company A highlights the focus on leaders, specialists and key roles, company B the focus on high potentials, company C specialists and company D has sometimes groups for leaders, but otherwise their company does not use defined talent groups. Company E has talent groups for the following highest leaders but otherwise talent management is practiced to all employees.

According to the empirical data, some research companies have developed their talent management structure really far whereas some do not have such clear strategies. As already presented in previous chapter, company A is doing a lot of things in the field of talent programs, talent mapping and succession planning – however, there is no clear structure for talent management. In companies B, C and E talent management includes systematic processes globally. Company D also has settled practices in talent management; however there is no defined strategy for them.

Even if the organizations differ, they share many similar structures for talent management. From the research companies, company E divides talent management in to talent acquisition, talent engagement and talent development areas. Talent acquisition includes employer branding and resourcing issues yet also on-boarding trainings. Engagement measures the talent engagement, whereas development area includes skill development and leadership development within the company. The companies B, C and D go even more in to detail in their talent management structures and together they share mutual processes. These companies recognize that in talent management talent or potential should be recognized, then possibly categorized and afterwards developed.

In company B potential is being recognized mainly by the managers, among their own teams. In addition, they have people reviews in all business units annually which define performance, potential and development of all employees. Company C as well defines potential and evaluates employees through talent grid tool, which helps to categorize the performance and potential of employees. In addition, they have different talent profiles and categories in the process as well. According to informant 5, company D wants to see the potential in every employee and managers have big role in the recognition process. They also have people reviews and employee grids for every employee, which help to define performance and potential either to solid, strong or outstanding categories. They highlight that the rating is not based clearly on numbers or performance, since it pays attention to the attitude and working style of employees as well. In company D the potential can be also evaluated through the risk of losing the person and his business impact. As it can be seen, many of the research companies use the frame *potential* in addition to talent term, since all the employees are being reviewed and not only talents.

> *"The managers have really big role in talent management and defining the potential. We want to wake up the potential and the beast in every employee since it brings us lot more than just having for example a top ten of best talents." Informant 5, Company D*

The manager recognizes the potential of his subordinates during development discussions and at the same time goes through the performance from last period and target setting for next period. They also together plan the future and possible career steps… For us the development and talent management processes are for all employees and all levels in the organization. All employees are recognized as potential and development aspect is present in the whole organization even though the special focus is on high potential levels." Informant 3, Company B

"We have a talent grid for employees where we evaluate the potential and performance of the person. We have opened up the term potential in the grid and it includes concepts like ability, aspirations and engagement, and under these for example that the person shows drive, social maturity and enjoys challenges." Informant 3, Company C

Empirical data showed that there are also some processes for specified talents, and in companies B and C the focus on certain talent management practices is especially to high potentials or specialists. The company C emphasizes overall talent pool thinking and its importance in their organization. To different talents they use talent pools, which are based on the skills and knowledge especially needed in the future. In company B talent pools are used as well, yet mainly for leaders or key roles. They also categorize key competencies for different roles, including for example know how, goal levels and self-evaluation. Company D does not have structured talent pools in use, but they do focus on categorizing the most important skills and responsibilities in different job roles. They are also planning to have more specific skill groups, based on employees own interests and skills. Informant 5 from company D states that it is important to think what interests the employees and what are their own aspirations and then find suitable projects or more work for them in these areas. In companies A and E talent pool thinking and competency mapping is shown mainly in succession planning, which aims at defining leadership potential and followers for certain key leadership roles. In this process they use talent recognition and categories, which are defined by business HR and top management.

After the categorizing, some of the research companies also implement talent programs for specified groups of people. Company A has had few talent programs for young potentials and also high performers. Company B has talent programs more regularly, focusing on leaders and other key talents. When implementing these programs or talent pools the companies have to take many things in to consideration.

Communication of talent processes

One aspect that emerged from the literature was the communication of talent recognition and talent programs to the employees. Literature suggested that the term talent should be used carefully when communicating about talent management and empirical data supports this. However, talent programs and their content should be communicated to the participants.

Company A communicates really carefully about the recognition as talent, however when talent programs are implemented they inform the participants, since the employees have to be committed to the program as well. Company B does not communicate the categories of high potentials to employees, however the manager communicates in more general level to the employees if they have potential to certain position or career step. Thus, the communication has to be delicate and careful since the company does not want to lift people in to different categories publicly. They want to treat everyone equally and not highlight the term talent within the organization. Companies D and E are even more careful – they use talent groups only in leadership succession planning, and these processes are not communicated to the employees at all. Informants 5 and 6 do not feel comfortable of promising positions to listed employees since situations might change internally. In addition, informant 6 from company E states that the communication could add inequality, since the other employees are as well really important to the company, even though they are not on the specific leadership list.

Processes for development

From the talent management processes, employee development was emphasized the most among empirical data and it is considered as an important aim of talent management. In employee development area the companies A, B, C, D and E all have multiple similar processes for talent management. All highlight performance evaluation conversations, development conversations and development plans for all employees. These are held at least once a year in every company. The other mutual finding was that development actions are carried mainly by the managers, whereas HR provides the processes and tools to support the development actions.

"Manager develops his people and HR supports this." Informant 3, Company B

"The discussions between manager and employee are essential in talent management and manager has big role in this. HR does not supervise all the actions and the development discussions. We coach and make sure that the managers have the needed knowledge." Informant 4, Company C

According to informant 3 from company B, development ensures their talent for the future and it includes multiple actions. The main focus is on performance evaluations and development plans, and in addition the employees have evaluation tools (360) to be used for career development. The processes also include job rotation and offering new responsibilities for the employees. Company C concentrates on development discussions and offering enough new challenges to employees. Informant 4 adds that they also want to make sure they have the right tools for performance reviews, evaluations and talent reviews in order to have efficient development. Company D wants to find the potential in every employee through individual goal setting and evaluation. In practice they let the employees define their own goals that would develop the employee individually. After this they execute performance evaluations which also include development planning for the future. They highlight the individualistic approach in development, since they aim to wake up the potential in every employee, as mentioned earlier. In company E development of all employees is also in the center of talent management. They aim to have development discussions more than once a year, in order to find suitable development path for the individual and developing the right skills needed.

5.4 Engagement and talent management

Literature stated that talent management strategy should always contribute to employee engagement, since engagement is important in order for the employees to succeed and bring value to the company. In practice, talent management strategy can support better engagement among employees with different actions. As a concept engagement was defined in the literature as energy, passion and motivation towards own work yet also towards the organizational goals and achieving these. In this section the aim is to represent more deeply, how engagement issues are seen in the research companies and how talent management contributes to engagement levels through real strategies and actions.

As previous discussion has shown, engagement of the employees is considered as one of most important areas and aims of talent management in the research organizations. The informants from companies A, B, C and E all mentioned engagement in talent management strategy and as one of the main reasons why they have talent management pro-

cesses. Moreover, in company B talent management is being used in order to engage people determinately. Also company D recognizes the link of engaged people and talent management, since it is stated in their business strategy to have inspired, engaged and motivated people in the organization.

> *"Talent management is ensuring engagement and motivation." Informant 3, Company B*

> *"It is in our strategy to have inspired employees and leaders. People have to be talented and motivated." Informant 5, Company D*

> *"We aim at matching employees' passion and giving enough challenges and supporting growth and their motivation." Informant 5, Company D*

Among the research organizations, engagement as a concept refers most of all to motivation. There are some variations about the concept and what it includes, yet motivation and own interest towards own work was highlighted among the empirical data. Some research companies have defined engagement in their talent management more deeply than others, yet all think it is important to understand what engagement requires. According to informant 2, in company A engagement is seen most of all as commitment towards the organization. Informant 3 from company B highlights that an engaged person is able to use own competencies and skills in right place, with mandate and influence on own work. In company C engagement is understood as own interest towards success and work and readiness to take the company forward. These people want to be successful in their work and plan a career within the organization. Engaged employee is also committed to the employer and sees the employer positively. Informant 5 from company D refers to engagement as overall motivation, yet they have not defined it more deeply in organizational level.

> *"Engagement is that people have good well-being and they are capable and want to give their best effort to the organization and in the end also make results. It includes the organizations and individuals well-being and the aspect of accomplishing things." Informant 6, Company E*

> *"Engagement is that you do something even when you know that no one will ever know what you did then. That was maybe badly described, but anyways." Informant 5, Company D*

"Engagement is own interest towards success and work and taking the company forward. It is also willingness to learn and develop." Informant 4, Company C

Informant 6 mentions that in company E the HR department has an understanding of engagement and the components that create engagement, yet on organizational level they have not defined the term that deeply. According to HR, engagement is both well-being of the employee and desire to give the best effort to the organization. This way the person wants to achieve and bring results to the company as well. Engagement is seen as essential and beneficial both for the employee and for the organization. The informant 5 from company D thinks that their employees have to find their own strengths and excitement towards own work, in order to be engaged to the company. In this process they want to help individuals to find their motivation and potential, and through this every employee is seen as talent.

"It has been studied that talent is nine times as valuable as so called normal employee - the difference is huge when person finds himself and gets excited." Informant 5, Company D

One aspect that arose strongly from the empirical data was that engagement starts with the individual himself. The informant 4 from company C states that employees have own responsibility of their own career, commitment and effort in their work. Actual engagement starts with own genuine interest towards the work. In companies A and B engagement requires effort from the individuals as well, especially if the employees are recognized as talents or categorized to certain talent programs. In addition, in company E the individuals have big responsibility and influence on their own engagement and happiness since engagement requires actions from the individual as well as from HR and managers.

HR function's role in engagement

When discussing about engagement and how to improve it, many of the research companies brought up the overall role of the HR function and its influence on improving engagement. In company A the managers and HR work together towards better engagement – HR is especially aiming to focus on better and wider internal communication and getting people committed to the company in this way. Line managers on the other hand have superior role in their daily work with employees. In company B the HR

function provides processes that support business in personnel issues and most of all trainings to support the managers. Once HR has qualified processes and tools and it operates with right values, it has an overall effect to better employee engagement. Managers are also coached to work their best in their teams and implementing talent management as well.

Informant 4 from company C evaluates that HR does have a lot of influence to engagement yet it is not able to improve the engagement alone. They highlight the importance of line organization when practicing talent management. Apart from the other research companies, in company D the HR department does not have that big of an influence on improving engagement; the informant 5 at least feels that the biggest improvement of engagement happens in the line organization. In their company talent management, as well as other HR themes, are implemented to line functions and management. However, human resource department provides qualified processes that support the engagement and is present in decision making processes mainly through their HR Business Partners. The informant 6 from company E had similar thoughts about HR's role than company D. Their HR has a big role in providing good tools, processes and expertise to teams and especially managers, yet engagement issues cannot be outsourced to HR. The most valuable efforts for engagement take place in daily work, through great teamwork and better leadership. The responsibility for better employee engagement is on the employees and managers, yet HR can do a lot of things to support this.

> *"HR does not have a huge role in improving engagement… I mean, yes HR runs all the processes and that everything works and is on place and that the systems work etc. So these of course influence on the engagement. But the old way of thinking that these would be HR's tasks, is not true in our company. We have brought these closer to the daily line work." Informant 5, Company D*

From these aspects it can be noticed that the influence of HR function varies and depends on the company, yet the responsibility of engagement issues is shared among HR, managers and the individual employee.

Talent management's contribution to employee engagement

Whether or not the role of HR function itself is seen strong in engagement, all of the informants from research companies highlighted the link between talent management processes and engagement. According to informants 1, 2, 3, 5 and 6 in companies A, B,

D and E talent management has big influence on overall employee engagement. In company C engagement is always part of talent management yet it is not seen as one of the key priorities or aims of talent management.

> *"Talent management has really big influence on engagement. Engagement and the growth of people are key things for example in personal development discussions. As mentioned it is part of our talent strategy to keep the employees and grow them." Informant 2, Company A*

> *"I feel that talent management at least in our organization, and I believe that also in other organizations, has really big influence. Our whole talent management philosophy bases on engagement - for example if they feel that they have development opportunities and possibility to influence and so on." Informant 3, Company B*

> *"With us, engagement has been always part of talent management from the beginning. All of our development actions are connected to engagement levels. But the emphasis and importance of engagement issues differ in different markets. For example in some market we have really long employments and people do not leave the company easily so in that way engagement is not the first priority why we do talent management. It is part of if but maybe not highlighted. " Informant 4, Company C*

> *"Talent management has a big influence on engagement." Informant 5, Company D*

> *"Engagement is part of talent management strategy. It shows already in the planning phase and is part of the views what is considered as important. Engagement is one of the key areas for us." Informant 6, Company E*

From these quotes it can be noticed that the participant informants highlighted the importance of talent management. Thus, many of the interviewees questioned that engagement should not be set as a goal for talent management. According to informants 3 and 6 from companies B and E, the organization is not able to engage people systematically or automatically for example with talent management. The individual is also responsible for his own commitment. With talent management they are able to strengthen and support the engagement, which in a longer run helps to make things better.

> *"I think that talent management aims at engagement, yes. But if you pursue engagement you know as determinately, as a goal it is a bit wrong." Informant 5, Company D*

"Engagement is part of talent strategy, but engagement is the end product of these processes, in a way we cannot engage anyone, but we can do these things which aim to influence on better engagement." Informant 3, Company B

"Engagement should not be pursued as a goal, but with actions we can support it. It is not like we would think that ok, how could we get people to engage or commit to this. That is not the aim or question. We want to think one step further – if we organize some personnel event, which would help the people to find themselves and get inspiration and this would then possibly increase engagement." Informant 5, Company D

"Engagement cannot be outsourced to anyone, as if someone would engage me to something. But we can support the engagement. We have the ability to make things better, by understanding the current state, measuring engagement, creating a plan and creating processes. The actual commitment and engagement happens then in the teams and individually. The manager has also a big role in this." Informant 6, Company E

As a conclusion, engagement is more seen as the end product of talent management actions. All informants from companies A, B, C, D and E felt that in a way every talent management action is or should be related to better engagement. In companies A and B this means that all of their practices aim to strengthen engagement. Company C emphasized their development actions; the informant 4 feels that all of these actions are connected to better engagement levels. As it can be seen from the previous quote, the informant 6 from company E emphasized their processes and tools which support better engagement. They want to understand the engagement levels among the organization and then focus on qualified processes and good leadership.

Main themes influencing on engagement

The literature represented that before any organization can support the engagement through better talent management actions, they should understand employee engagement and what drives it. It is vital to research engagement levels and moreover to focus on the different needs of employees.

Empirical data put emphasis on multiple themes that are seen as the most vital engagement drivers in general. These drivers effect to engagement yet they also help to define the focus areas in talent management and where to concentrate in the real actions. The main themes are found in the Table 5.

Table 5. The main engagement drivers according to empirical data.

Company A	- Reaching achievements and fulfilling aspirations - Delivering good results - Learning and development - Great leadership
Company B	- Opportunity to develop - Opportunity to use own skills - Having influence on own work - Succeeding in own work
Company C	- Feeling of empowerment - Having influence on own work - Focus on development and growth - Responding to future needs
Company D	- Getting awareness of own skills - Development and growth - Having a meaning for your own work - Defining the path for employee through talent management and goal setting - Getting support from the development side - Autonomy to do the work and decrease hierarchy
Company E	- Individual well-being - Desire to give the best effort - Reaching achievements and results

The biggest areas on engagement are having an influence and mandate on own work area, opportunity to develop and growth within the organization and most importantly to have a meaning for your own work and deliver results to the organization.

The research participants mentioned these engagement drivers as part of the link between talent management and employee engagement. Moreover, the engagement values strengthen the link between talent management and engagement since the engagement drivers help to define better talent management actions.

5.5 Supporting engagement through talent management strategies

Theoretical framework of this research stated that talent management is linked to better engagement mainly through talent management strategies and actions in HRM. According to literature practices that support talent management also support better engagement. The literature review showed that talent attraction phase includes for example recruitment and employer branding and these steps express why people should enter the organization, whereas actions for internal employees in retention phase, such as training and development programs, show why employees should stay in the organization.

As mentioned earlier, the empirical data discussed about talent management practices which all should have a positive influence to better engagement. The research companies (especially C, D and E) expressed already in the talent management strategy discussion that they aim to attract yet retain talents within the organization. In order to support the engagement they have different practices in talent management both for talent attraction and retention.

5.5.1 Strategies externally – attraction phase

The empirical data highlighted that attracting the right kind of people is essential, in order to get them interested and committed to the organization. In company A the aim is to put effort to recruitment processes and maintain good candidate experience with good communication. All of the informants (from companies A, B, C, D and E) felt that in recruitment it is vital to fill expectations and maintain qualified recruitment processes. In companies C and D meeting expectations refers to telling the truth about the actual work assignments and not giving any wrong promises. This is seen as a vital process in building engagement. In addition, the informant 3 from company B states that managers are provided with good recruitment tools to ensure the quality in the recruitment process.

> *"We handle the recruitment process well. In the applying period this means that the job advertisement is done with good quality, that every contact you have with us is good quality and that the interview period runs smoothly and we communicate about every step. The person should know exactly when the decisions are being made. We want to create first rate experiences and be open and honest in communication – for example, we are not telling the person that "hey come change the world", when in real life the person would be having really simple tasks." Informant 5, Company D*

> *"The recruitment process is executed professionally. Those people who are in involved in the recruitment work professionally and we want to support the managers in this. We always communicate well with the candidates and within*

the time frame. We tell about the company, recruitment timeframe and the posi-tion." Informant 6, Company E

"We want to make sure that we hold on to what we promise already in the inter-view stage – so that there will not be any disappointments. We cannot speak about things that are not actually present in the work. Of course there can be surprising situations but we have to deal with these well in advance." Informant 4, Company C

Other issues that were highlighted in empirical data were target groups used in recruit-ment, career path thinking, employer branding strategy and executing practical employ-er branding methods. The informant 6 from company E sums up that they want to define target groups among employee market and focus their recruitment and employer brand-ing efforts to these specific people. Targeting is present also in company C where they use especially social media for recruitment marketing and communication purposes. The aim is to recognize the right people for the organization and get these people com-mitted. Informant 3 from company B says it is vital to recognize the future talents well in advance, among students from right study programs.

Part of the engagement process in attraction stage is also recognizing the applicant's potential for future career, and not purely recruiting a suitable person for the certain po-sition. In company A their aim is to recruit people for careers and therefore they evalu-ate the future aspirations of the applicants. In companies B, C and E this is also present since they tend to find future prospects in recruitments and evaluate where the person would possibly go next, after the first position. Thus, the informant 4 from company C points out that of course every employee is evaluated based on their performance and effort after the recruitment, before appointing them to future roles. As mentioned, in company E recruitment focuses on the longer run as well, yet this aspect is even more present when recruiting people for specialist roles.

Regarding career path thinking, companies A, B, D and E put also emphasis on culture-fit when recruiting people. By this informants 1, 2, 3, 5 and 6 mean that it is vital to evaluate how well the person would adjust to the organizational culture in longer run, and does the person share same values than the organization. Ensuring the culture-fit is this way part of better engagement.

"That is actually one of the main ongoing discussions – whether to hire knowledge and ability for the position, or talent. Knowledge or skills can be re-ally good on paper but nowadays more important is how the person does the work and with what values – is the person ready to work with our values and

culture. Because if you are not willing to work with our values, you are not possibly hired either. That is really important." Informant 5, Company D

"We think about the potential and how the person would adjust to our organizational culture and what value could he bring to us as well." Informant 6, Company E

Strategy for employer branding

In addition to recruitment, employer branding strategy is part of talent management and engaging employees as well. Companies B, D and E all have clear employer branding strategy in place, which aims to attract right talents for the company and build a strong employer profile. According to informant 3 from company B, their global employer branding strategy is used systematically in recruitment, university cooperation and media. They want to cherish fair culture and show this also externally. In company C strategy is present in different structures and actions done in employer branding. They aim to focus on close relationship between external parties such as media and universities. Strategically, they also put effort on how they are seen externally and how to execute good brand communication. Company D has responsible person for employer branding strategy and they follow strategic actions and practices from branding aspect. They focus especially on their visibility as responsible employer and cooperation with universities. For company E employer branding strategy builds on internal and external views about the organization, and these elements are utilized both in recruitment processes and when communicating about employer image. According to informant 6 they have a clear understanding and aspiration about their employer branding.

In practice the employer branding includes university cooperation, trainee-programs, career fairs and media cooperation (companies A, B, C, D and E). In companies B and D the participation to responsible employer campaigns and research projects is essential and they aim to succeed in these. In addition, the empirical data put emphasis on high quality recruitment tools, such as modern recruitment portals, systems and new creative ways of holding interviews (companies D and E). According to the informant 4 from company D, the recruitment process should be as easy and clear to the applicants in order to maintain their interest and commitment.

With or without clear employer branding strategy, the most important aspect of employer branding according to empirical data is word-of-mouth feedback and positive communication from current employees. This has an immediate effect on engagement. All of the research participants (informants 1-6) emphasized this.

"Communication is the most important influencer. The thing that attracts the talents is if our employees give positive feedback about us – that affects the most on how the company is seen externally as employer." Informant 3, Company B

"Communication has to be in good condition. I mean, bad things always come out in public. If there would be bad leadership for example in our company, someone would communicate about this. So when employees internally are being treated well and everyone gets good leadership – the employee then knows someone and tells about these facts to someone." Informant 4, Company D

"Part of overall engagement is that employee has positive attitude towards employer and maintains positive communication to others in wherever. This is important." Informant 4, Company C

5.5.2 Strategies internally – retention phase

According to research participants, the most crucial engagement and commitment towards the organization happens internally, after the external recruitment phase. In companies B, C, D and E the more specified talent management strategies are concentrating on employee retention internally for current employees, even if both attraction and retention are seen as part of talent management and influencing on engagement. Informant 4 from company C mentions that the key employees should be engaged in order to keep them in the organization.

Internal opportunities and career planning

Recruitment was highlighted in the talent attraction phase, yet it is also strongly present internally among the organizations A-E. Maintaining internal recruitment is essential due to engagement, since the organizations want to have career paths and new development opportunities available for everyone inside the company (emphasized in companies A-E). Engagement starts with open communication about the different opportunities.

In company A vacancies are open internally to all employees and these are communicated openly. According to informant 1, the company wants to improve their communication methods even more so that employees can easily spot the different opportunities the company has to offer. This in the end effects to better commitment and engagement. Informant 2 mentions that they aim to have clear career paths in career planning stages, since this helps the employees to see their own role clearly both now and in the future. In company B all of the open vacancies are open internally as well, and everyone despite the current location of work can apply to the positions. Career planning is essen-

tial, and all employees have career planning tools that they can use whenever they like as self-study or together with manager. In addition to discussions with manager, they can visualize own career with filling out different evaluations, plans or self-knowledge questionnaires. Informant 3 mentions that in the end the most important thing is to deploy people with right skills to right positions.

Company C has open positions available in the organization and all employees can apply to them. Informant 4 highlights that often employees make initiatives and bring their own interest towards different positions already in development discussions. In company D open communication about internal opportunities is important as well. Everyone can apply to different positions and managers are encouraging their team members to apply if good opportunities arise. Informant 5 emphasizes that the company does not have defined career paths within the organization since more important is to expand responsibility areas when person wants to develop and go further in his career. In company E employees have internal career profiles where they can impress both own interests and skills to the organization. In addition, all vacancies are open for everyone. In internal recruitment they value employees own interests the most, not the experience.

"A culture that focuses on career development will help to motivate the employees. We should concentrate to this even more." Informant 2, Company A

"Career steps should be really visible and clear to everyone." Informant 3, Company B

"We have own internal portal where employees can apply to any positions they want. All of the positions are communicated and posted with same layout and we make sure that the process is done with good quality. Basically anyone can apply to every position. Also we want to encourage people to apply, we want to have right people in right places." Informant 5, Company D

"We have positions open internally. Employees have their own profiles which they can share with certain extent. They can tell about own interests – we feel that skills alone are a bit subjective. The experience or skills are not the most important things, own interests are." Informant 6, Company E

Constant development

In order for the employees to engage, they must have constant development present in the organizations. Development was highlighted the most among important influencers to employee engagement in the research organizations. Informants 1 and 2 from compa-

ny A mention that committing people to the organization requires having growth opportunities and trainings. With different development tools they want to show how much they wish the employees to commit. For company B important is to give individuals opportunities to develop and new challenges – either through career steps or adding more responsibilities to current role. Managers have big role to develop their own people and HR supports the processes. Informant 4 explains that in company C employees are given the opportunity to grow, learn and influence. Personal development is essential and they value broad training opportunities.

For company D development means clear development paths for employees and these help to define where the employee is going and what kind of support is needed to reach future goals. Informant 5 states that in order to support engagement, employees have to have four things in balance: excitement, needed skills and passion towards own work, and most of all enough challenges. They want to support these by providing new opportunities. In company E development opportunities are provided to employees based on shared interests between the employee and employer. Informant 6 highlights development paths, new opportunities and challenges as the most crucial focus in talent management.

> *"For us important is to provide both challenging work assignments yet supporting working atmosphere. This is not the most common combination always in organizations. Our employees have the ability to develop and grow. This combination supports better engagement." Informant 6, Company E*

> *Our aim is to create opportunities for future, even if there is not a specific suitable role or managerial responsibility just now available. We think about the future." Informant 2, Company A*

Individualistic approach in development

Especially companies B, C, D and E emphasized that development should be always planned and executed individually to employees. In company B the needs of individuals are discussed personally between employees and managers, focusing on individual performance, goals, development and career planning. All development actions should be done based on individualistic needs and interests. In addition, every employee has big role in in development process since they have to be motivated and put effort to own development as well. According to informant 4 from company C, development actions are planned and agreed individually with employees and manager has a big role in supporting them. For company D individual aspect means matching employees own inter-

est, passion and talent to great opportunities and challenges. In longer run these will effect to engagement. According to informant 5 the aim is to understand what gets the individual most excited and motivated.

Company E highlights personal development and motivation. They want to find the individual interests and match them to organizational goals. In development they wish to achieve a common goal between the employee and employer, so that both parties benefit from the situation. In the end, they aim to plan individually what kind of support is needed in the development processes. According to informant 6, individuals are also more and more responsible for their own development since there are no longer as clear career steps or roles as there was in the past. World and the industry changes so quickly, which leads to different needed competencies and more variable roles in the work field.

In addition, sometimes talent management actions have to be modified to different employees, since not everyone is ready for constant development all the time. Both informants from companies B and C highlight that some people need to be given time and space to do their current work, since they do not necessarily require constant development or career steps.

> *"We also give space to those people that want to focus on doing some tasks perfectly and do not need different kind of career steps or new challenges all the time. People are different." Informant 3, Company B*

In practice, development actions require open communication and discussions between employees and managers. As mentioned earlier in this study, the most important talent management actions in the research organizations include employee development processes. Companies A, B, C, D and E all emphasized the importance of open performance and development conversations. Informant 1 from company A highlights personal motivation and development discussions, where the focus is on engagement, growing and the future opportunities. According to informant 2, managers have big responsibility in developing their people and employees have multiple different forums for development talks with their managers. Company B maintains development conversations twice a year, where the focus is on performance, goal setting, development yet also career planning. According to informant 3 they also have multiple own forums for development conversations with managers, yet the company also wants to hold two mandatory development conversations every year.

In company C development conversations are fully under managers' responsibility and HR does not supervise these. Good and open communication about performance, feedback and future is highly valued. Company D obtains one-to-ones between employees and managers at least once a month, where they can discuss development issues. In addition, informant 5 mentions performance reviews and plans for development. For company E development discussions are core tool used in development – thourgh these they build mutual understanding between employee and employer about development directions. Informant 6 highlights that they have mandatory conversations, yet they aim to be more flexible and development forums can be used when needed.

Performance development

In companies A, B, D and E goal setting and performance discussions have big role in development in addition to career discussions. Through clear target setting, employees can link their own goals to organizational goals and this is an important influencer to engagement (highlighted in companies A, B, D and E). Informant 5 sums up well that talent management ensures successful goal setting and qualified development plans.

Company A holds performance conversations, where the focus is especially on the evaluation and performance. Employees get to evaluate their own performance also, and see what kind of development is still needed. Performance evaluations and discussions give the employees a direction for the future, based on own and organizational goals. Informant from company B feels that in their company clear goal setting and open communication about targets have a big role in engagement. Moreover, all employees have to be supported and guided along the way. In company D employees define their targets themselves, and these are discussed with the managers. Targets are set really to support the employees individually. They also put high input on the quality of work (how things have been done), instead of focusing only to numerical results (what has been done). Informant 5 highlights that numerical targets are set because of the company's success, and development plans are made due to individual growth.

Informant from company E says it is essential for the employees to understand how they are as individuals and how their work is linked to the organization in a bigger picture. Clear goal settings and performance reviews are essential in this process. In company E, compensation for good performance is seen a part of talent management and engagement as well, even though the core focus is on development aspect.

"Through manager-employee conversations employees can see their own goals more clearly, how to reach them and moreover own development areas in addition to own succession areas. Due to these conversations it is easier to improve own skills and development for future." Informant 2, Company A

"We go the goals and purpose of employees' work through together and then they realize their own strengths and where there is still room for development. The person gets a certain direction though performance evaluation and goals. Through development aspect the person gets to then think what support will be needed to reach the direction." Informant 5, Company D

"Engagement starts when employees know what is expected from them, they get feedback, and in the end are rewarded for their performance." Informant 3, Company B

"Talent management philosophy bases on leading the employee resources and competencies well, setting goals and then also that with good leadership we can ensure that employees know their own goals and get support and guidance all the way. They can also think about different career options and get support to this from own manager and HR. And also opportunity to get new challenges in right point of career." Informant 3, Company B

Trainings and talent programs

In the end development is often supported and ensured with trainings. In all of the companies A, B, C, D and E training opportunities are seen as big part of ensuring engagement and development. Informants 1 and 2 from company A mentioned advanced trainings for new employees and both internal and external trainings for all employees. Everyone can share their wishes for different trainings in weekly one-to-ones with managers. They are also launching new kind of training center inside the company. Company B has multiple mandatory trainings for all staff to ensure certain firm-based knowledge, yet they also highlight additional trainings. Both informant 4 from company C and informant 6 from company E highlight the importance of good trainings in an early stage when new employees start. In addition to trainings, company D wants to focus on high-level personnel events that hopefully make their employees more motivated.

Empirical data shows that there are some talent management strategies and actions that are executed in order to get the key talents more engaged. As previous discussion has shown, all of the companies A-E highlight talent management and development for all employees, yet some may have talent review processes and programs for the most key people within the organization. Company A supports engagement thourgh talent programs for high potential employees, and also to future leaders with succession planning.

Informant 1 explains that usually the employees have really positive feelings about the programs and they are more committed to the organization through given common goal. Company B has talent management and development for all, yet they put extra focus on specialists and high potentials and make sure their development is ensured. Certain talent programs are usually for recognized future leaders where the aim is to coach and grow people to future roles.

Informant 4 from company C feels that talent reviews are good way to spot potential employees and their future opportunities. They ensure people in key roles have enough challenges and influence on their own work and possibly leadership opportunities in the future. Specified talent programs are mainly for future leaders in succession planning process, where these people are also professionally mentored. Thus, company C organizes extra trainings or other actions if they recognize people as potential. Extra efforts are especially done if they see a motivation decrease within key employee. According to informant 4 some people get really motivated once they see that the company has these development opportunities available. Company D does not have talent programs, yet if some people are really potential according to managers, they ensure that these people have enough developing opportunities.

> *"With those people that would have plenty of opportunities elsewhere, we really want to make sure they have enough challenges and mandate in their work. These are really important things". Informant 4, Company C*

> *"We might recognize in HR for example that some person has potential and talent, yet this person might have had motivation loss for some reason – so then we think if we could somehow influence to that. The person can for example join a longer training period if there is not a suitable next career position available at the moment." Informant 4, Company C*

> *"We have the special focus on key talents in development. We recognize and discuss about different career opportunities with them. Of course our common goal is to develop all employees and have practices for all but the special focus is on high potentials." Informant 3, Company B*

> *"Employees who are selected to talent programs usually are really happy about the programs. They get to develop and have bigger responsibilities and assignments due to the programs." Informant 1, Company A*

Leadership development and the importance of manager-employee relationship

As mentioned earlier, managers have important role in engaging and developing their employees. All of the research organizations emphasized the importance of great leadership and manager-employee relationship in order to have engaged employees. Usually the managers are the ones responsible for executing talent management strategies in practice. In company A managers have the biggest responsibility to develop, coach and train their employees, and leadership style is therefore core focus area. According to informant 3, for company B good leadership style is the most essential factor in talent management and employee engagement. Through good leadership the managers are actually practicing human resource management in the teams. Informant 4 from company C pointed out the importance of manager-employee relationship multiple times during the research interview. In company D good leadership includes committing employees, open communication, giving opportunities and moreover decreasing hierarchies between people. Therefore the relationship between employee and own manager has value proposition on engagement. Informant 5 adds that the relationship with closest manager affects strongly to your own motivation. According to informant from company E, managers have big responsibility to maintain good leadership. Moreover, a big part of engagement is built through daily leadership work since the behavior of closest manager has superior effect to employees.

In practice companies A, B, D and E all put a lot of effort to leadership development and trainings. In company A new team managers especially are provided with wide trainings and supported by constant leadership development along the way. Moreover, managers are provided with individual development plans quite often. Informant 2 feels that in order to develop others and communicate as open as possible, the managers should be given plentiful leadership trainings. In addition, both companies A and C have mentors for leaders to support their growth. Informant from company B highlights that first of all they aim to pick the exactly right people for leadership roles and ensure they have excellent leadership trainings. Managers have to be really motivated towards leadership work already in the recruitment process. In longer run they should be able to coach others, and HR then supports them via trainings and support.

Company C has strong trainings for new leaders and HR wants to provide constant development and coaching about leadership skills. They have also developed their own leadership profiles, which they use and follow in leadership trainings. These profiles describe what is expected from the managers and what leadership practices are consid-

ered qualified. Informant 6 from company E explains that leadership frameworks and styles are developed in order to keep good quality in leadership.

> *"Most of the employee development processes are executed among manager-employee relationship. Manager has a big role especially in career planning. We put training effort most of all to leadership communication methods since this is important." Informant 2, Company A*

> *"Manager-employee relationship affects a lot to engagement. Of course through discussions they can talk about development and also both give and receive feedback. The managers have significant role." Informant 4, Company C*

> *"The behavior of the closest manager has always the biggest role in engagement. And what kind of managers teams have and what kind of leadership styles they are using. A lot of things for engagement depend on this." Informant 6, Company E*

> *"Really important aspect is the leadership and the work that managers do. Crucial thing affecting to your motivation is your relationship with your manager. We develop the managers to understand how to participate the employees to decision making and how to provide them with real development opportunities. They should also be open with in everything and trust on employees." Informant 5, Company D*

> *"With good leadership we are able to coach and support employees and give guidance to them. Also, as HR we support managers and their roles as people developers. Good leadership enables the things we believe in, and that people can engage to this organization. We want cherish equality and fairness in managerial work. " Informant 3, Company B*

> *"Everyone in the company should have good leadership and everyone should be treated well." Informant 5, Company D*

Company culture and supporting atmosphere

According to informant 5 managers are nowadays more present in the actual work life than previously, and this is highly important in the light of better employee engagement. Managers are there to support employees and create better working atmosphere. Informant 5 from company D states that their company culture is becoming more open and hierarchies between employees and managers are decreasing. In the future there will not be as clear supervisory positions since responsibilities and decision making processes are more shared within teams. Moreover, the company wants to put effort on company atmosphere and feeling among the workplace.

Work atmosphere and culture issues were highlighted also in companies B and E. Informant 3 from company B mentions that good atmosphere and employee satisfaction are one of the key areas in engagement. In company E supportive company culture is highlighted all around the company. Both managers and employees support each other. According to informant 6 they are thinking of ways to build stronger sense of community. Part of great culture is also focus on well-being issues and work-life balance (mentioned by informants 3, 4, 5 and 6).

"Nowadays managers are more present and that really affects to engagement. Also they should always engage their teams to decision making. Teams should work together openly. In Finnish business world you often hear the sentence "trust is good but control the best" and this really is not our way of thinking. I turn red if I hear someone saying this." Informant 5, Company D

"We want to focus on good company culture. This means also taking care of well-being of employees. With different actions we support both physical and mental well-being." Informant 3, Company B

"Part of engagement is that in the whole organization we focus on how to build more sense of community. Our aim is to have supporting working atmosphere. We also think about the individual well-being aspect, so that work and other life are in balance." Informant 6, Company E

5.6 Measuring engagement and talent management

In order to know how well the described actions and values are actually perceived by the employees themselves, companies A, B, C, D and E all measure engagement. Informant 3 from company B states that employee satisfaction should be measured annually. Company A uses atmosphere questionnaires and also evaluation questionnaires about leadership. These help to discover the development areas in different teams and among individual leaders. Informant 3 from company B shares that they have engagement survey executed annually to employees, where they ask about important engagement areas. The survey focuses on how clearly the employees see their own goals, what is the level of given support from employer, focus on own development and career steps. Company B wants to find out how well they can support employees and enable their success in work. In addition, the survey focuses on how the employees feel about company culture, leadership styles of closest supervisors and also employer image. Afterwards the company has systematic way to analyze the results in every work community and make plans about the development areas for next year.

> *"In the engagement survey we ask whether the employee would recommend us as an employer and questions about organization and leadership, and also how the employee sees us as an employer overall." Informant 3, Company B*

In addition to engagement levels, company B also measures the efficiency of talent management thourgh feedback from managers. According to informant 3 leaders get to evaluate talent management areas and give feedback to HR regarding talent management where recruitment is one of the focus areas. In company C engagement is being measured every second year in all employee groups. Informant 4 highlights that engagement consists of work motivation, communication, participation and image about the employer. These areas are used in the survey as frameworks and questions are based on them. From the survey results company C is able to create a comparable index for engagement which shows how the own work, feelings about work community, aspirations about the organization and its future build employee retention and engagement in current labour market situation. The different focus areas used in survey are seen as starting points for engagement. Company D aims to measure engagement annually through a bigger employee survey. With this survey they can also see how talent management affects to engagement. According to informant 5 the survey questions are really specific about different areas such as ethical issues, satisfaction towards own employer and team work. In the end the results are reviewed separately in every team and then gathered together. Informant 5 feels that engagement and retention rates can differ a lot in different company functions. In order to learn from the results, the company makes development plans which are implemented during the same year.

> *"In our employee survey we use the same questions that were in the survey last year, so that we can compare the results. The questions are really specific, for example, if you would get the same salary and benefits somewhere else would you change company." Informant 5, Company D*

Informant 6 tells that in company E engagement has gotten an own survey and the aim is to follow the answers constantly. The main focus areas of the survey are challenges given in the job role, leadership, direction of work, working atmosphere, teamwork and company values. The final results based on these questions build an overall engagement index which briefs about engagement towards own work and organization. From talent management point of view, the amount of development discussions is something that the company also measures.

Table 6. Measurements for talent management and engagement.

Company	Measurement for engagement	Specific measurement for talent management
A	Atmosphere survey, leadership survey	No
B	Engagement survey	Feedback survey from managers
C	Engagement survey	No
D	Employee survey	No, but measuring thourgh employee survey
E	Engagement survey	No, but measuring development discussions

5.7 Focus areas and the future of talent management

Among the empirical data there appeared some discussion about the areas of talent management and engagement, and what is emphasized the most in the research organizations now and in the future. After reviewing talent attraction and talent retention strategies and methods from empirical data, some organizations highlight the importance of both attraction and retention phases, whereas some see the other more important for their organization for now.

From talent attraction side, all of the informants 1-6 see especially talent acquisition as a vital part of talent management since it helps to attract and find the right people. Informant 4 from company C explains that widely speaking talent management includes also the aspect of attracting talented employees, yet they put more focus on internal development than recruitment aspect in talent management – even if both are important. In companies B, D and E both attraction and retention phases are highly important in talent management. According to informant 3 from company B, they tend to put more focus on recruitment aspect and spot the best talents externally. At the same time they hope to maintain internal movement.

In company E talent acquisition, engagement and development are considered as areas of talent management, yet informant 6 points out that nowadays the retention issues such as internal development are more valued due to company situation. The aim is to ensure their current employees have opportunities to grow in the organization. On the

other hand, when they have more new positions available, they put more effort on attracting and engaging employees already in recruitment phases.

> *"Widely speaking, talent management includes the aspect of how to attract employees. But for us the internal movement and development has the key focus in talent management. We highlight that more than recruitment and external aspect."* Company C

> *"In talent management we put more and more focus on recruitment nowadays. The main thing is to recognize talent, maintain movement internally and spot the best talents externally."* Company B

> *"We focus both on recruitment aspect and internal development in talent management."* Company D

> *"The focus of talent management depends on the organizational situation – for example if we are doing well and we are growing, we put more emphasis on the recruitment aspect. Nowadays the focus is more on internal employees in talent management."* Company E

Development areas in the future

Many of the research companies will develop their talent management strategies in the future and recognize changes in engagement drives among employees. In the future company A aims to find out more specifically what motivates and keeps their current employees in the organization. As mentioned earlier, they have some development areas in talent management for the future. They are concentrating on strategies for employer branding, talent search, defining what competencies are needed in the future and overall planning more clear talent management strategies.

Company B aims to adapt to changing labour market through developing talent management and engagement strategies. Informant 3 from company B has already recognized clear changes in engagement among today's workforce, stating that nowadays employees change organizations more often and are not as committed to one organization as previously employees were when entering the firm. Informant 3 says that their company understands this – even if the employees would not stay there forever, they want to provide employees as much opportunities and growth as possible. The key is to offer them a meaningful work which fulfills their own expectations. In the future, the company also has to be able to lead the people individually since everyone has different wishes for their career. According to informant 3 the company is maintaining strong talent management processes also in the future, yet focusing even more on supporting em-

ployees in their career paths. Adding internal mobility is important for the company, since they have internal opportunities available.

> *"World is changing all the time and this creates certain changes. Job assignments and roles renew and there are not such clear roles anymore. A same job role in the future can include a lot more different things than now." Informant 3, Company B*

> *"We have to maintain strong talent management and remember the quality of practices. We want to support our employees better with their career paths and moreover get more internal movement among different business operations." Informant 3, Company B*

Informant 4 from company C sees that their talent management in the future focuses more and more on global aspects, since they aim to add mobility of current employees. They wish to add international opportunities among the organization, and the company has even set some strategic goals to reach this. In addition, they have adapted new modern methods to talent management due to digitalization, such as engaging talents through social media and video interviews. Regarding engagement, informant 4 recognizes that nowadays employees may have more short-term view and goals than previously. World is fast changing, fast paced and information oriented. Informant 4 still hopes that employees also remember to be consistent and long-term oriented when needed, since some processes persistent working style.

> *"A lot of different employees join work life, so I do not want to say strong opinions but, maybe in today's work life something that I have noticed is that expectations might be more short-term than previously." Informant 4, Company C*

Informant 5 from company D thinks that talent management will face many changes in the future. In their company team structures are going to be changed, since the company is recognizing people by their interests and skills and employees are able to work more widely in different areas. Informant 5 perceives that there will be also challenges in matching employee's passion towards right assignments, in order to build stronger engagement. In addition, they will not have as strict managerial positions since in the future the responsibilities are more shared. Moreover, the industry changes as well and the needed skills variate constantly. Therefore they will react rapidly and on time to different changes in their industry.

Regarding changes in engagement, informant 5 states that current employees are more aware of available opportunities in different companies, and it is more common to variate jobs more often. Due to this, informant 5 highlights that nowadays the company

wants to react more rapidly if someone has extra potential. The company aims to find new opportunities or extra responsibilities for these people as soon as possible.

> *"World is changing. Nowadays people are not thinking that should they still be here after five years or not. But I feel that once we match the employees' skills, interests and enthusiasm they will remain here." Informant 5, Company D*

For company E future talent management focuses especially on leadership. Through right leadership they want to inspire people and create more positive atmosphere. Informant 6 also mentions that leadership has to develop, since expectations towards leadership have been changed among current workforce. Leadership requires more attention and should be more supportive, open and include coaching. Employees should be involved more into planning and decision making processes as well. In addition to leadership focus, informant 6 highlights the importance of digitalization and business environment changes. The company E wants to keep their talent management practices up-to-date.

> *"In the future the focus is pretty much on leadership and ensuring we have the right people. Through great leadership we can make people more enthusiastic. We will also utilize the opportunities digitalization brings. We have to stay awake what happens in the business environment and what it means for us in talent management." Informant 6, Company E*

5.8 Summary of the research findings

All in all, the research organizations shared multiple same focus areas in talent management and engagement. Strategically talent management is seen as an important method to support attraction and engagement of employees. All informants 1-6 agreed that talent management is part of business strategy and people are seen as strategic asset. Interesting was to notice how talent management is practiced moreover to all employees instead of identified talents. Thus, there were some differences among the participant organizations since some use also specified talent groups and some do not.

Regarding the processes of talent management, main phases introduced were attraction, development and retention of employees. All informants stated that managers have big role in recognizing and developing talents. In order to motivate and retain employees, engagement issues are highly involved in talent management strategy. In attraction phase talent management focuses especially on fair recruitment processes and fulfilling expectations. In retention phase the empirical data put mainly focus on employee development and that employees have enough challenges. According to many informants,

development plans should be done individually and focusing on employees own wishes for growth.

Surprising was to see how different emphasis the organizations have on HR function's role in engagement, either strong emphasis or small. Thus, all agreed that HR has big role in supporting better engagement through tools and processes. Multiple informants shared the idea that actual engagement builds in the teams and through manager-employee relationship. It was also emphasized that engagement should not be seen as a goal itself, yet all talent management practices can support better engagement. Some of the companies use talent management even more determinately to engage talents.

In the future talent management is focusing even more on global aspects, opportunities for internal movement and employees own interests regarding career growth. Many in-formants also agreed that nowadays talented employees might change companies more often and therefore focus on engagement is essential. In the end, job assignments should enough challenging and broad. It was interesting to notice that changes in job market have big effect on talent management and retention strategies, and research organiza-tions aim to develop their talent management practices constantly.

6. CONCLUSIONS AND DISCUSSION

The purpose of this research was to explain talent management as a concept, explore the strategical role of it in organizations and moreover research how talent management can support better employee engagement through different strategies or practices. The literature review introduced talent management and engagement in theory whereas the empirical research explained the research phenomena though real business context. The study focused on both talent attraction and retention strategies in the process of committing talented employees. The main focus was on the connection between talent management and engagement levels, and how different organizations view the importance and aim of talent management. Overall, previous research on talent management has included reviews about the concept yet this study has focused more on engagement aspect in particular, and how to support better employee retention through practical talent management strategies.

6.1 Conclusions of the research findings

The main findings of this research show that talent management is seen as highly important and strategic practice in organizations in order to match right people to right assignments, yet also engage these talented employees through constant development. Based from the research findings it can be perceived that nowadays talented employees are more aware of other possibilities and more ready to change organizations than before. Moreover, talent management is even more popular in today's business world since there is more and more competition of same talents and skills in job markets (Bhatnagar & Srivastava 2008). These aspects should be taken in to consideration in talent management and engagement strategies as well, since matters happening externally in the job market or industry have a big influence on the development of talent management.

This study focused first deeply on *the talent management concept and its strategic purpose,* in order to understand the importance and aim of the practice. Based on this research, talent management as a concept can be either highly settled in some organizations whereas some still develop its content and practices. Indeed, literature presented that the concept lacks one clear definition (Lewis & Heckman 2006). Thus, the main purpose of talent management and its strategical role was clear and strongly emphasized regardless the practices, among the research participants. Based on the emphasis of the strategic role, interesting was to see why talent management is considered so important

and what the main focus areas are when practicing it. As a conclusion, it seems that the main purpose of talent management is to 1) attract suitable talent to the business needs 2) match right potential to right tasks 3) develop employees and give them enough challenges and most of all, 4) engage and motivate people to the organization. These all phases can be perceived as strategical actions in the businesses. In the end, it is important to find and keep those talented employees who are happy to take the company forward as well. This research showed how talented employees are seen as a great asset for any organization.

In order to understand the concept better, this study reviewed talent management processes which in the end support the strategic aim of talent management. The main aim is to recognize talented employees, the key competencies needed in the business and then develop people with these assets. In addition, strategical processes are including resource planning, talent acquisition, employee deployment and development (Jauhari & Seghal 2013). These were all emphasized both in literature and empirical data. The findings showed that the mentioned strong processes are a strategic asset in talent management since qualified processes and tools support managers and moreover better employee engagement. Overall, it is obvious that in the end people execute business strategies and it is highly important to have committed people. Key people have also a big role when thinking about future business strategy. The research findings showed that the management teams, together with HR, review and develop people plans which include talent engagement strategies.

Based on this study, one of the main choices in talent management processes is to whom the strategies are implemented. According to the empirical data, in general talent management should be practiced to all employees. Thus, organizations seem to put extra emphasis on specified employee groups and high potentials as well. Based on these research findings there is no precise policy on the target audience yet all employees should be included for example in development practices. Thus, it is clear that organizations want to put the highest effort on the most important employees, business strategy wise.

After reviewing the purpose and practices of talent management, this study aimed at explaining *the relationship between employee engagement and talent management, and how to support engagement with talent management strategies in talent attraction and talent retention phases.* According to the research findings, employee engagement and talent management are strongly connected with each other. One of the most strategical

aims of talent management is employee engagement and therefore it is important to include engagement issues to talent management strategy as a focus area. This is not highly surprising, since strategically it is important to keep the talented employees engaged.

All in all, this research shows that talent management has an important role in supporting better employee engagement. The role of talent management builds mainly on the practical yet strategical processes in talent attraction and engagement phases, which both HR and managers implement together. Moreover, the research findings proved that all talent management practices widely aim at better engagement. As stated in the literature, talent management is considered as one of the key methods to improve employee engagement (Hughes & Rog 2008). Some organizations even determinately use talent management to engage people. Thus, many other matters effect to engagement along with talent management. This indicates that engagement cannot be created "from scratch" with talent management, yet many strategic practices among talent management can support better engagement. These research findings are in line with previous research, which have identified how talent management practices have influence on the behavior and attitudes of employees, thus engagement is an end product of many different variables (Festing & Schäfer 2013; Rana et al. 2014).

Based on this research, talent management practices are focusing both on the external talent attraction and internal talent retention phases when thinking about their influence on employee engagement. Along with these results, literature stated how important it is to recognize the differences why people enter and why people remain in the organization (Ito et al. 2013). According to the findings, the most important talent management practices supporting better employee engagement are first of all external actions such as fair recruitment processes, great company values and matching them with right employees, and most importantly internal actions such as development of current employees – including career opportunities, trainings and leadership development.

Nevertheless, the findings highlighted most of all the internal aspects in retention phase when it comes to engagement. Even if talent attraction strategies are important as well, the most important aspects of talent management are individual development of employees and making sure employees have right amount of responsibility in their work. Moreover, talent management should focus highly on manager-employee relationship since the quality of it has a strong impact on engagement levels. In the end manager is the one who develops employees and communicates with employees constantly regarding their interests and own wishes. The following Figure shows the main areas of talent

management supporting better engagement, based on both literature and the empirical data. The most highlighted themes are listed as bolded ones.

Figure 10. Summary of talent management strategies supporting engagement.
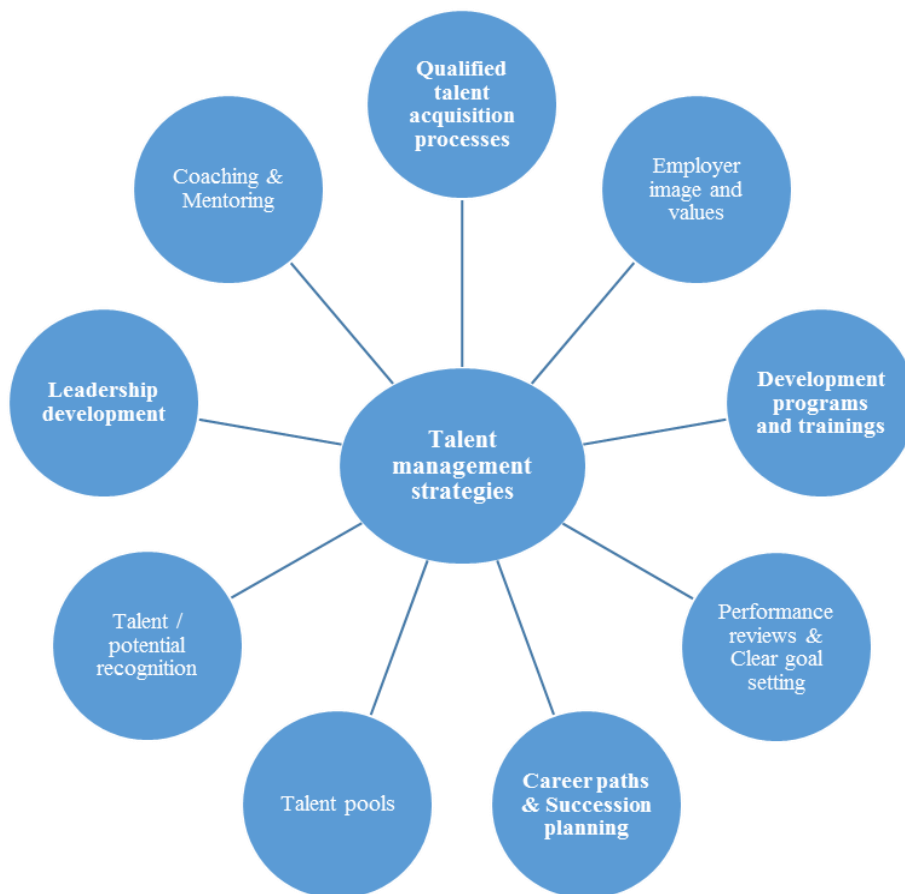
6.2 Discussion of the research findings

Overall, it is clear why talent management has gotten attention in organizations. It seems to have direct strategical influence, not only to more effective human resource management, yet on the whole business. The fact that talent management is discussed among management teams proves how overall business strategy puts a lot of effort to it. It can be perceived, that the main focus of the practice is to plan people needs and match them to tasks, and commit employees in a way that is most effective to business in a longer run. In short, it highlights the importance of talented employees. Moreover, talent

management is seen as an important part of business strategy due to its close connection on better employee development and retention.

It seems that talent management as concept itself is quite used and settled in business life. Thus, based on this study there might be some small challenges for different organizations such as defining talent management's real meaning and the main focus areas, to whom it is practiced, and moreover how talent management is communicated internally. Research findings showed that if specified talent categories are used, open communication about these to employees however is not that appreciated and there should be less direct separation of talents and those people not called talents. In the end, all employees are important, and potential is not necessary defined as talent. This study indicates that "talent management as a mindset" is maintained to all employees, thus clearly some employees are seen as extra talented ones and there might be additional engagement strategies implemented to them.

Apart from these small challenges found, talent management has a clear role both in attracting and retaining employees. From the findings it can be presented that companies put high value on their people and their development. Even though the attraction stage is important in the organizations, it seems that organizations are most of all focusing to the development of current employees and ensuring internal growth. It has the biggest influence on engagement as well. Thus, as this study has shown, engagement is not something that can be achieved with one strategy and practices, since many different aspects influence to it, in addition to human resource management practices and organizational matters. However, with talent management organizations can definitely support better engagement.

Based on this research it would be highly beneficial for organizations to have talent management strategy in place in today's business world, and also to define what the main reason is to execute it, in the specific organization. Moreover, it should be beneficial to understand the drivers that engage and motivate employees individually. In the process, measuring engagement would be beneficial since with the help of the measurements it is easier to see how and with actions the organization can support better engagement. All starts with clarifying the employees own interests and afterwards talent management practices focus on these areas the most.

In the end, with talent management it is possible to build talent attraction and engagement strategies which should include especially qualified recruitment process, internal development opportunities and focus on great leadership. What then actually matters in

talent management is employee development and ensuring that people have influence on their own work and challenges.

6.3 Implications for practice

This study indicates that in practice, organizations should pay attention to talented employees and moreover understand their importance and role in strategy implementation. In addition, it should be understood how strongly the attraction and retention of talented employees requires strategical efforts both from HR and management teams. Talent management is one of the key methods to support both talent attraction and engagement in longer run, and therefore the practice is important. It is vital to define what talent management could mean and where it aims at, by defining its strategies, who are seen as talents (all employees or specified groups), and most of all, what kind of talents the company wants to attract and what are the main skills and competencies needed for the future. Moreover, organizations should understand how strongly talent strategies effect on engagement; in this process it is vital to solve what attracts the talented employees, what motivates them and what keeps them in the same organization.

In practice the engagement starts already in employer branding and recruitment phases; qualified processes ensure that the right people join the organization, whereas recruitment should focus on finding right people for careers instead of one position only. Internally, every employee shares individual wishes and interests regarding own development and therefore talented employees deserve individual development plans and discussions. This research has shown how nowadays different positions in job markets are more versatile and wider and employees on the other hand crave for more responsibility and opportunities to develop. In addition to development, the relationship between own manager has an important role in engagement – organizations should really invest in better leadership, since engagement builds strongly around this relationship. Moreover, many talent management processes are implemented into practice by closest supervisor.

After reviewing the findings of this research, the following practical guidelines or recommendations for talent management strategies and employee engagement sum up the practical contribution of this research.

1) Define what talent management means in the organization
2) Define the strategical aims of talent management
3) Research engagement drivers among own employees
4) Plan strategies to support better talent attraction and engagement

5) Implement the strategies among the employees → especially *fair recruitment processes, attracting right people for the business, matching employee values to employer values, developing employees openly, giving them needed opportunities, develop own leaders and manager-employee relationships*

6) Constantly measure what attracts the employees and what engages them to stay in the organization

6.4 Reliability and limitations of the study

After conducting research, the process should include evaluation of the reliability and validity of the research. Reliability describes the repeatability of the results and whether or not the same results could have gathered from other researcher as well, through replicating the same study. Validity on the other hand refers to the extent to which the results conducted in the research give an accurate description of what happened. This way, validity evaluates that the results are valid, certain and represent the phenomenon referred to. (Eriksson & Kovalainen 2008: 292.)

However, both reliability and validity are criticized of their direct suitability for the evaluation of qualitative research. Both of the criteria are traditionally more used in quantitative research. (Eriksson & Kovalainen 2008: 292.) It has been discussed that for example interviews conducted in qualitative research can be subjective and are therefore non-repeatable. In non-standardized research the reality reflects to the collection of research findings. (Saunders et al. 2009: 327-328.)

Thus, reliability of qualitative research can be evaluated through other aspects as well. Eriksson & Kovalainen (2008: 294) present the concept of *trustworthiness*, containing aspects which help to evaluate the reliability of the results gathered in qualitative research. Therefore, the reliability of this research is evaluated through the listed areas below.

a) Dependability - the amount of information received to the reader about the process: The different stages of this research process were presented precisely earlier in the study, which show how the process followed a logical path from start until the finish; it was first important to describe what the aim of this study is, by introducing the research phenomena clearly. After writing the literature review, research participants received a semi-structured interview draft and all of the interviews followed a certain question structure. In addition, all interviews were recorded and subscribed in to detailed notes before the data analyze. When analyzing the results, the empirical data was categorized

structurally following the principals used in content analyze -method. Even though there has been only one researcher, the data has been analyzed precisely. Yet, this research has not presented any specific documents used in the process which may decrease the dependability.

b) Transferability - the degree of similarity between this and other research: As mentioned throughout this research, there has been plenty of previous research about talent management as a concept. The previous studies of talent management have already recognized the importance of talent management in the light of better employee engagement, yet in a general level. They have stated how talent management should focus on retaining people. This study explained the research area more deeply, with focusing on the actual and more practical talent management strategies supporting engagement. Thus, previous research has had an important role in literature review and when building final theories.

c) Credibility – the degree of data being sufficient to merit the represented claims and linking observations and categories: Overall, the research first started with familiarizing oneself to the research phenomena through previous research in order to be acquainted with the topic. This helped in the empirical data collection part, since the researcher self was more familiar with the phenomena. All of the informants have a deep knowledge and experience of the research phenomena and this adds the credibility of the research findings. In addition, both the research organizations and informants stayed anonymous which may have added the openness and honesty in data collection. Thus, there are also some limitations in this study. All of the informants in this research represent specialists from HRM field, and therefore their viewpoints cannot be generalized as one absolute truth among the research phenomena. In addition to this limitation, the amount of informants could have been bigger in order to have wider results. Moreover, the backgrounds and own roles of the informants may have effected to the answers and overall data collection. Hence, during the interviews all informants seemed to share also own opinions openly, in addition to the organizational issues and principals.

Regarding observations and category linking, this research has used frameworks found from literature to review the main themes found from empirical data collection. This has helped to gather the similarities and differences among literature and empirical data, yet also helped to gather the most important focus areas among the findings.

d) Conformability: the degree of linking findings and interpretation to the data in ways that can be easily understood by others: In the beginning of the research the main concepts used in the study were explained and this aims to open up the study for readers.

Yet, some concepts may have been explained even more deeply. Also, since the data was gathered from people specializing in HR, some of the frameworks and concepts in the data collection might not be that familiar to the researcher nor to the reader.

Overall, this study has aimed to follow a consistent structure throughout the research phases and when representing the results. Firstly, the research organizations and informants were introduced, in order to help the reader to understand the current situation of the research organizations. This was followed by representing the research findings one theme at a time. The results have been reported clearly in their own chapter, by categorizing the results into main themes. In addition, there are many direct quotes included in the research findings, which open up the real data and informants' opinions to readers.

6.5 Contribution of the study and suggestions for future research

This study was conducted due to the strategic importance of talent management in today's business world, which was highlighted strongly among previous research. As mentioned earlier in this study, previous research has also recognized employee engagement as a part of talent management strategy, yet this study continued to examine even more deeply, how and with what different talent management strategies organizations can support engagement. This study confirmed the importance of talent management in the light of employee engagement, especially regarding clear employee development strategies. In the end this study was relatively practical, since practical talent management strategies were emphasized a lot, in addition to the theoretical part in literature review.

Since there are fewer studies which focus only to the relationship between talent management and employee engagement, in the future it would be good to have more theoretical studies of this research phenomena. In general, the previous research has been executed in a more practical point of view. It would be beneficial to research more deeply how talent management practices effect concretely on better engagement levels. Therefore, it would be good to gather more concrete data or measures, for example by comparing those organizations not having talent management strategies with those who have really strong processes for talent management.

Also, since this research gathered empirical data from specialists working among HRM, would be informative to research the phenomena also among employees and managers. Therefore, in the future it would be interesting to interview employees or alternatively

share questionnaires to employees. This would gather data on how talent management is understood among employees and not HR. The future research could review how all employees and also the people categorized as talents are seeing talent management, its influence on their engagement and development. Moreover, it would be good to research the real engagement drivers that today's employees value the most in their work. In addition, it would be interesting to see how people as recognized talents see and feel about their engagement in comparison to people who are not "labeled" as talents, yet who are still important for the organization.

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