HR Practices – Lessons of successful, innovative companies

Master thesis at Halmstad University in 2012 written by:
Jingyu Yu (840720-T535) and
Corinna Wolfsteller (870722-T324)

Supervisor: Jonas Rundquist
Examinator: Mike Danilovic
Acknowledgement

Firstly, our deepest gratitude goes first and foremost to members of the case company, for their time and efforts to this research. Without their honest support and guidance it is highly impossible to finish this thesis.

Secondly, we deepest gratitude goes first and foremost to Jonas Rundquist, our supervisor, for his constant encouragement and guidance. He has walked us through all the stages of the writing of this thesis. Without his consistent and illuminating instruction, this thesis could not have reached its present form.

Thirdly, we are also greatly indebted to the professors and teachers at this subject: Professor Christer Norr, Professor Mike Danilovic, who have instructed and helped us a lot in the past two years.

Lastly, we thanks would go to our beloved family for their loving considerations and great confidence in us all through these years. We also owe our sincere gratitude to our friends and our fellow classmates who gave us their help and time in listening to us and helping us work out our problems during the difficult course of the thesis.

Halmstad, 22nd May 2012,

Corinna Wolfsteller and Jingyun Yu
Abstract

Motivation: Through the increasing demand in new products, companies within international business context have to implement innovation efforts and so, they are searching for talents in an increasing amount of available employees.

Problem statement: The problem of those firms is to employ the right people (talents) on one side and to ensure the innovative performance of the company on the other side.

Research approach: For solving this issue, a qualitative research was chosen, while conducting a Swedish and a German case study of suitable companies and interviewing them about their practices of attracting, selecting, and integrating talents.

Results: There is support found for the connection between the recruitment of talents and the innovative performance.

Conclusions: The results contribute to talent management and provide lessons from successful cases as a guideline for other companies. For the reason that the case studies do not belong to a specific industry, the results are potentially generalizable.

Keywords: HR practices, innovative performance, recruitment, talent management
Table of Contents

Acknowledgement ................................................................. I

Abstract .................................................................................. II

Table of Contents ..................................................................... III

1 Introduction .............................................................................. 1

1.1 Background and problem discussion .................................. 1

1.2 Research purpose and research questions ......................... 3

2 Theoretical framework .......................................................... 3

2.1 Innovative performance ...................................................... 3

2.2 The role of the HR department ............................................ 4

2.3 The concept behind talent .................................................. 5

2.3.1 The term “talent” .......................................................... 5

2.3.2 Differentiation to (high) potentials ................................. 8

2.3.3 Differentiation to professionals ...................................... 8

2.3.4 Relation to innovation ................................................... 9

2.4 Attracting talents ............................................................... 9

2.4.1 Internal focus attracting potential ................................. 9

2.4.2 External focus attracting potential ................................. 10

2.4.3 Employer's branding .................................................... 11

2.4.4 Employer attractiveness ................................................. 12

2.4.5 Relation to innovation ................................................... 13

2.5 Selecting talents ............................................................... 13

2.5.1 Information about the applicant .................................. 14

2.5.2 Tests to select employees ............................................. 14

2.5.3 Assessments to select employees ................................ 15

2.5.4 Trainings to select employees ..................................... 17

2.5.5 Relation to innovation ................................................... 17

2.6 Integrating talents ............................................................. 18

2.6.1 Performance Appraisal .................................................. 18

2.6.2 Reward System ........................................................... 19

2.6.3 Career management ...................................................... 20

2.6.4 Relation to innovation ................................................... 21
Written form .................................................................................................................. VI
Appendix C - .................................................................................................................. VII
Table with the keywords and categories of our coding .................................................. VII
Appendix D - .................................................................................................................. VII
Statistics of the satisfaction of employees .................................................................... VII

[ V ]
1 Introduction

1.1 Background and problem discussion

Innovation is critical to business success and sustainability for most of the companies (Elegbe, 2010; Shipton, Fay, West, Patterson, Birdi, 2005; Bell, 2005; Hidalgo & Albors, 2008). Moreover, due to the increasing competition worldwide and the rising environmental turbulence as well as fast changes as a result of those developments, organization’s ability to innovate is seen as one of the key factors to ensure their success (Shipton et al., 2005). This implies that companies are able to adapt, diversify and reinvent themselves through developing new products or new technology. Hence, organization’s ability of innovation has the fundamental meaning to support the company to achieve a desirable profit in the long term beside its survival (Kozlowski, 1987; Hidalgo & Albors, 2008). However, even some patient managers with a good understanding of the long term strategy of their company are struggling with the fact that they cannot buy innovation (Galbraith, 1982). In other words, if the organization wants to increase its performance in innovation, they have to specifically design the organization for this purpose (Galbraith, 1982; Hidalgo & Albors, 2008).

Also, Roberts (1988) argued that the four essential dimensions (staffing, structure, strategy and system support) were significant for successful innovation. For instance, Kozlowski (1987) has already found that HR (= human resource) practices need to be more precisely embedded in the strategy of an organization in order to facilitate innovation. Additionally, Shipton et al., (2005) suggest that specific HR practices promote performance like human resource planning, profit sharing and results-oriented appraisals, selectivity in staffing, training and incentive compensation for example. In detail, processes like attracting, selecting and integrating highly skilled people can from this perspective summarized as HR-practices (Kozlowski, 1987; Bell 2005; Shipton et al., 2005). However, as an effect of the acceleration of business operations, policies in HRM are changing. Here, Cappelli (2008) relates to this change when he is explaining the motivation of his new approach to HR practices. From his point of view, the conditions of business operations nowadays are more instable and unpredictable compared with the 1950s, when the first theories about HRM (= human resource management) were developed. In conclusion, those authors identified that those HR practices (attracting, selecting, integrating) are determinants for innovation within the company.

The first determinant “attracting talents” includes the issue that it is not enough as a company to promote the financial benefits of an offered position (Hidalgo & Albors, 2010; Wagner, 2007). Moreover, for the reason that there are organizations, which mark a company as good employer, the competition between employers in attracting talents increased in the last years (Bell, 2005; Tansley, 2011, Wagner, 2007). Thus, if a company identified a suitable talent, it is still difficult to motivate this person to work for the company. However, companies need talents to support innovation and strategic renewal (Bontis, 1998). Therefore, analyzing the methods of companies,
which successfully attract talents, might result in useful learning lessons for other companies struggling within this recruitment step.

When focusing on the determinant of selecting talents, there is another difficulty. For the reason that the globalization of business operations puts pressure on companies to grow and extend their business relationships to ensure their survival, more people with specific skills and knowledge are demanded (Elegbe, 2010; Cappelli, 2008; Dorow & Bütow, 2008). Moreover, due to the flexibility of young talents and the interchangeability of employees, talents often change their job and the employer, which is a problem for those companies (Fryer, 2011). Furthermore, the amount of high educated people rises, which leads to the problem for companies to specify their search for suitable people. In detail, figure 1 demonstrates the increase of university students, who participate in the tertiary education (first, second and third cycle of university). Although the rise of this number for Germany is not as high as it is for Sweden, but in both countries there are more students in 2010 than 2000. As a consequence, gaining more insights of how successful companies recruit talents might shed light on suitable practices to manage this search and being sure to pick the right applicants.

figure 1: number of university students in a.) Germany and b.) Sweden (Eurostat)

Even the last step of recruitment “integrating” is coupled with a current problem. In detail, many companies cannot keep talents for a long time. For example, a survey showed that 75% of 268 companies, located in North America, lost their talented employees during the past twelve months (Fryer, 2011). This indicates that companies have difficulties to motivate their talents to stay within the company. Moreover, this problem is important for the long-term strategy of a company because the transfer of knowledge as well as the learning-by-doing process is limited to a short time. In other words, with the talents also some ideas for new products or technology is
lost, which might be reflected in the HR practices (Cunningham & Lischeron, 1991, Bell, 2005; Garcia & Calantaone, 2002).

In summary, there are still many open questions and issues regarding HR practices as well as the connection between talents and innovativeness of the company. Nevertheless, there are companies that successfully manage those issues and so, they can be recognized as good examples to draw useful lessons for other companies, which intend to improve their HR methods. Therefore, the research gap is: how internationally operating firms employ talents on one side, while ensuring an innovative performance of the company on the other side.

1.2 Research purpose and research questions
The research presented in this thesis aims to extend the knowledge of HR practices within an international business context while recruiting talents. Moreover, we want to enhance the understanding of the connection between talent management and innovation theory. In detail, the focus lies in the process of recruiting defined with the steps: attracting, selecting and integrating talents.

Taken all reasoning into account, we set the following research questions:

a.) How does a company in an international business context attract, select and integrate talents?

b.) How do these HR practices contribute to the innovative performance of the company?

2 Theoretical framework
In respect to our purpose, this part will discuss theories about the three major steps of the recruiting process: attracting, selecting and integrating talents. Important to note at this point is that the research stream of HR methods for the recruitment process does not clearly distinguish between talents and “usual” employees. Hence, we combined literature, which focuses especially on talent recruitment, with literature, which concentrated on recruitment practices in general.

However, we will start with a short analysis of innovation theory to be able to draw the link between innovation theory and each step of the recruiting process. Afterwards, two issues need to be explained before we look closer to the recruiting process because these issues are essential for all three steps. The first one contains the role of HR managers and the visibility of HR practices within the company. The second topic refers to perceptions and definitions of talent because it influences the recruitment process of the company. Lastly, we will present a model, which includes the most important facts of each step and the relationship to the first two issues.

2.1 Innovative performance
For the reason that the literature discusses innovation in the TM in different ways, we have to decide what view of innovation performance is used and how we can measure it during the data collection. For instance, there is specific literature arguing about how employees contribute to the innovative performance of their company. However, in respect to our research questions, we have to choose another perspective.
A suitable approach is where innovation is seen as a creation of possibly every employee, which follows the general thought about product innovation through the process of exploiting ideas and recognizing opportunities (Cunningham & Lischeron, 1991). Hence, there is an indirect linkage to HRM because of the focus on employee induced innovation. Moreover, when it comes to the HR practices in TM, several researchers indicate that a company takes the ideas of the new employees (talents, who were recruited and integrated into the company) to stimulate the innovative performance while analyzing these ideas, and integrate them into the day-to-day business (Bell, 2005; Hildalgo & Albors, 2008; Cunningham & Lischeron, 1991; Lopez-Cabrales, Pérez-Luno, Cabrera, 2009). In conclusion, there is an indirect connection between talents and product innovation.

Obviously, it is important how innovation is understood and measured. Firstly, there are two main perspectives to explain and describe innovation: (i) as the ability to change, (ii) as an offer of new products/services (Hildago & Albors, 2008; Lopez-Cabrales et al., 2009). In conformity with the previous paragraph, our perspective of innovation follows the latter description. In other words, innovative performance, for this paper, means the potential to create new products, which are the result of the mental capabilities of employees working for the firm (Galbraith, 1982; Roberts & Fusfeld, 1981; Garcia & Calantaone, 2002).

Secondly, when deciding about the measurement of innovative performance, a strategic point of view might be helpful. For the reason that innovative performance is considered as competitive advantage by many researchers (compare Bell, 2005; Hildalgo & Albors, 2008), there is a linkage to HRM, which useful for this paper. HR practices are partly driven by strategic goals (Kozlowski, 1987; Bell, 2005; Bontis, 1998), which leads to the conclusion that the development of new products is also reflected in TM. Thus, the company’s strategy is affected and fulfilled by using the “right” talents with the “right” ideas for innovative performance. From this it follows that the number of talents, which are strategically put in teams to develop new products, might be one relevant measurement.

2.2 The role of the HR department

HR managers have an important role within the company. In other words, they can be named as “connectors” between employees on the one side and the company’s strategy on the other side. More precisely, the connection between HR manager and employee symbolizes the individuals demanding for a (better) job; whilst the latter one predefines the skills and capabilities that are needed to reach the long-term goals in line with the business mission of the company.

When McEntire and Greene-Shortridge (2011) argue in their paper that HR managers should be integrated in the social networks of employees, knowing the employees seem to be very important for the selection process. The authors are focusing on recruiting and selecting leaders, not talents in general. However, it can be argued that leaders need to own specific skills and capabilities that legitimate their position as leaders in front of their followers. For the reason that leaders need to be identified by the HR department, the findings of McEntire and Greene-Shortridge are also relevant for TM and it lies in the responsibility of HR managers. Neverthe-
less, there are some leaders that reached their position in a different way with intrigues for example. This will be no part of this research paper but researchers as well as HR managers should be of this negative side.

Another interesting issue while framing the role of the HR department are the questions about if and how recruiting strategies should be known by any employee inside of the company. This is related to promoting jobs, the succession planning and the effects caused from the impression of the individual employee. In detail, if the HR manager searches, with the help of the current employee, a successor for a leading position in a company, they need to identify what person of the talent pool has the demanded talents for the position. Obviously, employees mostly have their own intrinsic motivation to find better jobs and/or to reach the next career step. Thereby, the motivation stems from emotional responsibility for social duties (family), striving for a better life standard and self-fulfillment demands of the individual, which is in line with the hierarchy of needs established by Maslow. Hence, they are searching for possibilities to proof their talent/their skills. However, what employees assume as talent/favorable skills during the recruitment process is dependent on the promoted perception of talent by the HR managers.

In fact, this can sometimes lead to negative outcomes in respect to the company’s long-term strategy. A very typical example for the negative effect of promoting talent within a firm is the case of the bank Lehman Brothers. Beside related issues, the HR department, in combination with the reward system of sales commissions, communicated that talents are persons that sell as much contract as possible (Dorow & Bütow, 2008). So, people that made the most profit for the company were viewed as the best workers. Nevertheless, quantity is not correlated to quality, which led to the problem that the bank could not finance its investments anymore. One can argue that, if the company promoted ‘talent’ in a different way (more concerning the quality of investments), it would be possible that company survived the financial bottlenecks.

As a result, it matters what a company, or especially the HR department, perceives as talent and how (or even if) it communicates it. Also, the HR department organizes as well as guides the development of the employees and so, it contributes to the direction of the company’s future.

2.3 The concept behind talent
In this sub chapter, we discuss the different perspectives about what talents are and which capabilities are typical for talents. Then, there will be a differentiation to (high) potentials, (high) professionals.

2.3.1 The term “talent”
In reference to Tansley (2011), researchers as well as HR managers often do not define the term ‘talent’, which in the author’s viewpoint weaken the robustness of their TM and hinders HR managers to develop the training and recruitment process. Thus, she suggested that there is a need for a working definition and not a restrictive one.
Furthermore, the author discusses academic opinions that talent is innate while referring to talents in sport, art, and music from a general point of view. Here, we see the origin to put mental capabilities into the center of attention when defining talent. As Sloboda (1985; cited in Tansley, 2011, p.: 268) states: “talent originates in genetically transmitted structures”, there is the reason why the term ‘talent’ connotes the differentiation between talented people and “usual” people. In other words, it is based on a biological screening. At the same time, Howe, Davidson, Sloboda (1998) limit this perspective by arguing that someone does not only become a talent, if (s)he has the mental capabilities but develops them further through education or training.

In conclusion, this general discussion about talent implies that genes as well as education play an important role in developing and shaping talents. As a further result, a person is not a talent overnight but it is a process to become talented.

This reasoning is partly integrated in the classification of talents-definitions, which is the result of a literature review by Gallardo-Gallardo, Dries, González-Cruz (2012). In detail, the authors found that if scholars relate definitions of talent to business context, there is a pattern of one dimension: subject oriented versus object oriented definitions. In other words, the former one views talent in form of people; while the latter one relates talent to certain skills and attributes of people. This is important to know when looking at the concept of talent because it documents that the existing literature has separated into to fields with more or less opposite perspectives, which both are equally applied on business contexts. As a result, one group of scholars considering the innate character of talents (subject-oriented), while the opposite group emphasizes the development of a talent through training and education (object-oriented).

Similarly, Tansley (2011) viewed talent also in the specific context of business. Thereby, she differs between talents at an organization level, at a group level, and at an individual level. The first one relates to the company perspective and what a company defines as talent. Even more complicating is the aspect that each department of a company can form their own understanding of talent. The second type of level refers to a social perception of talent with two meanings. On the positive side, people might feel valued, honored and get access to the company’s resources, when they are viewed as talents. On the negative side, people, which are not considered as talents, might feel demotivated, disappointed, or their performance may decrease. Both of these meanings should be balanced by HR managers in line with the reward system of the company to avoid demotivation. Thirdly, at an individual level, talent can include behavioral issues, knowledge, skills, competencies and cognitive capabilities (compare Tansley, 2011, p.: 271).

Another point related to the understanding of talent, is mentioned by Cheese, Craig, Thomas (2007). In detail, the authors emphasize that talents are closely related to knowledge workers, which were the driver for focusing on specific skills and knowledge of employees. In other words, the employers as well as researchers did not view labor any more but talent as relevant aspect. From this perspective, talent includes knowledge. However, knowledge is also interrelated to capabilities and skills. Hence, the authors cite a research result of the Lisbon Council’s examination from Ederer (2006), which contains a summary of demanded skills and knowledge.
These skills and knowledge in figure 2 will form certain competencies that separate the talent from the usual worker. In other words, pursuing the further development of these special characteristics enables an employee to become talented, which also supports the hypothesis that talent is a mix between innate features and education/training. For instance, the knowledge of a certain market trend (commercial knowledge) might just be recognized by a “usual” employee, while a talent uses this opportunity to create a new market segment (problem solving skill).

An equally important aspect of the definition of talent is that the understanding of talent is always connected to a specific working field or job description. In detail, Elegbe (2010) argues that a company should develop a competencies’ model for each managerial position, which they offer. Hence, if a person acquires the demanded competencies, the person will be considered as “talented”.

All in all, for this paper we applied an existing definition of talent because there many different definitions (ibid), which consider all major aspects that were discussed in the previously para-
graphs. In detail, we use the precise definition developed by Gallardo-Gallardo et al. (2012, p. 14), which is as follows.

“Talent (in a working setting) is a set of strategically valuable competencies [skills and knowledge] that allows a committed individual to achieve exceptional performance in a specific role and in a specific organization, thereby differentiating him or herself from ‘average’ performers within that same context.”

Therefore, we use an open understanding of the term because we do not distinguish between certain industries during this research, which therefore command a broad definition of talent.

2.3.2 Differentiation to (high) potentials

The term of ‘high potential’ relates to the talent seen in a business context. As Tansley (2011) argued, talent is here applied on persons that achieve a high progress for the company. This means that the term is more specific compared with the term ‘talent’. Moreover, the author defines three main characteristics of high potentials: their ability, aspiration, and engagement. Through these elements, the person develops a high level of expertise in a certain work or/and academic field. Therefore, this term also refers to a process like the term “talent”.

However, Lombardo and Eichinger (2000) argue in their paper that high potential relate to a person that learns fast and effectively, which indicate the adaptability and technological skills from figure 1. Hence, this author applies the skills, defined for talents, on the term “high potentials”. Furthermore, the literature does not distinguish between ‘high potential’ and ‘potentials’, which indicates that there is only marginal difference or no difference between these terms. Thus, “high potentials” are a specific type of talents.

2.3.3 Differentiation to professionals

When Doh, Smith, Stumpf, Tymon Jr. (2011) analyze how to retain talents, they use professionals as synonyms to talents. Nevertheless, Norton (2010) defines professionals with the following characteristics:

(1) customer satisfaction as first priority
(2) expert in their special field
(3) meet every expectations and more
(4) hold their promises
(5) effective communicators
(6) pursue high values and guiding principles
(7) value their peer’s knowledge, skills, and work
(8) shares their knowledge and help their peers
(9) thank others and keep them cherished
(10) are pleasant with their work

In comparison to the demanded skills and knowledge of talents for employment in figure 1, more or less all of these attributes are applicable to talents. For example, specific knowledge about
language (compare figure 1) supports a talent to be an effective communicator. Also, to respect, help and thank peers can be indicators for a good team-working ability of the talent. In conclusion, the term “professionals” is another synonym for the same persons.

2.3.4 Relation to innovation
According to Lopez-Cabrales et al. (2009), specific knowledge of the employees can be a motor for innovations. In other words, if a talent owns “external” knowledge and “internal” knowledge, (s)he might be able to identify problems and opportunities; justify if they are suitable for the company’s business mission; develop ideas in responds thereto, which will lead to new products or services. Here, “external” knowledge means information outside of the company about technology, market trends, or changes of customers’ demands; while “internal” knowledge refers to facts within a company like resources, production process, or network of suppliers. Hence, combining these two kinds of knowledge forms the potential of innovative performance.

Thus, for the reason that knowledge is a part of the definition of talent and the connection between knowledge (compare figure 1, p.: 7) and the mental capability to create new products, there is an indirect impact of talents on the innovative performance of companies.

2.4 Attracting talents
Concerning the attractiveness of companies for talents, employer branding is a currently discussed topic in academic research.

Attracting applicants has been identified as one of key stages of the system of recruitment and selection in HRM (Beardwell & Holden, 1997). In generally speaking, the purpose of attracting people is to attract the suitable people to meet an organization's human resource requirements (Anderson, 1994). To be more specific, most of scholars critical thought that the channels or vehicles used to attract people have a significant meaning in the process of the recruitment. Iles and Salaman (1995) argued that right kinds of applicants are encouraged to apply or to persist in their application are influenced by whether companies are adopted the suitable methods to attract applicants. Moreover, internal and external recruitment are the most appropriate method for any particular vacancy which would be influenced by the company's resources, the level of post, the perceived target group and the degree of importance of vacancy within the organization (Beardwell & Holden, 1997).

2.4.1 Internal focus attracting potential
Beaumont (1993) suggested that many openings should be filled internally because of the efficiency of internal recruitment obviously higher than external dose. Using the most appropriate method of internal focus attracting directly determined the whether the organization ensures to attract the qualified candidates. Beardwell and Holden (1997) elaborated the following forms which classified the internal focus attracting methods into two dimensions: internal existing employees and using existing contacts.
## Internal existing employees

<table>
<thead>
<tr>
<th>Methods</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Self-applicants</strong></td>
<td>Inexpensive, quick, Motivational factor</td>
<td>No new &quot;talent&quot; into organization</td>
</tr>
<tr>
<td>Supervisor recommendation</td>
<td>Know applicant's S/W</td>
<td>Records of existing/ acquired skills and experiences need constant updating</td>
</tr>
<tr>
<td>Succession planning</td>
<td>Training and development already in place therefore succession smoother.</td>
<td>Information may be subject to bias</td>
</tr>
</tbody>
</table>

**figure 3:** Human resource management, a contemporary perspective (compare Beardwell & Holden, 1997, p.: 218).

### Using existing contacts

<table>
<thead>
<tr>
<th>Methods</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Previous employees</strong></td>
<td>By changing terms of employment, know work behavior</td>
<td>In built flexibility requirement for employee not always feasible in given situations</td>
</tr>
<tr>
<td>Existing employee contacts</td>
<td>Well know others with similar skills, knowledge, attitude</td>
<td>Indirectly discriminative, &quot;weaker&quot; employees,</td>
</tr>
<tr>
<td><strong>Previous applicants</strong></td>
<td>Enhance organization image</td>
<td>Needs system implementation</td>
</tr>
<tr>
<td>Unsolicited enquires</td>
<td>Speed process considerably</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less expensive, know applicants are already interested</td>
<td></td>
</tr>
</tbody>
</table>

**figure 4:** Human resource management, a contemporary perspective. (compare Beardwell & Holden, 1997, p.: 218).

The figure 3 and figure 4 generally depicts the attracting methods by using the channel of internal existing employees and using existing contacts. The advantages and disadvantages are clearly presented in the figure. However, it is obviously to notice that there are no direct connections between methods of attracting talents. Nevertheless, some methods have been already improved by the scholars and surveys. For instance, Wagner (2007) identified that one way to look for qualified candidates is also the most obvious-existing employees. Candidates can come either through referrals from current employees or they can be the employees. Training and development also has been massive adopted by most of multi-national enterprises in order to both attract and retain talents (Wagner, 2007). Moreover, a company starts to use its networks, which are already established, to attract talents. It is more likely company using existing contracts (Beardwell & Holden, 1997). Wagner (2007) found out that networking is the best recruiting tool for finding senior managers. Existing employees encourage family, friends, or contacts to apply for vacancies.

### 2.4.2 External focus attracting potential

External contact is another way of attracting candidates. In general, Beardwell and Holden (1997) mentioned over 30 different methods of recruitment. However, we only highlight five out of thirty methods of recruitment which are also have been identified as the positive methods to assist...
companies attracting talents by other scholars (figure 5 below). Clarke (2008) argued that young graduates have very strong potential to be talented employer in long term. Most innovative companies are prefer to attend job fairs in the university in which they believed that is the great place to both advertise the company images and to attract the high potential young graduates.

### External contact

<table>
<thead>
<tr>
<th>Methods</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union/Professional referrals</td>
<td>Confidence in skills</td>
<td>Indirectly discriminative</td>
</tr>
<tr>
<td></td>
<td>Cost</td>
<td>Overlooks those in work</td>
</tr>
<tr>
<td>Universities</td>
<td>Strong relationships/Offer opportunity to preview potential</td>
<td>Costs can be high/ Recruiters away from organization for long time.</td>
</tr>
<tr>
<td>Advertising/media</td>
<td>Large numbers of applicants/Increasing customers awareness</td>
<td>Essential to monitor cost effectiveness</td>
</tr>
<tr>
<td>Consultancies &amp; Agencies</td>
<td>Have knowledge, skills, good quality of applicants</td>
<td>Very high cost</td>
</tr>
</tbody>
</table>

*figure 5: Human resource management, a contemporary perspective (compare Beardwell & Holden, 1997, p.: 218).*

#### 2.4.3 Employer's branding

Scholars identified that internal attracting belongs to the concept of internal marketing in which the organization's personals are the first market of any company (George & Gronroos, 1989; George, 1990). In other words, organization's employees are internal customers and jobs are internal products. As a consequence, employers compete against each other in attracting and retaining suitable talents (Osborn-Jones, 2001). Additionally, Osborn-Jones (2001) emphasizes that such situations are affected by fast technological developments as well as a global competition, which causes major changes in recruitment processes and preferences for specific methods.

Employer branding has been described as the "sum of a company's efforts to convince the current and prospective staff that it is a desirable place to work" (Lloyd, 2002). Advertising may become a critical tool in the efforts that firms invest to identify, acquire and retain skilled employees. Increasingly, it is likely to be used to create, what has in the popular business press recently been referred to as "employment brands" (Sherry, 2000), building and sustaining employment propositions that distinguishes one company from other similar employers. Moreover, according to Ewing et al. (2002) employer brands are similar to traditional brands because they have personal values as well as a certain positioning. Therefore, the method “employment branding” focuses on building an imagination in the prospective talents’ mind; emphasizing that the company, above all others, is an attractive and demandable workplace (Ewing et al., 2002).

The traditional recruitment only concentrates on functional employment benefits, such as safe jobs, compensation, and chances for self-development as well as openness for creativity (Berthon et al., 2005). However, the authors Berthon et al. (2005) criticize that HR managers pay marginal or no attention to employees’ intangible and emotional associations. Also, other intangible factors
are essential to impact companies advertising or selling their branded culture or work feelings. Hence, it is an advantage, if companies compare themselves with their other employers on both functional and intangible dimensions. Thereby, Ambler and Barrow (1996) invented the terms: “psychological benefits”, “functional benefits”, and “economic benefits”. Those terms are the most beneficial aspects for companies, which are able to obtain from employees. It was not surprising to find that psychological benefits comprise intangible dimension or envisioned benefits.

2.4.4 Employer attractiveness

Employer attractiveness as a closely concept is related to employer branding. Thereby, Berthon et al. (2005) define "employer attractiveness" as the envisioned benefits that a potential employee sees in working for a specific organization. This means, candidates or perspective employees are attracted by value proposition which created by companies. Berthon et al. (2005) designed five essential factors in which individuals are attracted to an employer. Meanwhile, some of these factors are also have been identified by other scholars, for instance Arthur (2006) argued that permission of incentives directly affect talent attracting process.

2.4.4.1 Interest value

Interest value assesses the extent to which an individual is attracted to an employer that provides an exciting work environment, novel work practices and that makes use of its employee's creativity to produce high-quality, innovative products and services. An appropriate approach to incentives may only find a few targets, however the organization are likely to be more success they giveaway suit the personal tastes of the recipients (Berthon et al., 2005).

2.4.4.2 Social value

It assesses the extent to which an individual is attracted to an employer that provides a working-environment that is fun, happy, provides good collegial relationships and a team atmosphere. According to a survey conducted by CareerBuilder.com, 82 percent of some 1,200 full-time workers stated that a safe work environment was the most important element of a job (Arthur, 2006).

2.4.4.3 Economic value

Typical aspects, summarized by economic value, are: above-average salary, compensation package, job security and promotional opportunities (Berthon et al., 2005). Obviously, money plays a role for almost every employee; however, how much important it is for an individual is different. Regardless of all the theories about motivation, money often weighs heavily in determining whether a person takes or stays with a job (Berthon et al., 2005).

2.4.4.4 Development value

According to Berthon et al. (2005), companies communicate several aspects for further development. In detail, they emphasize “… recognition, self-worth and confidence…” (compare Berthon et al., 2005, p.: 162), which relate to working atmosphere and organizational culture within the company. Moreover, working in the company is communicated as experience that
supports the individual career or even renders specific jobs, which are only accessible for persons with experience in specific industry sectors (Berthon et al. 2005).

2.4.4.5 Application value
Another important type of value, the so-called “application value”, is mentioned by Berthon et al. (2005). Simply said, through applying for a company, prospective employees can demonstrate their acquired skills and knowledge as well as apply them in a specific environment characterized as customer-orientated and humane to enhance the knowledge of the people around them.

2.4.5 Relation to innovation
When it comes to attracting talents, the company can emphasize specific skills and knowledge that they demand from applicants. Similarly, specific benefits, which support innovative organizational atmosphere like empowered employees, strong emphasize of innovation within the business mission, and flexibility; can be communicated in job descriptions and so, they can be used for employer branding.

Also as preparation to attract talents, the company needs to identify, which skills and knowledge are relevant for the specific job. Hence, a clear understanding of the company’s culture, practices, and production procedure might on one hand provide the company with the ability to search for talents in an optimal way. On the other hand, this detailed knowledge will show potential for improvements or starting points for innovative ideas. Thus, attracting talents has an indirect effect on the innovative performance.

2.5 Selecting talents
After attracting a number of potential talents, a company needs to measure the quality and the use of the talent according to the company’s long-term strategy and cost efficiency (Dorow & Bülow, 2008; Elegbe, 2010). Especially the researcher Elegbe (2010) emphasizes that the employment of talents causes costs that need to be calculated. He even defines three main costs in detail for failed recruitment: opportunity costs, replacement costs, and loss of positive perception of the company in the stakeholders’ as well as employees’ mindset (compare Elegbe, 2010, p.: 53).

Furthermore, Ryan and Tippins (2004) state that selecting programs and their tools are especially designed for certain positions and jobs. Thus, it is obvious that the suitability of selecting tools depend on skills and knowledge, which refer to the tasks and responsibilities of a certain job.

As McEntire and Greene-Shortridge (2011) indicate, there are several kinds of tests, assessments and trainings to support recruiters in their decision making. This sort of classification will also be used in this paper because these three selecting tools measure the knowledge as well as the skills of the applicant to identify his/her talent in different ways. Hence, we will now look into each kind and describe their specific methods. However, the theoretical stream of HR (= human resource) practices is applied for these next paragraphs because the selection instruments are used independently to what kind of applicant is viewed. Nevertheless, one can indicate that the
selection program for talents comprises several tools, while the selection of other employees might only be conducted with one or two tools.

Another point to consider is the increasing use of computers to measure the applicant skills and knowledge (Elegbe, 2010; Arthur, 2006; Ryan & Tippins, 2004). Due to the technological development and the exploration of suitable items for the selection process by researchers, employers are able to conduct many tests and trainings to improve the recruitment and to raise the probability to hire the right person.

2.5.1 Information about the applicant

However, there is a basic kind of selection tool, which contains all relevant information that the applicant provides the company about his/herself. From the perspective of the principle-agent-theory, the relationship between potential employee and employer is hindered by the information asymmetry (Bütow & Dorow, 2008). In other words, the agent (in this context the talent) has more information about his/her talent than the principal (in this context the employer). Thus, the employer needs official documents that objectively prove the skills and knowledge of the applicant.

If a talent applies for a job, (s)he uses facts to present his/herself. Moreover, applicants try to emphasize their strengths and downplay their weaknesses (Elegbe, 2010; Ryan & Tippins, 2004). For instance, academics emphasize the extraordinary results while deemphasizing that their work/practical experience is low. Elegbe et al. (2010) call these methods “candidates self-marketing”, which indicates the relationship between HR manager and the applicant. This sort includes:

- **biographical information**: This contains demographic data, which is normally provided in form of a personal data sheet/curriculum vitae. Important to note here is that most of the data need an official evidence from another person than oneself.
- **motivation letters**: In many case, applicants are asked to reflect about their motivation, their benefits for the company and their previous experience.
- **interviews**: There are many forms of this selection tool, but the main categories are structured versus unstructured interviews. During an interview, the HR manager performs a dialog with the applicant to identify the talent of him/her.

2.5.2 Tests to select employees

According to Ryan and Tippins (2004), there are the following tests, which were successfully implemented by companies:

- **cognitive ability test**: This test is designed to provide insight about the talent’s mental capabilities. In detail, skills like logic, mathematic as well as reading abilities, and verbal reasoning play an important role, which refer to mathematics and language in figure 2.
- **job knowledge test**: Here, the practical knowledge relevant for the job is tested, which differentiates from job to job. According to figure 2, the science and engineering-as well as commercial knowledge is measured with this test.
situational judgment test: A method to identify the non-cognitive skills like problem solving abilities (compare figure 2) is this type of test. In detail, short situations of the day-to-day business are provided and the talent should give his/her most like response.

integrity test: With the integrity test, the HR manager tries to analyze the applicant’s honesty, dependability and also the trustworthiness, which is a substitute to the psychological assessment.

reference checks: Referred to Arthur (2006), this tool increases the employer’s understanding of the applicant’s previous experiences (education and work), which also can include recommendations of earlier employers or teachers.

personality test: McEntire and Greene-Shortridge (2011) also emphasize this test, which measures if the applicant’s personality has significant relationships to the job performance. For instance, the talent is creative and has an entrepreneurial spirit. These characteristics make him/her suitable for an innovative company.

2.5.3 Assessments to select employees
In reference to McEntire and Greene-Shortridge (2011), there are several forms of assessments, which they combine partly with certain types of tests. In conclusion, assessments can be generally defined as procedure that observes the reaction of the applicant during the assigned tasks. In contrast to trainings, the tasks are not part of a true situation. Here, the focus lays in the measurement of how an applicant would (and not do) work in a specific situation. In detail, the forms are:

behavioral: When a company conduct behavioral assessments, then it measures the concrete reactions of applicants to a certain stimulus like conflicts with co-workers or/and customers, high workload, or time pressure. Hence, enabling skills like team-working and informative can be indicated with this type of assessment.

psychological: Psychological traits like personality, motivation, and trustworthiness will be analyzed, which are also mentioned as technological, adaptability, and problem solving skills in figure 2. Some talents need to pass a so called “psychological employment profile test”, which is a multiple choice test.

innovative potential indicator: This item indicates the applicant’s ability to use new ideas to solve a daily problem and his/her openness for innovations in general. Thus, this tool is especially suitable for companies with a strong focus on innovation in their business mission.

person-organization fit: This assessment measures how an applicant cooperate with the company values. With this type of assessment, employers are able to establish an organizational culture profile (O’Reilly, Chatman, Caldwell, 1991; cited in McEntire & Greene-Shortridge, 2011), which documents the specific values of the company.
In picture 1, there is an example of questions that test the person-organization fit of applicants. In detail, the applicant, in the role of a check-in assistant, is facing the situation that a HON-customer (one of the best customers) is too late for the check-in, but (s)he wants absolutely get that flight. So, now the applicant should rate four different responses according to his/her own priority. The decision will provide insights about the individual values of the applicant, which will be compared with the company values to find out, if the applicant will fit into the moral value system of the Lufthansa company.

For the reason that it is from the German company Lufthansa, it is only available in German. However, the general format contains a description of a specific problem and a range of possible reactions. So, the applicant needs to sort the reactions from the best suitable to the worst suitable reaction from his/her point of view. Lufthansa uses this question to identify if the applicant has the same attitude to customers like the company itself.

- **assessment centers:** Within assessment centers applicants complete several simulations like team exercises, discussions, mock presentation, that provides an impression of the reactions of talents (McEntire & Greene-Shortridge, 2011). For instance, during a mock
presentation the talent has to give a presentation to a certain topic in front of a group of experts. Afterwards, these experts evaluate communication- as well as presenting skills, the logical order of the presentation among other items.

2.5.4 Trainings to select employees
Here it is important to emphasize that there is a close linkage between selecting and integrating talents. In other words, trainings are defined in this paper as a form of regular, timely employment, which are conducted over a pre-defined time space (Times 100 website, no year). An interesting aspect here is that some countries standardize a few regulations for companies to establish a training time for the first 6-12 months for new employees. This legal argument shows the importance of training as a form of selection because during these months the company can easily fire the new employees, which is not so easy after that training time. Moreover, the Times 100 website distinguishes between on-the-job versus off-the-job trainings. The former one contains the learning at work and the latter one describes the learning when the talent takes extra courses in an external institution. This might be useful, if the applicant studied a very specific field and needs to broaden his/her knowledge.

Similarly to the two previous kinds of tools, Ryan and Tippins (2004) explain these trainings:

- **work samples:** Usually, a suitable talent will be asked to work for the company for a certain amount of time after the official selection process. During this time, (s)he works directly in the company and the HR manager can measure the performance of talent. Hence, specific skills required for the actual tasks can be tested with this tool.

- **conscientiousness measurement:** In this case, the company identify this trait of the applicant. Therefore, true/false as well as multiple-choice questions were used.

2.5.5 Relation to innovation
For the reason that some selection tools can measure the knowledge of the talent, a company is able to select employees that support the innovative performance of the company. This HR-practice has a relationship to the definition of talent because tests, assessments, and trainings are developed to test specific skills and knowledge of the applicant.

Moreover, these abilities contribute to a certain state of mind, which leads to innovative ideas. In detail, the innovative potential indicator is initially designed to measure the applicants’ ability to create/use new ideas. This assessment contributes to the person-organization fit in the sense that HR managers can compare the different ideas from all applicants and decide which of them suits best for the company’s way of innovative performance. Hence, from the company perspective, the HR managers select a suitable person with the best ideas to enhance the innovative performance of the company as well as to have an optimal fit between the job requirements and the applicant’s abilities. In conclusion, the selection process impacts on the innovative performance.
2.6 Integrating talents

Once companies finish the tasks of recruitment and selection, the next step of human resource management is develop the appropriate strategies to integrate or retain the talent people in terms of increasing the innovativeness of companies (Shipton et al., 2005). As far as we know, the research of HRM practice is an important predictor of organizational performance has been improved by so many scholars. Moreover, (Shipton et al., 2005) argued that a sophisticated system of HRM have a potential to promote the organizational innovation. Successful companies create competitive advantages in the marketplace through innovation and creativity. Gupta and Singhal (1993) pointed out that people as a most valuable treasure for most of companies to innovative their products and service. According to their survey, most innovative companies implement a suitable mix of HRM strategies, which are able to foster the performance of innovation and creativity.

Nonetheless, it is a difficult problem for most companies to integrate or retain the people, especially to integrate the talents. It seems like that money could be a one of fascinate factors to attractive talent people. However, according to Dutra (2010), money is only one driver in terms of retention when companies pay below-average market rates. This means, that money is not the answer for keeping the best players in the companies. Nevertheless, scholars have improved so many different strategies or essential factors, which are able to influence the companies to integrate people for long term goals. In order to have a specific answer which link to the innovativeness of companies, we only collect the most considerable strategies that foster innovation and productivity in this chapter.

2.6.1 Performance Appraisal

Shipton (2006) argued that the relationship between appraisal and organizational innovation is to be positive. Some studies suggest that feedback given during the appraisal process leads to a recognition of the gaps between performance and targets (Guzzo et al., 1985), thereby motivating employees to work innovatively. Through appraisal, employees gain a clearer view of how their tasks ‘fit’ with the organizational-wide agenda (Bach, 2000). Furthermore, appraisal, conducted in a way likely to foster learning and growth, may help employees to acquire the confidence necessary to use opportunities presented for higher-level learning (Shipton et al., 2006).

Effectively appraising and rewarding personnel performance is central to effective human resource management. Often an organization's performance appraisal and reward systems encourage employee behavior "A", although behavior "B" is desired (Kerr, 1975). For example, an organization that rewards its scientists and technologists based on the number of their scholarly publications, might find the same people are not developing new products for the company (Gupta & Singhal, 1993). However, the innovation process is often very long, uncertain. It requires both individuals and teams efforts. In that way, Gupta and Singhal (1993) proved that companies have to follow three proposals in term of enhancing the innovativeness and creativity of companies.
**Risk taking:** Developing new innovation products is a high-risk venture. Innovative companies realize that to succeed, time, talent, and money need to be invested in failure. In other words, one cannot win if one does not play. Innovative companies have to accept failure as price of playing game, especially the failure from employees.

**Generate or adopt new ideas:** Many successful companies often display arrogance, believing that a new idea is worthless if they did not think of it. The "not invented here" syndrome has been spread widely inside of the company. Hence, companies should expect and encourage their employees to generate new ideas, or to adopt them from the outside.

**Performance evaluation:** The purpose of performance appraisal in innovative companies is not to reward or punish employees who are the good or bad. It is about helping companies to have better marginal performers. In most of innovative companies, senior managers or executives are prefer to have frequent informal talks with managers so that they are able to set personal growth goals and chart pathways to achieve them.

### 2.6.2 Reward System

An effective reward system is able to motive employees to take the risks so that companies allow to develop successful new products and to generate more new product ideas (Gupta & Singhal, 1993). But, we distinguished the reward system and contingent reward which Shipton (2006) identified as the proportion of total remuneration paid where specific performance stipulations have been fulfilled. Some scholars argued that contingent reward as same as "pay for performance" and it would fail to enhance creativity because they undermine intrinsic motivation (Amabile, 1988; Kohn, 1993; Deci et al., 1999). Hence, a good employee reward systems should include such practices as providing freedom for creativity, financial rewards, promotions and other recognition (Gupta & Singhal, 1993).

**Freedom for creativity:** Companies are ensuring the freedom of individuals to create and innovate their new concepts or intrinsic motivations. Innovative companies can ensure this freedom in various ways.

- **Bootlegging:** Innovative companies allow their employees a certain amount of free time to engage in their own research projects.
- **Fellowships:** Innovative companies can provide talents with enough free time, generous research budgets, and a broadly latitude to pursue projects without interference.
- **Autonomy:** Innovative companies can give talents greater autonomy increases their productivity dramatically.

**Financial rewards:** The influence of financial rewards is the same as we mentioned in the part of talent attracting. Gupta and Singhal (1993) argued that the importance of financial rewards for most innovative companies as same as it is to provide employees the freedom and support innovative, appropriate financial rewards are essential to motivating creative individuals. But, raising the salary in a very simple way cannot make him/her more innovative.
According to Dutra (2010), many innovators and creative individuals often give up ideal salary in order to have opportunities to work for innovative companies. Also, Gupta and Singhal (1993) suggested that innovative companies should offer the appropriate salary to their employees continue to excel. So, financial rewards should be based on performance of employees, not on seniority.

**Promotion:** We are proposing two suitable promotional strategies which also have been identified by scholars that are able to increase the innovativeness for companies. Gupta and Singhal (1993) found that most companies often face a dilemma about promoting innovators who may not be interested in management positions. Afterward, they found out that a dual track career system could be an appropriate strategy to figure out this dilemma. In a dual track career system, management and administrative employees move up a managerial track, while technical and professional employees move up the scientific track. Positions on both tracks are matched in proportion, pay, status and influence. The important thing is that employees are able to switch tracks (Gupta & Singhal, 1993).

Another strategy is promoting employees from within to fill available non-entry-level positions. Companies provide many suitable positions so that incumbent employees can look forward to excellent career advancement opportunities to instead of looking outside (Gupta & Singhal, 1993). This in-house promotion strategy cannot only positively affect employee's loyalty, but also can increased the creativity and innovation for the company (Johnson, 1986).

2.6.3 Career management

This strategy matches an employee's long-term career goals with the organization's goals through continuing education and training. Companies that manage the careers of their employees create a match between the long-term goals of employees and those of the organization. Employees’ careers can be effectively managed by empowering them, and through education and training programs (Gupta & Singhal, 1993).

**Empowerment:** Self-esteem is an important determinant of employee performance. If employees have very high self-esteem, they are generally more innovative than others. Gupta and Singhal, (1993) argued that the self-esteem of employees can be enhanced by increasing employees' empowerment. That is, by granting them the authority to solve problems as they deem fit. According to Henry Owen, president of 3M, said:" Most of our people will not be content to remain followers for long. If you want the best from people, give them room to grow, and all the responsibility they can handle” (Johnson, 1986).

**Continuing education:** Employees in innovative companies have more chances to get continually education and training in various skills. Most continuing educate programs have been designed to match employees' professional career goals with company needs. Moreover, innovative companies often encourage their employees to work in various departments and divisions in order to gain a well-founded experience. According to Gupta and Singhal (1993), varied experience
helps employees to appreciate the problems and pressures that assist them to become better managers.

**Succession plan:** Many organizations are realizing that their leadership potential can be found within the organization (Lauren & Tiffany, 2011). The influence of succession planning has become much more popular in the last few decades. Because of organizations strive to fill the empty positions as leaders who have retired or left the organization. Moreover, the recent economic downturn has also caused organizations to change the concept to develop existing talent further (Barnett & Davis, 2008). However, Rothwell (2011) identified that using traditional methods can take years to establish an effective succession plan within the organization. The most appropriate approach for an organization with succession plan has to be considered very carefully by the senior managers (Lauren & Tiffany, 2011). There have four essential steps of designing the effective succession plan that Lauren and Tiffany (2011) believe could help organizations to develop the innovative leader in the future. In detail, these steps are: (a) target a specific department or business area where contribute the most innovative products; (b) building the profile of a successful innovative leader; (c) identify the most appropriate people move into the succession plan by using the profile of successful innovative leader; and (d) provide the enough time and space to successors.

2.6.4 **Relation to innovation**

Also during the integration of talents, a company can use the knowledge of the talents to develop the potential ideas from the talents. Depending on the reward system and the ease to become integrated in the firm, a talent might have great influence on actual projects within the company.

Through methods like dual ladder, empowerment and autonomy, employees are inspired to spend time on their own ideas, develop projects or establish external projects, which are not in the primary focus of the company but they may be used in the future. For instance, the idea for the Apple I-pad was already created when the company introduced the first Apple I-Phone (time magazine, 2007). So, by using suitable methods of talent integration, these talents are triggered to communicate their knowledge and ideas. Therefore, there is an indirect connection between integration and innovative performance.

2.7 **Overview of the theoretical framework**

After the discussion of all relevant issues around HR practices for GTM, an overview of them is presented in this section to show their relationships and logic order.

In detail, figure 6 shows two perspectives: the first row of arrows symbolizes the logical step-sequence of HR-practice, while the second row of arrows visualize the order how innovative performance can be enhanced. Both rows show a sequence, which indicates that these processes pass off parallel in respect of time. Also, the four boxes under the first row symbolize the contents of the four main theoretical blocks: ‘view of talent’, ‘attracting talents’, ‘selecting talents’, and ‘integrating talents’.
While a company recruits talents for specific jobs, the HR managers are confronted with the development of the company for the future. Applying the assumption that survival in long-term perspective requires a form of innovative performance either for completely new products and/or the improvement of existing products (Bell, 2005; Hildalgo & Albors, 2008) on our theoretical framework, we discovered relationships between GTM and innovative performance. Moreover, for each step in the recruitment process (attracting, selecting, integrating talents) there is a theoretical expression in the process of creating and/or enhancing innovative performance of a company.

In detail, firstly, the company’s perspective of the term “talent” influences how the company considers the ideas of people related with that term. This means simply that being talented can be interpreted with the duty to come up with ideas or at least to identify potential for product innovations because of the specific knowledge the talent has. Secondly, during the time phase of attracting talents, a company has identified the required knowledge and skills relevant for the position, which might cause the identification of opportunities or/and potential for products innovations. Thirdly, when the company selects the talent from a pool of applicants, the HR managers use different methods. These methods, especially the innovation potential indicator and other assessments, might provide new viewpoints for the company and applicants can freely give
their opinion and ideas, which also contributes to the innovative performance. Fourthly, the integration of talents in the right way (e.g. reward system, teamwork) leads to the company’s ability to use the best ideas of the new employed talents for product innovations.

All in all, the theories, discussed above, suggest that there is an indirect linkage between GTM and innovative performance. Thus, we analyze the practical side in the following chapters to identify, if this theoretical framework is at least partly used by companies.

3 Methodology
The first important issue in this chapter is our use of the term “talent”. For the reason that this word creates the perception of talented versus non-talented people, it is emotionally afflicted. Moreover, this specific use of the term demonstrates an object-oriented view, explained in the theoretical framework (compare chapter 2.3.1). Therefore, we write only the word “talent” in the whole article and we will not differentiate between talented people and “usual” employees. However, we discuss definitions of “talent” in the theoretical framework, which formed our understanding of the term and the use during the interviews with the case companies.

3.1 The research design
After this clarification of our terminology, the research design will be described in detail to ensure the replicability of our thesis and to justify our choices.

3.1.1 Choice of research approach
For our thesis, the deductive approach is chosen as the research approach. In detail, a deductive approach is applied on researches, which view a certain phenomenon and which refer to existing theories rather than observations from business practices (Hyde, 2000). This approach is applied when theories offer a normative view of reality. At the beginning of a deductive approach, it is important to review existing literature with high quality in depth for establishing a precise understanding of the theoretical considerations concerning a specific research field (Bryman & Bell, 2007). Here, it is important to know that citations and journal-rankings are suitable indicators to meet that high quality demand of literature (Hyde, 2000; Bryman & Bell, 2007). Therefore, we used mainly the database “Web of Science” because it enables persons to rank the search results according to the number of citations. Nevertheless, specific journals like “Human Resource Management” were selected because they have profound details about our topic. Also, we used the VHB ranking database as another indicator for the articles’ quality (anon, 2011). However, the content of the articles was the most important factor within the decision. This had two effects on framing our study. Firstly, we used several literature about HRM as well as theories about talent management. Secondly, we concentrated on the whole recruitment process (attracting, selecting, and integration) instead of focusing on a single step.

However, for the reason that our first research question aims to provide a description of HR methods during the recruitment of talents, we have to compare practices from reality with the normative suggestions of theories. In many cases, this leads to a revision of the literature review
through adding and/or deleting references and perspectives of the topic (Hyde, 2000). On one hand, this is a disadvantage because already conducted data collections may be changed or repeated according to the added theory. On the other hand, it is positive because the research will become more profound and detailed, which refers to the overall quality.

3.1.2 Choice of research strategy
In reference to Bryman and Bell (2007), it is crucial to choose suitable research strategies, which directly influence the results and decide whether a researcher could find an answer to the research question(s) or not. For this thesis, the qualitative research method will be conducted because this approach can gain more understanding of a particular subject and it is suitable for complex issues like companies in global contexts (Bryman & Bell, 2007). Hence, it is necessary to acquire in-depth information to support this study. In conclusion, we use two typical case companies to complete the qualitative research. The selection criteria for these two companies will be explained in the next subchapter 3.2.

A case study is a strategy of research that takes into consideration a phenomenon in a certain context (Hyde, 2000). Thus, the advantage of that strategy lies in the combined research of the environment and a particular phenomenon within it (Saunders, Lewis & Thornhill, 2007). In reference to Yin (2011), there are different typologies: single- versus multiple case studies, descriptive versus exploratory studies, emphasizing ‘how’ and ‘why’ research questions. Here, the author refers six till ten case studies, which are replicated from the first case and so, they form a multiple case study design (Yin, 2011). For the reason that we interview two case companies, we conduct a multiple case study. Moreover, we might be able to identify profound patterns of HR practices in both cases because we analyze two cases within a specific context. In other words, we use the two cases to increase the amount of details, which refers to a qualitative research rather than to a quantitative research strategy as indicated above. Also, this shows another advantage: the possibility to identify a cause-effect relationship. While in surveys only hypotheses can be tested and/or the use of some methods can be count, case studies can measure a whole process (Hyde, 2000). This fits to our research focus of measuring HR practices.

We have chosen a multiple case study because of the complexity of recruitment processes and the variety of HR methods. In other words, with the help of a comparison between multiple cases, we are able to understand (i) what the differences are and (ii) why there is no right or wrong approach to recruit talents. However, a difficulty occurs when selecting cases from several industries and countries because differences between the cases might make it difficult to compare and to find to provide some general conclusions.

3.1.3 Choice of data collection
We collect data in form of a combination of two semi-structured interviews (appendix A) and a written form (appendix B). According to Bryman and Bell (2007), semi-structured interviews are suitable for qualitative in-depth research. On one side, the flexibility of asking prepared and follow-up questions, which respond to the answers and stories that the interviewee tell, is an advantage. On the other side, a problem might be that different interviewees tell different stories,
which reduces the comparability of those interviews. Additionally, a short written form was conducted including most of the instruments we found in the theories of attracting, selecting, and integrating talents. For the reason that the aim of the written form is to receive knowledge about what methods are known and applied at the companies in combination with how often they use those methods, we designed a table separating the three steps of recruitment (attracting, selecting, and integrating) with their specific methods. For the answers we provided four options: ‘often used’, ‘sometimes used’, ‘seldomly used’, ‘don’t know’, which the respondents had to cross for each method. Also, we agreed with the companies to send the interview guide together with the written form one week before the appointment, so that they have time to prepare and to fill out the table. This was a good decision because we were able to include the results into the face-to-face interview.

As a process, we developed an interview guide with the help of our theoretical framework at first and then, we construct a short written form (appendix B) to ask about specific HR methods. For the reason that we identified many different methods for attracting, selecting, and integrating talents, there was a need for adding this written form. However, compared with the theory, we did not mention all instruments because of their variety, which would have been increased the complexity of the written form. Hence, those instruments, which were not often used in the literature, were excluded. Caused by the fact that we did not change this form after the first interview, the answers of both written forms are comparable. Moreover, the second interview was conducted with the help of the cellphone because of the distance to Germany. This specific situation required a separate preparation because of the sound quality of rooms and the cellphone connection.

3.2 Choice of the case companies
First of all, we emphasize that GTM does not exclude small- and medium enterprises (= SMEs), when it comes to size of companies. In contrast, we refer the global characteristics of GTM to the international perspective of the company in sense of international employees, international markets among others. This assumption is used to frame the criteria for our choice of companies. Thus, we established the criteria: (i) international business context, (ii) offices and/or factories in other countries, and (iii) implementation of innovation into the business mission of the company. As a consequence, the comparison of lists from different management magazines and business websites like the Fortune magazine or CNN money among others helped us to identify suitable companies for our research. For example, a list was published on Forbes, which compares globalized companies due to their average sales growth rate and among other indicators. These websites as well as the geographical accessibility guided our selection of companies.

From the previous reasoning above, we are interviewing two multi-national enterprises (= MNEs), which one is located in Sweden and one in Germany. All of these companies have an international business context and they strive for innovation, which fulfill our selection criteria. For instance, Danone (which Danone AB is part of) is rated on place no. 35 on the Forbes list of the most innovative companies (Forbes, no year). In detail, the company has an innovation
premium value of 31.5, which measures how much investors raise the price of the company’s stocks because of the positive expectations of new products, services, and markets. On the contrary, Goodyear Dunlop emphasized the goal of being one of the innovative leaders in tires production in their business mission, published on the homepage. Both cases will be described in the empirical data section.

3.3 Interview guideline

Now, we explain the general structure and purpose of the interview guide as well as the formulation of questions. For an overview of all questions, we put the whole interview guide at the end of this thesis (compare appendix A).

For the reason that there are one central topic (concept behind talent) and three subtopics within the recruitment process (attracting, selecting, integrating), the structure of our interview guide has also four parts. However, the subsections: “innovative performance” and “role of the HR department” of the theoretical framework are only necessary to understand the previously mentioned theory parts and so, they are not an explicit question-block of our interview guide.

In relation to our research questions, we chose a combination of open and closed questions. As a consequence of the fact that the former type of questions demand more effort of the interviewee (compare Bryman & Bell, 2007, p.: 259), those questions were suitable to explore details of the recruitment process of each company. In contrast thereto, the closed questions fulfill the aim to provide us a clear picture about the perspective of the company. Furthermore, the content of our interview questions is based on the four boxes under the first row in our model, we established at the end of our theoretical framework (figure 6, p.: 22).

3.4 Data analysis

For the reason that we did not use hypotheses, a systematic way of coding the data we received from the interviews was needed. Therefore, all interviews were recorded (one with a cellphone and the other one with a computer) and word-by-word transcripts were made. Here, the benefits lie in the ability to interpret detailed data (Hyde, 2000).

With the help of transcripts and the structure of our theoretical framework, we sort the answers into the four different theoretical blocks that we had developed (view of talent; attracting-, selecting-, and integrating talent). In other words, we used these blocks as categories and put the answers into the suitable category. This has the advantage that we are able to compare within these categories between the two case companies, while keeping all details of the stories, which the interviewees told us. Similarly to the previous point, we also keep the overview of the context of data without losing ourselves in pieces of codes, which is explained by Bryman and Bell (2007) as a major disadvantage for coding.

During the process of coding, we looked for keywords in the transcripts for each single case indicating which answers of the interviewees belong to which category. According to Strauss and Corbin (1990; cited in Bryman & Bell, 2007), this method can be called “open coding” defined as
exploring the data and establishing categories as well as keywords to sort details. For example, we identified “own opinion”, “innate”, “definition” among others as keywords for the first category. Moreover, details about our coding method are presented in a table, which shows the categories and all corresponding keywords (compare appendix C), at the end of the thesis. Afterwards, we checked if the keywords are the same for both cases in order to be able to compare the case studies. From the information stored in each category, we compared the data with the points mentioned in the theoretical blocks in our model (figure 6, p.: 22) to identify similarities as well as differences between the cases and even new points, which were not considered in figure 6. Then, all those answers were integrated into the analysis part, which therefore is in the same way structured like the theoretical framework. All in all, this method of coding was useful in our thesis because we were able to connect the data with our theoretical model (figure 6, p.: 22) and also to compare the two case studies, which is stated by Bryman and Bell (2007) as an advantage.

4  Empirical data

After choosing suitable companies and knowing the theoretical background, the concrete research was developed. Hence, we describe now the two different cases from the paper’s point of view with the help of their homepages as secondary data and information, we conduct with the help of the written form and the interviews as primary data.

In detail, each case will be presented first with general facts about its structure and products, secondly with specific information of the company’s recruitment, and thirdly with a few statements about the innovation in these companies. Whilst, the first paragraph is important to understand the business context, the second part relates to the three theoretical blocks ‘attracting’, ‘selecting’, and ‘integrating’; and the third part considers why these companies are identified to be innovative. However, a precise analysis of the data is in the center of attention in the next chapter 5. Therefore, some facts will be repeated in chapter 5 to explore the reasons and causes of using specific HR methods, while in this chapter 4 only the findings are presented to illustrate what concrete HR practices the case companies have.

4.1  Case 1: Danone AB

4.1.1  The facts of Danone AB

Danone AB is a part of Group Danone and it is operating in the four countries: Sweden, Finland, Denmark and Norway. Also, Danone AB is the head quarter of Nordics in Sweden; thus, they have offices, a factory as well as a research team in Sweden. They are present in the Nordic countries for ten years, while starting from Finland, and then, expanding to Sweden, Denmark and Norway. Their business is growing year by year, which aims to extend turnovers and operations. Since October 2010, they also have cooperated with Proviva in Sweden. Nowadays, they sell six brands, which are a part of a large collection of the Danone umbrella brand, namely: Actimel, Activia, Danonino, Oikos, Proviva, Danette and Danio in the Scandinavian market.
The head quarter of Group Danone is located in Paris. However, the company itself is decentralized. According to the interview, we found that they do not have any common structures or such business cooperation between divisions. This means, the local company has a high empowerment.

4.1.2 Recruitment of Danone AB

When it comes to the recruitment, the way they managed the recruitment is a combination of different values of employer branding (compare p.: 12-13). In order to attract the high skilled employees, they communicate their high expectations to the candidate because they believe that the quality of candidates needs to be in line with the expectation of the company. Therefore, employer branding became the major concept for this company to attract highly skilled people. That is the reason why the company was able to create a strong innovative culture to attract people, who strive to develop new products. Consequently, this image is presented at universities as well as the media, either the new social media or standard media. Furthermore, they are using different channels, either recruit directly or work with external recruitment companies or agencies. Even for the selection process, they apply many different tools according to the findings of our written form. In detail, for the most cases it uses motivation letters, while they use almost every test, mentioned in the table of the written form (appendix B). For example, the company uses on a seldom basis such methods like “job knowledge test”, “conscientiousness measurement”, and “innovative potential indicator”. Interesting here is the latter methods because it supports testing if an applicant can think outside the box and is open to new ideas. Also, standard methods like interviews, case studies, or personality tests are used.

For the integration of their employees, Danone AB evaluates the performance of employees in every two years, then the company offers opportunities of succession plan to every employees. Additionally, to continually improve staff employability the company has set some priorities like the following. Maintaining significant training budgets; ensuring that all employees are regularly trained; setting up employee participation programs with more opportunity to acquire qualifications; and developing autonomy are all performance tools to both enhance employees’ skills and maintain their competitiveness on the job market. There have three major in-house training programs within the company: Danone Leadership College, Dream Store College, Danone Learning Solutions. Also, the company cooperates with consulting company, which helps them to improve the performance through effective people, financial and risk management.

4.1.3 The innovative performance of Danone AB

Furthermore, the group Danone has a big R&D (= research and development) team in France. Therefore, they have around 100 doctors and product developers, and scientists are working on the new activities. Since 1991, Danone has been supporting the Danone Institutes and independent non-for-profit organizations to help advancing knowledge about the links between food, nutrition and health. Therefore, their programs include providing support for scientific research, informing and training health professionals, and educating the public. Also, the network of 18 Danone Institutes in 19 countries comprises 250 prominent and independent researchers, physicians and dieticians specialized in all aspects of food and nutrition, including biology,
medicine and the humanities. Over 1,000 research projects have been funded by the Danone Institutes, and more than 18 million Euros are distributed in the form of research awards and grants. Moreover, Danone AB learns about one concept every three or four years from the head quarter. The firm has also a R&D center in the factory in Umeå, where they produce the Proviva, which is the first product of this kind in the world. Hence, the two R&D centers have supported the company has very strong innovativeness products.

4.2 Case 2: Goodyear Dunlop

4.2.1 The facts of Goodyear Dunlop
The company is called “Goodyear Dunlop Germany GmbH” and operates in whole Germany. Moreover, it is connected to the globally working company Goodyear Dunlop, which has offices and factories in Poland, Luxembourg, and Slovenia. Thus, the international business context is given, which is relevant for our research.

Also, according to an interview of the company (Goodyear Dunlop.a, 2011), the company distinguishes employees in reference to their working field during the time as a trainee. Therefore, there are two types: the generalist and the specialist. In detail, the former one describes that employees become acquainted with several departments, switching each after a few months. Contrastingly thereto, the latter one means that the trainee focus on one department to become familiar with the detailed work and specificities of the tasks.

4.2.2 The recruitment of Goodyear Dunlop
The written form found that this company uses the HRM methods “self-applicants”, “unsolicited enquires” and different media channels like print media (specific magazines) in most cases while it attracts talents. Sometimes, Goodyear Dunlop applies additional or other methods for a special position or as a cause of a certain situation. In detail, here, the respondent stated “supervision recommendation”, “previous employees”, “union/professional referrals”, “consultancies/agencies”, and “employer branding” as practiced HRM methods. However, methods like “previous applicants”, “job centers”, and “universities” are rarely used during the attraction phase. Nevertheless, all HRM methods listed in our written form are known by the company.

In contrast thereto, when considering the part of the written form about the selection of talents, one HRM method from our list in this form is unknown by the company, which is called “innovative potential indicator”. Also, for the reason that the company has no predefined selection process, there were no methods marked as “mostly used”. In other words, many of the methods (appendix B) like “job knowledge test”, “cognitive ability test”, or “personality test” among others are sometimes applied; while “motivational letters”, “reference checks”, “psychological assessment”, “work samples” and “conscientiousness measurement” are only seldomly used.

Referring to the last part of our written form, which is about integrating talents, Goodyear Dunlop applies most of the HRM methods, mentioned in this form, like “performance evaluation”, “generate or adopt new ideas”, and “succession plan” on most applicants. Only one method:
“autonomy” is used sometimes, while the HRM method “fellowships” is seldomly applied. However, the first method “to allow risk-taking” is not known by the company.

Another interesting aspect, when considering the integration of employees, is that the company put many efforts in the development of their employees and therefore, it established the MDP (management development program), PMP (performance management program), and the sales academy (Goodyear Dunlop.b, no year). In detail, the MDP focuses on the development of the management personnel and has duration of two and a half year. Moreover, a group of 15 employees participate in ten seminars during these years to improve their leadership and management abilities. The second development method (PMP) is a method to define the goals of the company as well as of each single employee. Moreover, these goals are documented, which supports the transparency and an open organizational culture. The latter method (sales academy) is an education center, which is established by the company itself. Moreover, it provides several courses in different disciplines like selling skills, product knowledge, software skills, marketing, finance- and business management.

In conclusion, using the own resources and capabilities to share the experience with all employees seems to function well for this company. For the reason that it emphasizes the development program, the benefits of the company, and showing their award as a top employer, certified by the CRF (= corporate research foundation) institute, on the Goodyear Dunlop’s homepage, the company uses the method of employer branding as we were indicating in our theoretical framework.

Lastly, the company uses a special kind of attracting talents, which is that current employees tell a personal story of their working experience within the company (Goodyear Dunlop.c, no year). Similarly to our discussion of attracting talents in the theoretical framework, this method is a way to communicate the advantages of the company. For the reason that real persons (with photo) are cited, the reliability of the company’s communication is increased. Moreover, it demonstrates the perspective of the employees, not the employer; which might also have a positive effect on the trustworthiness of these stories in the view of applicants.

4.2.3 The innovative performance of Goodyear Dunlop

Furthermore, the company has an innovation center in Luxembourg, where employees; most of them are engineers in the R&D department; work on improvements of the products or even new products. Moreover, the location of this modern and rich city is suitable for identifying opportunities because the technological advances are easily accessible as well as the pool of talents might be big. Hence, this demonstrates the importance of innovation for the company.

Additionally, the company communicates in their business mission that striving for innovation is one of the purposes of that company. In detail, it is written on the homepage that cooperation between all departments is practices to a high extent and there is a predefined way of developing new products (compare Goodyear Dunlop.d, no year). This precise knowledge of the innovation process contributes to the success of the company in form of competitive products like the
Goodyear Ultra Grip 8 or the Dunlop Winter Sport 4D winter tires (compare annual report 2011, Goodyear Dunlop.e, 2011). Moreover, the company received the award “R&D 100 Award for Innovation” from the R&D magazine and its tires are highly ranked in Europe, which can be interpreted as proof of the strong innovative of that company (Goodyear.f, 2005).

As a result, the website of Goodyear Dunlop offers much information especially for talents, who search for jobs, compare different companies, and have an innovative spirit. In other words, there is a precise description of the company, its goals and its values, which also can function as a method to attract demanded personnel. Therefore, the applicants are able to understand, what it would mean for him/her to work in the company. In the same way, this indicates that the company has a good overview about their HR practices and knows what jobs or positions need what skills and competences as well as their important role for developing new products and improving existent products.

5 Analysis and results

For the analysis, we decided to structure the results according to our topic areas in the theoretical framework. Therefore, the data from all three interviews will be sorted into and will be explained in the suitable theoretical blocks of the theoretical model (figure 6, p.: 22).

5.1 View of talent

From the data, we know that the two cases do not share the same perspective about what talent is but that their perspectives are explainable with the help of our theoretical framework.

Firstly, we can generally state that the interviewee of the Swedish company has his own clear understanding of what is talent. In comparison thereto, the interviewee of the German case company tried to relate to common definitions of talent. This may be the result of the different national cultures, where the companies are surrounded with (Usunier & Lee, 2009). In other words, Swedish culture promotes flat organizational design with low horizontal hierarchy-levels, while the German culture emphasizes clear hierarchies with strict separation of responsibilities. Therefore, Swedish employees may rely on their own perspective and German employees rely on common perspectives (Tansley, 2011; Elegbe, 2010). However, these aspects influence the companies automatically and it is difficult to change, which indicates that we cannot evaluate this difference either positively or negatively (Usunier & Lee, 2009; Cheese et al., 2007).

Secondly, we can refer to the dimension of subject- versus object-oriented perspectives of talent, which is the last point within the first block of figure 6 (p.: 22) under the element of “perspectives about talent”. In detail, we found that the Swedish case company uses the subject-oriented perspective (Gallardo-Gallardo et al., 2012). Therefore, the company views talent directly to the employees, not to single skills or kinds of knowledge. This can be caused by the company’s orientation to innovation. To put it simple, one group of scholars, who studied innovation and especially entrepreneurship as the source of inventions, emphasize the personality of the entrepreneurs (for example Cunningham & Lischeron, 1991). Hence, those literature studies
based their argumentation also on a subject-oriented perspective (Gallardo-Gallardo et al., 2012). For the reason that Danone AB does not have an own R&D department where new products are developed, they are responsible for marketing, branding and the communication between the company and the customers on a B2B (business to business) as well as on a B2C (business to customer) level. Thus, this company is not the direct place of innovative performance as we defined, which also is reflected in their perspective about talent (Galbraith, 1982).

In contrast thereto, the German case company understands talent more from the object-oriented view. Here, talent refers more to the skills and the knowledge that a person has, which means that a person is talented and not a talent (Gallardo-Gallardo et al., 2012). The reason for this view of talent lies in the organizational culture affected by national culture (Usunier & Lee, 2009). In detail, if a company is located in Germany, typically large firms value employees with a high education and good study results. This means that the corporate culture of the German case study refer to the achievements, which a talented person got from its ambition to receive good grades and diplomas. Hence, success-orientation plays an important role because it demonstrates one’s ability to resist pressure and so, the training of talents is an essential part of the national culture (Usunier & Lee, 2009; Howe et al., 1998). Moreover, the object-orientation supports this striving for success because talents are able to show their skills and knowledge also in difficult situation under time pressure, which might increase the chance for success (Gallardo-Gallardo et al., 2012). Therefore, the view of talent differs significantly from the Swedish company, which indicates that it depends on the organization’s orientation as well as the national culture of the company’s location.

Thirdly, according to the first point of the theoretical block of figure 6 (p.: 22): if talent can be trained or is innate, the cases differ as a cause of different perspectives they use. However, both emphasize training as an important indicator for talent but with different reasons. More precisely, the first case stated that the training is useful to identify, what kinds of talents a person has and want to develop; while the second case explained that training is important to further develop and optimize existing knowledge and skills (Tansley, 2011). For the reason that the German company for example established an own sales academy shows the orientation towards success and its origin in a suitable education (Howe et al., 1998).

Lastly, both companies stated that experience is not important if a person can be called talented or a talent. Thus, both view talent independently from age and specific work experience. This is caused by the global business context they are operating in (Tansley, 2011). In other words, the fact that each company needs to cooperate with different employees from several offices, the HR managers are aware of variety of skills, knowledge and personal traits (Cheese et al., 2007; Ederer, 2006). These aspects are not related to a specific age or work experience of several years. Moreover, the global business context requires an economic viewpoint of the world and the focus on certain goals. Therefore, people are evaluated according to their results and success, which is also the second and third point of the first theoretical block in our model (figure 6, p.: 22).
As a consequence, there is no right or wrong view of talent. In detail, from our data we found that both perspectives (subject- versus object- orientation) are successful and that they depend on the organizational environment (like national culture) and the company’s mission (orientation towards innovation). Moreover, the latter aspect refers to the “innovative ideas of talents”-element under the first theoretical block in figure 6 (p.: 22).

5.2 Attracting talents

According to the data we found that the manager from the first case has a positive impression on employer branding. Hence, he is highly concerned about the reputation of the company. For instance, they will present the image of the company by using new social media and standard media when they start to recruit new people from universities. At this point, the manager has mentioned that the performance of his company is correlated to the quality of candidates. This means, if the Swedish case company increases its success, they will be more visible and recognized by many highly potential employees. That supports the company’s ability to attract a greater amount of high qualified candidates. This perspective fits into the theory, which we mentioned before that candidates or perspective employees are attracted by value proposition which created by companies (Berthon et al., 2005). In other words, we found that some essential factors have been mentioned by manager for several times. For example, the interest value is one of the most important factors to support branding the company as an attractive organization. This demonstrates the relevance of the aspect “employer branding” within the third theoretical block in our model (figure 6, p.: 22). However, the manager has explained this concept has been applied within the organization in another way. In detail, he had used the word “engagement” instead of the word “attractiveness” for this special value. From his point of view, attractive organizations must have a high level of engagement to attract their employees. Also, he explained a philosophy, which is called engagement pyramid and which is used in this company as follows:

![Engagement Pyramid](image)

*figure 7: engagement pyramid of the Swedish case company*
As we can see from figure 7 above, there are three different layers in the pyramid. Each layer represents essential factors that determined whether this company is attractive for employees. Important thereby is that a company has to fulfill the first level to be able to reach the next higher level. Thus, if a company takes only care about the social responsibility of the environment without treating the employees in a good manner, the employees will not care about the company.

1. **The fundamental layer:** In this level, manager emphasized the *company culture, company values and paying benefit* as the most important factors which determine whether the organization is attractive for employees. Compare with the theories, the interest value is a fundamental factor to attract individuals by providing an exciting work environment and novel work practices. Also, it motivates employees to produce high-quality, innovative products and services (Berthon et al., 2005). This also contributes to the economic values, which are able to provide the fundamental motivation for employees. Hence, we believe that the factors of this level are equal with the economic values and interesting values.

2. **The middle layer:** In this level, the manager mentioned that employees could be attracted by *career opportunities* within the company after the fundamental layer is satisfied. According to Berthon et al. (2005), the concept “social values” helps an organization to provide a friendly working environment and health relationship to employees, development values and application values, which refer to the career development of employees. In this point of view, we believe that the meaning of this second level is like an aggregation of the concepts: development values, application values and social values, which we discussed in our literature review on page: 12-13.

3. **The top layer:** On the top, companies should take *strategy, leadership and social responsibility* into the consideration. Is the company socially responsible? Is the company caring for the community or social? Is this company taking consideration the environment impact of the operation of the company? However, we are not able to link this top level to the theory since we believe that this level can be vary due to the companies’ cultural differences.

Moreover, Beardwell and Holden (1997) mentioned that the advantage of external recruitment, for example by using consulting agencies, lies in the professional knowledge of recruitment. Hence, the quality of candidates is relatively high than other ways of recruitment. Thus, taking the size of the case company one into consideration, they have cooperated with external recruitment agencies frequently since last year. This partly supports the first point of the second theoretical block of our model (figure 6, p.:22) that emphasized the importance of external recruitment. For the reason that they have a broad network or database of people, they are able to select or scan people, who may fit the culture and expectation of the company. Besides external recruitment agencies, they also use *existing employee contacts* and *job centers* to attract people, who might be the “right” ones. As a result, they trust in the support of these three ways of recruitment to build an instantly image of small companies on the market. According to Beardwell and Holden (1997), companies use existing employee contacts to recruit new people, which can help them to find someone who has the similar skill, knowledge and attitude with the current employees. However, on one side, the organization spends much money on using job
centers to recruit potential people. On the other side, these expenditures are very useful for this case company to attract and observe candidates. To be specific, we propose the following reasons why the Swedish company has adopted these three main ways:

**Concept of recruitment in the company:** Firstly, they rely on a high extent on using the image of company to attract the talents, which can create a form of dependency to the brand as employer. Hence, the point “using employer branding concept” in the second theoretical block “attracting talent” in figure 6 (p.:22) is also found in the case interviews. For the reason that the expectations of companies are high, they have strived to enhance the reputation of the company on the market, and it also became the priority mission for them. Additionally, external recruitment agencies can ensure the quality of candidates and reducing the failures of recruitment (Holden, 1997).

**Size of the company:** Secondly, the size of company determines the reputation of the company. In other words, either the external agencies or the existing employee contacts are able to enlarge the company's network.

**Culture of the company:** We also found that the corporate culture of company has a fundamental impact on the decision of talents’ recruitment. In detail, the working atmosphere is energetic and it promotes an innovative spirit, which the management uses for creating new ideas. Thus, they believe that these three ways of recruitment can attract highly skilled people who are able to fit the culture of company to a large extent.

Overall, other recruitment approaches also have been widely used by both case companies, such as universities, exhibitions and sponsored the programs. They all consider that young graduates have strong potential to be or become a talent supporting the employer for a long time. However, we found that is a gap between two companies; although the opinions are very similar. If a company has a positive, widespread image on the market instead of a weak reputation, it is more aware of the importance of young graduates, which care about the distinction of an employer. Furthermore, Clarke (2008) emphasized that young graduates need to be trained in long term, which is included in recruitment practices of both case companies. However, this is difficult for young or start-up companies because at first, they need to build the reputation of company in a short term with the help of highly skilled people.

### 5.3 Selecting talents

When relating to the four different kinds of selection methods: information about applicants, tests, assessments, and training; which are the last point of the third theoretical block of figure 6 (p.: 22); we figured out many differences. In detail, the Swedish case put much attention on the motivational letter and reference checks, while the German case does not considers those methods to a large extent. This can be explained by the view to talent of the firm (Elegbe, 2010; McEntire & Greene-Shortridge, 2011). If the company operates with a subject-oriented perspective, it analyzes the applicant’s ability to summarize and reflect on his/her own achievements (Ryan & Tippins, 2004; Gallardo-Gallardo et al., 2012). Contrastingly thereto, object-oriented views of talent lead to a high degree of importance of tests and assessments and a
low degree on the applicant’s development (Ederer, 2006; Gallardo-Gallardo et al., 2012). Nonetheless, testing talents is also relevant to the Swedish company because some of the tests, mentioned in the theoretical framework, do not only measure specific skills of the applicants but also whether the person has the knowledge to fulfill the role (for example the job-knowledge test), which is involved in the offered job. This confirms the first point about testing applicants’ skills and knowledge in the third theoretical block in figure 6 (p.: 22).

Furthermore, from the interview we noticed that the first case established a systematic way of selecting including “interview, case study, or personality test” (director of HR department the Swedish company). Compared with the data from the written form, the personality test is less used as the other two instruments. Therefore, the direct communication between the applicant and the HR manager is highly valued by this case company (Tansley, 2011). This relies on the aspect that all employees of that company are view from a subject-orientation (Gallardo-Gallardo et al., 2012). Thus, considering the whole human not his/her skills and knowledge plays an important role and is therefore integrated into the organizational culture.

Another difference occurred, when we were asking about the training methods as the last kinds of selection tools. While for the Swedish company the work samples during the first months are often used to verify the choice of the new employees; the second case company makes no use of this kind of selection tools because the HR managers focus the selection only on the time before a concrete employment. This can be explained by the difference in company size (Ederer, 2006; Elegbe, 2010; Tansley, 2011). In detail, for the reason that the first case company is a small firm, which functions as a company branch; every new employee needs to fit into the whole company, which is only a small team of workers (Tansley, 2011). Hence, this small size leads to a direct impact of everybody’s work and a high responsibility for every single employee. Also, this effect is supported by the non-hierarchical organizational structure of Swedish companies. On the contrary, the size of the second case company is big with several departments and many different teams. Therefore, new employees have more time to fit into the company and their work performance during the first months will properly not have such a big impact on the company’s outcome than in the smaller Swedish case company (Ederer, 2006, Ryan & Tippins, 2004).

Nevertheless, one similarity between both cases here is that they integrate different tests into the recruitment process. This indicates that the studied companies are aware of the complexity of their business and so, they obtained detailed knowledge about the tasks, roles, competences, and responsibilities that each job requires (Ederer, 2006; Elegbe, 2010). As a consequence, both companies use the variety of selection instruments to find suitable people and to ensure that the HR managers chosen employees will contribute to the success of their company (Ryan & Tippins, 2004).

Especially through the different selection methods and their use in companies, we discovered certain interchangeability between some of the four selecting instruments, which can be a reason for so many differences in the selecting step of the recruitment process (Elegbe, 2010; McEntire & Shortridge, 2011). For example, personal traits can be measured with a personality test and
values of the applicant with a person-company fit test. However, applicants can also demonstrate these traits through writing a motivational letter in the way how they are reflecting about their skills and development (Ryan & Tippins, 2004). So in case one, we think that they chose this way of selecting their employees because writing also requires creativity, analytical skills as well as an eye for details. Hence, if a motivational letter is well formulated and without grammar and spelling mistakes, a talent shows his/her interest and carefulness, which describes the applicant not only his/her skills and knowledge. This can be interpreted as that the quality of the talent is checked, which refers to the second point of the third theoretical block of our model (figure 6, p.: 22). Meanwhile, case two prefers a combination of single tests according to the specific job offer as well as the applicant. Interesting here is that also the German company integrates a written self-evaluation, similar to a motivational letter, sometimes into the selection process. However, this is not viewed as a main element of the selection process; it is more an extra help for the applicant to identify what (s)he really is interested into.

All in all, the way of using selection instruments in the recruitment process represents the company’s view of talent as well as its business context (Elegbe, 2010; Gallardo et al., 2012; Tansley, 2011). Thus, the choice of selection instruments varies and it depends on several variables. However, companies mix the instruments to test the skills and knowledge of applicants on the one side and on the other side they also measure the personal traits. As a consequence, the case companies only select very suitable talents, who fit with the company; which supports indirectly the third element of the second row in the theoretical model (figure 6, p.: 22) because “suitable” in this sense indicates also useful for innovation.

5.4 Integrating talents

According to the interviews, it is obvious to notice that two companies respect and think about the values of talents to a high extent. Thereto, they have put many efforts into the integration of talents in sense of money and time. Moreover, we found some specific similarities between the two companies. For instance, both of them hired a professional consulting company to conduct a satisfaction survey about all employees in every one or two years. Additionally, internal training programs have been widely established by the two case companies as well as the succession plan. Also, we found that there are some differences between the companies; such as the fact that they developed different concepts about their financial reward systems. Hence, we will explain the reasons and causes of those similarities as well as differences in the rest of this section.

In our theory part (second point in the last theoretical block of figure 6, p.: 22), we proposed that there are three strategies, namely performance appraisal, reward system, and career management including the succession plan (Gupta & Singhal, 1993); which could help companies to integrate the innovative people. According to the findings of our research, the two companies have applied all of those three strategies. Therefore, we will explain those as well as the practice of using the succession plan in the following paragraphs.

Performance appraisal:
Each company has created several channels that ensure the employees to feel free to talk to the senior managers. For instance, case company one established a voluntarily position, which is called “buddy”. Once a new employee entries into the company, (s)he will have a buddy helping him/her to get familiar with everything. On the other side, senior managers depend on the usage of the result of the evaluation to judge the performance of employees. Moreover, we can see the satisfaction survey from one company (appendix D). In other words, they asked a consulting company to do this survey every two years as well as the employees’ performance evaluation. Then, the case company one is able to improve or to modify some weak points, which were indicated by its employees. According to same appendix, the company has the highest score of engagement of all companies of Sweden, which cooperate with the same consulting company. This means, the company uses this index to prove that they are the best to engage employees, who have told by this appraisal. Moreover, other indexes like culture, values, and development have a similarly high score compare with other companies in Sweden. This result of this survey is for the employer as well as the employees accessible, which strengthen the message that this company is a good place to work.

The important point here is that employee’s performance evaluation functions as a fundamental metric for the company to choose among their current employees, who should take the training programs. In order to increase the quality of training programs, the first case company creates a set of profiles for every employee within the organization. Then, its HR department identifies a set of individuals, who are best suited to move into a new leadership position, or figures out current leaders, who are best suited to advance as leaders in the organization.

**Reward system:**

Both two case companies are ensuring the freedom of individuals to create and invent new concepts. Similarly, both organizations are aware of the employees’ intrinsic motivations. According to the interviews, we know that companies have adapted the fellowship that provides talents with enough free time, generous research budgets, and broad latitude to pursue projects without interference. They all established the research institution, which is apart from the administration department; hereby the researchers have more free space to develop new products. Whilst, the HR department takes care of the promotion in every period; at end of this period, they will evaluate if this person matching the expectations and then they prolonged the contract.

Moreover, however, we found that there is a big difference in the understanding of “financial reward”. In other words, the two companies do agree with the statement that financial reward could be a motivation for employees. However, one company believes that money is not the highest priority of its employees’ motivation, while the other company does think so.

**Career management:**

According to Gupta and Singhal (1993), if employees have high self-esteem, they are generally more innovative than others. What we found among the two companies is that working atmos-
phere has allowed employees to gain authority to solve problems. Thus, the importance of culture and values proves that employees function well in an appropriate organizational culture, in which the company shares power as well as control with its employees.

Meanwhile, the two companies have designed a set of training programs, in which everyone has the opportunity to participate in the programs. For instance, the German company established a department for taking care of all training programs.

Another point is that the Swedish case company allows in-house trainers to conduct operational training bringing staff from different countries together. Also, the company offers different training programs to employees, who come from divisions. For instance, “Leadership College” seeks to train the team leaders; “Dream Store College” designed for sales staff and line managers; “Learning Solutions” is a special program for persons, who work on the business line such as human resources, finance and marketing.

*Succession plan:*

According to the results of our written form, succession plan is a HRM method used for most cases of integrating talents into the company, which is also mentioned by Lauren and Tiffany (2011). This is caused by specific viewpoint of the Swedish company that everyone has talent. However, both companies have high expectations to talents because they have to increase their ability to fit for the organizational purposes. As mentioned by one interviewee, the possibilities are constantly increasing with a high degree. Hence, their employees need to handle this pace of change and opportunities. It requires from the employees to keep developing their skills and experience in order to fill their role in future. We also found that they care a lot about their decisions of which people should be chosen in respect to the succession plan. In other words, the fit between individual goals and company goals plays an important role in the Swedish case, which supports the first point of the last theoretical block: “integrating talents” in our theoretical model (figure 6, p.: 22). Moreover, the employee’s previous performance ratings, evaluation data and the objectives will be taken into the consideration before they make their decisions.

Apart from these three strategies and the succession plan, we noticed that this company has adapted other useful approaches to integrate talents. For instance, one company believes that commitment is a key for high employee performance. Since it cannot be decreed, it is embodied and manifested in the every day’s relationship between employees and their supervisors or managers and also in the understanding of the company’s mission.

5.5 Connection between HR practices and innovative performance

We have identified the HR practices as strategic approaches, which are used to transfer innovative ideas and knowledge into practice through attracting, selecting and integrate the talents. In other words, at this point, we relate to the indirect connection between the two rows (sequences of arrows above and below the theoretical boxes) in our model (figure 6, p.: 22).
In detail, both two companies have very special insight of which people have talent. They have designed their own requirement of talents to fit the condition of organization. Related thereto, Shipton et al., (2005) has pointed out that learning is an essential process to increase the organizational innovation performance, and the asset “people” is the “place” where the new innovative knowledge comes from (Roberts & Fusfeld, 1981; Hildago & Albors, 2008; Lopez-Cabrales et al., 2009). Hence, they all believe that people are the fundamental force where the innovative ideas come from. Even the perspective that talent is different if compare with two companies, still they have very high expectations of candidates. For instance, Germany companies require applicants should have high grades, and Swedish company only be attracted by high skilled people. Whilst, they concerns very much on the development of employees so that each of company provides various training programs for every people from different divisions. Thus, we conclude that the first connection between HR practices and innovation performance is the high skilled people or people who meet the needs of organization.

Additionally, once the organization has hired the innovative people, or the innovative ideas, it is very important that new ideas and knowledge need to be communicated through the organization so that they can be implemented (Shipton et al., 2005; Cunningham & Lischeron, 1991). We found that two companies have created quite strong awareness of collective. They have encouraged employees to develop a frequency of contract with others, where the working environment of company is quite open, which contribute to the innovative performance (Lopez-Cabrales et al., 2009). For instance, Swedish company has a young age team of administration that they have shared the common goals and aims. This similarity keeps the innovative ideas or knowledge throughout the whole organization. Also, it is very important for Germany companies to enable their associates to work together in an effective way. Hereby, the second relationship we have identified is the open working atmosphere and the awareness of collective.

Furthermore, both companies all grant the empowerment of employees who are able to get high autonomy within the organization. It means, employees have been rewarded enough time, space and autonomy to implement the innovative ideas or knowledge into the new products (Shipton et al., 2005). Especially, the Swedish company integrated the innovation aspect of their business mission into the organizational culture to ensure an innovation spirit while employing young people, establishing an open communication, and empowerment of their employees. Hence, we take the third connection into the consideration, which is integrating the employees with high empowerment.

Overall, beside these three connections, there was only little evidence found that proved the identified relationship between HR practices and innovative performance. This can be explained by the fact that in both companies the innovation takes mainly place in the R&D department, which has no direct connection to the HR department except if new employees for the R&D department are demanded. At least in the Swedish company, we identified that an organizational culture, characterized with an innovative spirit, is partly created by young dynamic employees.
For the reason that these persons share attributes like risk-taking, creativity, and open-mindedness, a specific organizational culture is established.

In reflection to the model at the end of our theoretical framework (compare figure 6, p.: 22), the understanding of the variable “innovative performance” has changed because the data, we received. In other words, the development of new products or improvement of existing products is still relevant but not directly connected to HRM methods used in the company. Moreover, the data showed that the usage of specific HRM methods contribute to an innovative spirit in sense of organizational culture, which is a completely new and unexpected finding of the research. As an explanation for this view of innovativeness, Usunier and Lee (2009) emphasized that organizational culture is one source of culture because people build social groups for example related to demographics. This implies that if a company wants to create new products, it needs to be aware of the social groups, which surround the employed talents as well as what type of culture is promoted when attracting talents.

6 Conclusions and implications

After the explanation of the findings, the last chapter will start with a short summary of the main findings of this thesis, from which the second one is an unexpected result. Then, we relate those findings to our research questions from the first chapter to explain their answers. Afterwards, we provide a few implications for general managers as well as especially HR managers. Finally, suggestions for future research will be discussed.

All in all, our conducted research resulted in following main findings about the HR practices.

1st: The companies’ perception about talent

Both case studies demonstrated the influence of perception and communication of the term “talent” for the whole recruitment process. In other words, if a company views talent from an object- or subjectively orientation determines all recruitment steps (attracting, selecting, integrating), but especially the selecting part because the company uses certain measurements of skills and knowledge corresponding to its perception.

2nd: Importance of employer branding

Due to the increasing amount of highly skilled workers and the importance of corporate culture, a company needs to establish a precise company brand that attracts those people, who fit the company’s values. This means that the concept of employer branding functions like a pre-selective tool. As a consequence, the employer brand should communicate a company’s mission as well as its vision because these two elements describe explicitly the long term goals and implicitly the values of the company.

3rd: Interchangeability of tests and assessments

As mentioned before, different tests and assessments can measure the same skills and knowledge. Therefore, it is essential to know on one hand the specific requirements for a
certain position and on the other hand the appropriate measurements. Related to this key success factor is the fact that especially assessments and information can test the personal traits needs to be well considered because some assessments may measure certain skills and personal traits while tests may measure only skills.

4th: Analyzing the development of employees

In relation to the succession plan and the overall improvement of each employee, the development of employees needs to be documented and analyzed. Moreover, an open communication between the employer and it’s talents about their own development helps employers to identify, if a talent is good integrated and interested to stay in the company. This indicates that knowledge about the development of talents and it’s improvement through an interesting training program within the company can decrease the number of talents, which leave the company within one year.

Beside those main results about HR practices, we also learned the following:

5th: Dependence between HRM methods and the specific positions/jobs

This means that there is no golden rule, no predefined way of using HR methods. All depends on the company itself, its business context, and the specific position that is offered. Hence, HR practices are strategically used to ensure and improve the company’s performance.

6th: Interrelation between organizational culture and HRM practices as well as innovative performance

Simply said, if the HR department is not aware of the current organizational culture, it might employ the wrong talents without knowing it. Therefore, talents must fit the organizational culture but talents also re-create or change the organizational culture.

7th: Impact of national culture on the view of talent

Within the companies, especially their HR departments, establishing and communicating a certain view of talent (either subject- or object-related) is shaped by the national culture of the home country, which also belongs to the aspect of business context.

6.1 Reflections in responds to our research questions

According to our first research question, we came to the conclusion that company with a global business context prefers to build a strong brand of the organization to attract the people, who are considered as highly skilled by the company. In order to build a successful image of the organization, the globalized company is challenged by creating the best innovative performance and demanding high knowledge and skills of employees to support the further development of the company. This means, the globalized company uses a set of methods of selection tools to ensure the quality of employees. Moreover, the development of employees is a fundamental objective for most companies with a global business context because both case companies reported that they trust in training programs as the best way to integrate and develop people for a long term. In
order to support the company’s sustainable development, the organizational culture and the lived values within the company were found as positive catalysts for a successful recruitment process including attraction, selection and integration.

Furthermore, from the discussion at the end of analysis (compare 5.5) we are able to answer our second research question. As mentioned before, there are three connections between HR practices and innovation performance. The first refers to that people with high skilled or people, who is fit the expectation of the organization, can contribute to the innovative performance for companies. Similarly, the second support the innovative performance through an open working atmosphere and the awareness of collective. Finally, the level of empowerment of employees can help the organization to improve its innovative performance. Specifically, the HR department is responsible for a well-designed treatment of employees according to the specific requirements of organization. For instance, the in-house training programs, performance evaluation programs, succession plans, health work among others are found as successful instruments.

Moreover, through the empirical data as well as the analysis we recognized that one company use a specific HRM method called “innovative performance indicator” during the selection process, which demonstrates an indirect connection between selection of talents and the innovative performance. Additionally, for the reason that training programs are designed to integrate talents fast and to help their development also in regards to new ideas, the integration of talents influences indirectly the innovative performance of the companies. However, there is no connection between the attracting talent and innovative performance found. Nevertheless, although the context of innovative performance has slightly changed to cultural aspects than specific new products, HRM methods impact on the innovative performance of the two case companies in our research.

6.2 Managerial implications

For the reason that we interviewed companies, which operating successfully in a global business context, we can draw some conclusions in form of lessons that can be learnt from these cases. Those lessons serve as guideline for general managers and HR managers.

The first lesson, which arose from our two case studies, is that there is no one ‘golden’ way to do attract, select, and integrate talents. This means that there are several ways and each company has to choose a suitable form of HR methods according to their business aim and business context. For instance, the Swedish company has chosen the people with high skilled or experience as the major objective of recruitment. However, the Germany company is prefer the graduates with excellent grade. For the reason that the size of Swedish company is relatively small and the aim of business is increasing the reputation of the company at this moment.

As a managerial implication, we suggest that companies should ensure a high degree of awareness of how the company operates; a clear business mission; and the specific requirements for each job. From this it follows that the company will have the ability to frame and define concrete positions for talents and even to identify potential for innovative performance.
Secondly, we learnt the lesson that HR methods are influenced by organizational structure as well as organizational culture. Surprisingly, aspects of culture are only marginal emphasized in current literature, while those aspects proofed to be significant for the chosen case companies. Referring to Usunier and Lee (2009), the language used within the company shapes the perceptions of the employees and so, the use of the words ‘talent’, ‘skills’, ‘knowledge’, ‘professionals’, and “high potentials” defines their relation to specific people or workers in general. Moreover, this so formed perspective will be communicated during every recruiting process to applicants, which might increase or decrease the attraction to desired potential employees.

In conclusion, especially HR managers should use the words ‘talent’, ‘skills’, and ‘knowledge’ in a consisting way to avoid misunderstanding. Otherwise, the misunderstanding might demotivate employees, who are not characterized as “talents”, and so, it changes the organizational culture because of privileging some employees. Similarly, the attractiveness as an employer can be reduced, if a company has no convincing communication of the preferred skills, which the offered job is requiring.

Thirdly, a useful lesson for other companies is to constantly support the further development of talents, as both cases manage to do. For the reason that methods like providing feedback, succession plans, and additional trainings off the job shape the talent/s of a person, the personal development of employees is closely linked to the performance of the company in terms of efficiency and long-term survival.

Therefore, HR managers should establish a systematic way of improving the further development of employees. Moreover, as the Swedish case emphasized, some talents need to be trained to figure out in what they are talented. Thus, HR manager should change their view that additional education is only useful if employees have a specific problem. On the contrary, development programs should be implemented from the entry of an employee till (s)he will leave the firm.

### 6.3 Implications for future research

On one hand, studying large MNE is suitable according to the theory emphasizing global talent management for this type of firms. On the other hand, applying this theoretical concept on SME would shed light on their perspectives of talent and the preferred HR methods. Indeed, for the reason that the diversity in SME is relatively low, it would be possible to get a much stronger connection between HR methods and innovative performance. In that we sense we can argue, if talents may more relevant to small companies because they are facing a lack of resources and so, they have a need for skillful and knowledgable talents. Moreover, conducting several studies of SMEs and MNEs to find general patterns and compare the results of firms with different company size, would also be a further research topic to enhance the knowledge of talent management.

Another point for future research lies in the focus on the HR perspective, while viewing innovative performance as a side factor. If the theoretical framework will be focused on the innovative performance perspective and applied on case companies with the same criteria, there
will be the chance to identify the influence of innovation performance on the HR practices, using the three recruiting steps as side factors. In contrast to our thesis, this demands other interviewees, which are directly involved into the innovation process.

Lastly, the established theoretical model (figure 6) might also be applicable for culture research because the impact of culture is greater than the existing literature suggests. This implies that we found a new aspect, which is closely connected to HRM methods and therefore, it might be relevant for future research. In conclusion, for the reason that we found that organizational culture as well as national culture is influential factors of the HR practices, other scholars might choose a cultural perspective. In other words, they could investigate how these sources of culture (Usunier & Lee, 2009) affect the HR practices of companies within an international business context, where culture plays obviously an important role.

7 List of references
Anon. (2011), VHB-JOURQUAL 2.1, [online, several times, available on:


Appendix A -

Interview guide
Thank you very much for participating in this interview. As promised, we send this interview guide to you before our appointment on the 4th April. The purpose of the research is to understand the HR practices when managing talents. Moreover, it is intended to explore the relationship between innovation and talent management. After finalizing our master thesis, we will send it to your company. The structure of the interview is based on the theoretical concepts, which are in the center of attention during this research. Important to note here is that all information will be only used for this research and they will not be handed out to others parties. If you have any questions, please let us know. We will come to your company on Wednesday afternoon, the 4th of April.

I. View of talent
   a. What do you think is talent? (Do you think it is innate or trained?)
   b. What skills and what knowledge does a person need that you see it as a talent?
   c. From your point of view, does a talent need to have several (5-10) years of work experience? Or are academic skills more relevant?
   d. Do you think that innovation is related to certain skills and knowledge?
   e. Do talents have a big impact on the product innovation in your company?

II. Attracting talent
   a. Do you have a specific strategy to employ talents?
   b. Why is (choice in the written form) most important to attract talents?
   c. Do you agree that there are two ways of attracting talents: outside and inside?
      What way do you prefer and why?
   d. How do you describe that your company is a good place to work?
   e. What are the most attractive values of your company for prospective employees
      (e.g. work environment, above-average salary, etc.)?

III. Selecting talent
   a. Could you describe your general selection process?
   b. Do you have a specific selection process for talents or for certain positions?
   c. How do you prove the correctness and the quality of CVs of applicants?
   d. How do you use the first months of an employee to identify if (s)he is the “right” person for the job?

IV. Integration of talent
   a. Do you manage talents in the same way as the other employees? (How?)
   b. Do you have a systematically appraisal in your company? (How do you use it?)
   c. Which reward system is the most efficient (in short-term and in long-term)?
   d. How do you manage the continuing education?

End
Thank you very much again for the interview! You help us very much. All the questions are designed by Corinna and JingYun Yu.

**Appendix B - Written form**

We designed the following written form because the time for the interview is limited and we cannot ask about every method that we know. Moreover, the purpose is to get a general understanding about which methods you use in your HRM. Hence, it would be nice if you fill out the table before we conduct the interview. In detail, you can put a cross in the appropriate column for every method.

<table>
<thead>
<tr>
<th>methods</th>
<th>mostly used</th>
<th>sometimes used</th>
<th>seldomly used</th>
<th>don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>attracting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>self-applicants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>supervisor recommendation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>previous employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>previous applicants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>existing employee contacts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>unsolicited enquires</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>union/professional referrals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>job centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>universities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>media</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>consultancies / agencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>employer branding</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>selecting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>motivation letters</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>cognitive ability test</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>job knowledge test</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>situational judgment test</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>integrity test</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>reference checks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>personality test</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>psychological assessment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>innovative potential indicator</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>person-organization fit assessment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>assessment centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>work samples</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>conscientiousness measurement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to allow risk-taking</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>generate or adopt new ideas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>performance evaluation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>bootlegging</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>fellowships</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Appendix C –
**Table with the keywords and categories of our coding**

<table>
<thead>
<tr>
<th>category</th>
<th>keywords</th>
</tr>
</thead>
<tbody>
<tr>
<td>view of talent</td>
<td>“own opinion”, “innate”, “definition”, “specific skills”, “training”, “work experience”</td>
</tr>
<tr>
<td>attracting talent</td>
<td>“employer branding”, “external recruitment”, “internal recruitment”, “use of agency”, “employee needs”</td>
</tr>
<tr>
<td>selecting talent</td>
<td>“tests”, “information”, “assessments”, “on the job training”, “off the job training”, “talent-company-fit”, “selection process”</td>
</tr>
<tr>
<td>integrating talent</td>
<td>“performance appraisal”, “reward system”, “satisfaction”, “career management”, “succession plan”, “individual and company goals”</td>
</tr>
<tr>
<td>connection between HR practices and innovative performance</td>
<td>“corporate culture”, “autonomy”, “communication”, “learning”, “knowledge”</td>
</tr>
</tbody>
</table>

### Appendix D -
**Statistics of the satisfaction of employees**

![Summary Category Scores vs. Benchmark](image-url)