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## **[ENGINEERING PROFESSIONALS: A COMPARISON BETWEEN U.S. AND AUSTRIAN TALENT MANAGEMENT SYSTEMS]**

Marshall Plan Scholarship Paper

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## **Abstract**

Today's engineering companies are facing new challenges regarding human resource management such as the increased shortage of skilled labor, changes in labor market demographics, and the changes in values and employability. The need for skilled and talented engineering professionals is still on the rise but on the other hand the availability of those talents is extremely low. This makes it even more important for organizations to find and hire the right talents and to retain them in the company.

This research paper focuses on Talent Management Systems in general and takes a deeper look at such implemented systems in engineering companies in Austria and the U.S. First this paper outlines the theory of Talent Management and afterwards practical results that should give significant and interesting insights of already implemented TMS in companies.

The theoretical section describes the terms "Human Resource Management", "Talent Management" and "Engineering Professionals" in detail. Furthermore the target groups, the link between talent and technology within an organization and the main changes and trends of TM will be explained and illustrated. This section also gives insights about the pros and cons of TM, focusing on which factors and conditions are needed to implement a successful TMS.

For the first empirical part workshops were conducted with students from Austria as well as from the U.S. The aim of those workshops was to assess the state of knowledge about Talent Management of the students. The workshops investigated their opinions about what a talent should bring along, what a company should do to find, hire and retain the right engineering professionals. Also interesting to know is what differences there are between existing Talent Management Systems in the U.S. and Austrian industry companies. I consciously decided to take students as a target group for the workshops because they are the potential applicants in the future for industrial companies.

The second empirical part should give some insights about already implemented TMS in the U.S. and Austrian companies. Company representatives were questioned about the value of TMS within the organization, what the process looks like, and their opinion about possible future scenarios. Interviews were conducted with the human resource representatives from engineering companies in Austria and the U.S.

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# 1. Introduction

## 1.1. Problem Statement

Today's economy is facing increasingly dynamic markets, constant pressure of competition and internationalization.

Other major problems are the growing shortage of skilled labor, in particular engineers, the changes in values and the aging of population as they present new challenges for companies. Since the late 90's when a study was conducted by McKinsey called the "war for talent", this issue has increasingly become an area of concern.<sup>1</sup> Talent Management nowadays is an essential part within organizations. The following quote by Bill Gates highlights the importance of Talent Management.

*"If we would be missing the 20 best people, then we would be just an average computer company, like many others."*

Bill Gates

What are needed are skilled employees, who bring adaptability, competence and experience with them. At the same time, however, the shortage of potential engineers has been increasing. This so called shortage of skilled labor has received broad media coverage.

Furthermore it represents a major difficulty for companies to identify the needed talents and then assign them to the suitable jobs or the right position.<sup>2</sup>

*„...Getting the right people in the right jobs is a lot more important than developing a strategy..."*

Jack Welch (CEO General Electric)

In this regard the U.S. is one step ahead of Austria and has already recognized how important engineering professionals are for a successful business. Many industrial companies in Austria hardly realize their importance and how essential it is to support these talented employees and secure their loyalty to the company. These are the people who enable business success. But you can already see a change in personnel development and personnel division. Talent Management is already a household name and is becoming more and more important as viewed by the media and to some extent even by executives.

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<sup>1</sup> Cf. Enaux/Henrich (2011): p.10

<sup>2</sup> Cf. Enaux/Henrich (2011): p.11

This research deals with both the theoretical part of Talent Management, as well as its practical relevance. The following topics will be addressed:

- Basics of Talent Management
- Shortage of skilled labor / shortage of engineering professionals in Austria as well as in the U.S.
- Implementation of a successful Talent Management System
- Advantages and disadvantages of Talent Management Systems
- Success factors of Talent Management Systems
- The link between theory and practice
- Already implemented successful Talent Management Strategies in Austria and the U.S.

## **1.2. Aim of the Research**

The aim of this research is to show how companies can identify engineering professional's and how to bind them to the company with the help of Talent Management Systems.

First the current status of engineering professionals in U.S. and Austrian companies has to be clarified. This includes how strong the demands and the needs for engineers are and what methods are tried to get and also to keep only the best engineering professionals for the company. It should also be clarified which elements of Talent Management currently exist, which could be possible in the Talent Management Strategy and which success factors exist for the company.

The aim in the empirical part of this thesis is to analyze the current status of Talent Management. By conducting surveys with engineering companies it was evaluated if certain companies use Talent Management and if so, how it is used and its status within the company.

The company interviews examined which elements and methods of Talent Management already exist and are used and also to identify the strengths, weaknesses and success factors within the company. Differences between U.S. and Austrian companies in specific regions will also be highlighted.

### **1.3. Scientific Questions and Methodology**

From the purpose of the theoretical work the following questions have been derived, which are going to be answered in the theoretical and empirical part of the thesis:

- What exactly is meant by the term “Talent Management”?
- Why is Talent Management in today’s time so important?
- What is the current status of engineering professionals in Austria and the U.S.?
- How to identify and find engineering professionals and to bind them to the company?
- What are the arguments for and against a Talent Management focus?

Based on the findings from the literature the following questions have been derived and will be analyzed in the course of the empirical research:

- Why is talent management important for industrial companies and why should these companies pursue a talent management strategy?
- What types or shapes of talent management systems are already used in industrial organizations?

There are two parts of the empirical study which answers the questions mentioned above. Both parts have a qualitative approach and were conducted in Austria and in the U.S.

The first one is a workshop, where students were asked about the questions which arise in the theoretical part. The second part contains an interview with employees in the human resource department from engineering organizations.

## 2. Human Resource Management

In former times all organizations strove for material resources like raw materials, factories, equipment, computers and offices, for the creation of goods and services. They thought that such tangible resources would allow them to satisfy the desire of customers. But organizations need more than just material resources to fulfill the needs of their customers. They need information about their target market and also information about their environment to be and stay successful on the market. Therefore you need human resources to get this necessary and valuable information.<sup>3</sup> Organizations do still require material resources but they have realized that human resources are also very important and that it is a matter of having both

"Human Resources (HR) are the people that an organization employs to carry out various jobs, tasks, and functions in exchange for wages, salaries, and other rewards."<sup>4</sup>

Nowadays human capital is getting more and more important for a company to be and stay successful. Getting motivated and qualified people and retaining them in the company is a major part of strategic management. Thus Human Resource Management will be more important than before, because it is the valuable connection between human and economy.

"Human Resource Management (HRM) refers to the comprehensive set of managerial activities and tasks concerned with developing and maintaining a qualified workforce-human resources-in ways that contribute to organizational effectiveness."<sup>5</sup>

Thus the tasks of the personnel department are to find, retain, develop and dismiss employees.

The processes and methods used for these tasks are the hard facts called the tools of the trade. In addition the human resource department also has to take care of the soft facts like the feelings of the employees and their work-related and personal values and goals. You can see this best on the basis of the iceberg model in figure 1.<sup>6</sup>

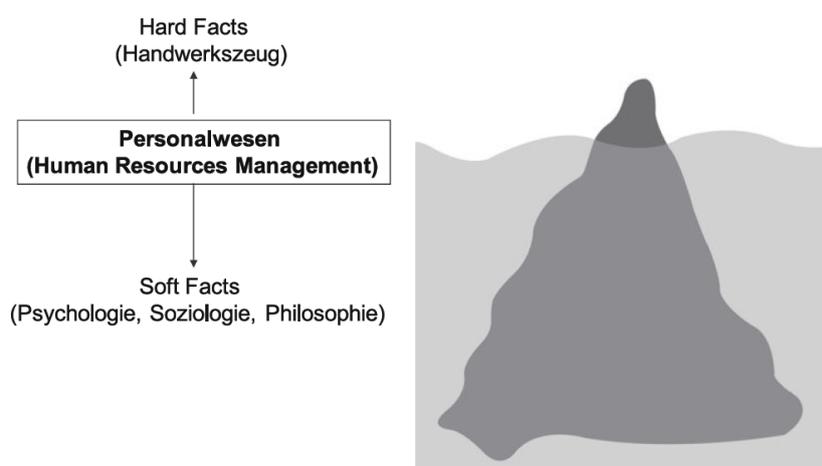


Figure 1: HRM iceberg model, Reference: Achouri (2011)

<sup>3</sup> Cf. Denisi/Griffin (2008): p. 4

<sup>4</sup> Denisi/Griffin (2008): p. 4

<sup>5</sup> Denisi/Griffin (2008): p. 4

<sup>6</sup> Cf. Achouri (2011): p. 9

This model shows how important the soft facts are, because these facts deal with the psychology, sociology and the levels of the employees. The values of the workforce and also the tasks of the human resource department have changed in recent years. These days it is essential to provide employees with a varying and challenging work environment. Some duties and responsibilities from the personnel department have moved to executives and to employees. The modern human resource department is a corroborative force for executives and gives advice. These executives in turn manage and advise employees and these employees have much more room to act than in former times. Nowadays, people are responsible for their own professional development.

Historically, the main task of HRM was the administration duties, making sure the company adhered to guidelines and procedures. It was less important for HR department to focus on the business strategy. Employees from the HR department were only focused on the product- or market strategy, but there was no close connection between the tasks of HRM and the business strategy. In contrast, with modern HRM, there is an intense connection. Modern HRM is part of the business strategy and also contributes to the objectives of the company. The administration part is getting less and less important because of the support of several IT-techniques which facilitate administrative tasks.<sup>7</sup>

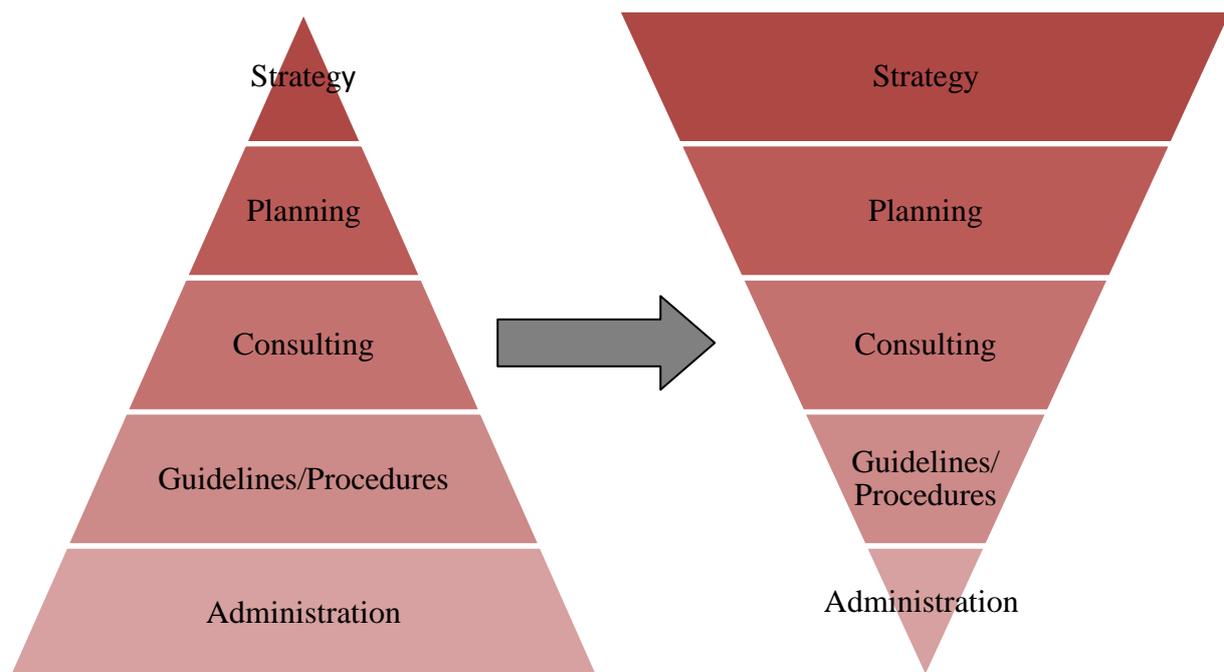


Figure 2: Modern HRM, Reference: Achouri (2011)

At the present day more and more companies are getting aware of the importance of human resource management as a competitive advantage and also of the fact that human resources are the main factor for having long-term success for companies.

"HR today sits smack-dab in the middle of the most compelling battleground in business, where companies deploy and fight over most valuable of resources-workforce talent."<sup>8</sup>

<sup>7</sup> Cf. Achouri (2011): p. 10-11

<sup>8</sup> Cf. Schweyer/Newman/DeVries (2009): p. 15, Breitfelder/Wademann Dowling (2008)

### **3. Talent Management - Overview and Foundations**

This section talks about the definition of "Talent", "Talent Management" and "Talent Management System", the target group of a Talent Management, the changes and trends TM is facing and about the pros and cons of TM Focusing.

#### **3.1. Definition Talent, Talent Management and Talent Management System**

In practice there is no real term for describing talent management but you can find several definitions with similarities in the theoretical part. Hereafter the terms "Talent", "Talent Management" and "Talent Management System" will be described in detail.

##### **Definition Talent**

The term "talent" derived from Greek "tálon" and means scale, the weighted. It was a measurement for weighting gold and silver in the Old Testament. The New Testament defines a talent as a value of money or coin.<sup>9</sup> Out of it "talent" was a broaden term and meant "mental conditioning" which focused on the two elements balance and genius<sup>10</sup>. In Europe you can find several expressions for a talent like top-performer, "Hochbegabter" or "Hochleistungsträger". In the U.S. the term talent is not so common instead they use the term high potentials.

There are a few conditions a talent/high potential should have like a higher technical education, an intense motivation and enjoyment for challenging work, social skills and an ongoing want for personal and work-related advanced training.<sup>11</sup> It is important to understand that not only engineers can be part of the talented workforce but also people without any higher education. According to this there are some basic descriptions necessary to define a talent.

The technical literature differentiates between two approaches, the conventional and the integrated. The conventional approach contains only the best employees of the company which are about three to ten percent. The integrated approach regards everyone as a talent this could be mental and physical skills. For that the talent needs space and possibilities to broaden and deepen her/his genius. This approach considers that everyone has different talents. Another definition of the term talent is that a talent is a person with strategic relevant skills and such a person is limited on the labor market.

The main difference between a talent and a good employee is a high intrinsic motivation and her/his higher potential. Thus a talent is more than the sum of all competences an employee has.<sup>12</sup>

As a result it is essential for a company to define their own target group with the qualities and characteristics a talented employee should have. To make the definition of a talent for a company easier it is recommended to divide the qualities and characteristics a talent should have.

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<sup>9</sup> Cf. <http://christianity.about.com/od/glossary/a/Talent.htm>

<sup>10</sup> Cf. Ritz/Thom (2011): p. 8

<sup>11</sup> Cf. Ritz/Thom (2011): p. 8

<sup>12</sup> Cf. Kahl (2011): p. 5

The consulting firm Development Dimensions International, Inc defines performance in 4 categories which can be seen in figure 3.<sup>13</sup>

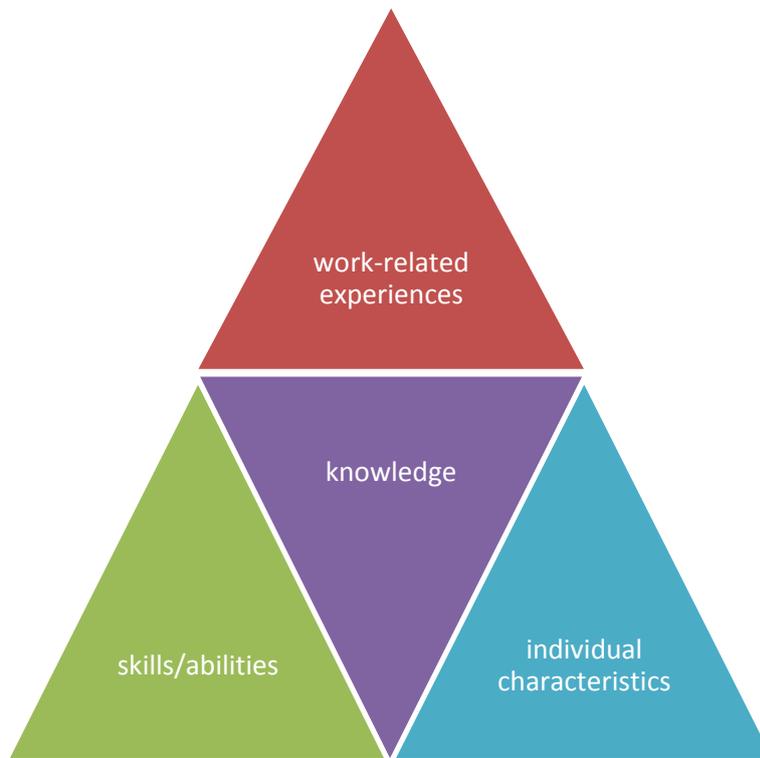


Figure 3: Categories of talent definition, Reference: Own illustration based on Kahl (2011), p. 7

Work-related experiences show all previous experiences a person has, including work assignments. The part knowledge gives the employer an overview of what specific knowledge and educational achievements the employee has to offer. The third part skills and abilities includes for instance selling skills, ability to work in a team, motivational skills and the ability to work with clients. Individual characteristics include things like self-confidence, exactness and punctuality.

Such a division of categories is valuable for the company to get a basic overview of what type of employee the organization is seeking and with the help of that categorization it is easier for the company to find and hire the right person for the right position.

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<sup>13</sup> Cf. Kahl (2011): p. 5-6

## **Definition Talent Management**

After the definition and categorization of the term talent a company has to manage those employees. Talent Management is not only hiring the right people and getting them into the right positions. There are more important tasks a Talent Management should consider and take care of.

"Talent Management is an organization's commitment to recruit, retain, and develop the most talented and superior employees available on the job market."<sup>14</sup>

Every company defines Talent Management differently. Many organizations see Performance Management and Talent Management as the same but there are also a few who separate them. For some companies Talent Management includes all employees, while for others Talent Management is only for a selected group of employees, which are to be considered as talents.<sup>15</sup> Many companies believe that Talent Management can be used for every employee but the concepts of Talent Management are not applicable for every worker within the company. According to Blass (2007) "Talent Management is the additional management processes and opportunities that are made available to people in an organization who are considered to be "talent"."<sup>16</sup> Thus Talent Management is not the same like Human Resource Management. It is a cross section task of HRM and the classic duties of HRM like recruiting, internal and external personal marketing, personal development and further trainings are aligned to the qualities and features of talents. TM cannot replace HRM quite the opposite TM can be introduced and implemented in HRM.

There are two main focuses of Talent Management, one considers the external recruiting process and the second one reflects on the internal recognition, retaining and promotion of existing employees within the company.<sup>17</sup>

But TM is not only the function of HR-department also executives have tasks and responsibilities in regard to TM. They are also responsible for retaining, developing and retention of talented employees. If the organization includes Talent Management in their business strategy and integrate it in all the necessary processes it will contribute to the success of the company.<sup>18</sup>

## **Definition Talent Management System**

As already mentioned there is no real definition of a Talent Management System but in general it consists of the tasks and processes of a Talent Management. A Talent Management System is like a toolbox with different tools and instruments in it. Every company can decide on their own which tools and instruments it wants to use.

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<sup>14</sup> <http://humanresources.about.com/od/successionplanning/g/talent-management.htm>

<sup>15</sup> Cf. Ritz/Thom (2011): p. 9

<sup>16</sup> Cf. Ritz/Thom (2011): p. 9-10

<sup>17</sup> Cf. Kahl (2011): p. 7

<sup>18</sup> Cf. <http://humanresources.about.com/od/successionplanning/g/talent-management.htm>

### 3.1.1. The Classic Model: Employee's Portfolio

The classic model of a talented employee can be described with two factors, potential and performance. If a person has a high potential and a high performance, she/he would be a high potential. The combination of these two factors gives a description of a star in the classic employee's portfolio, seen in figure 4.

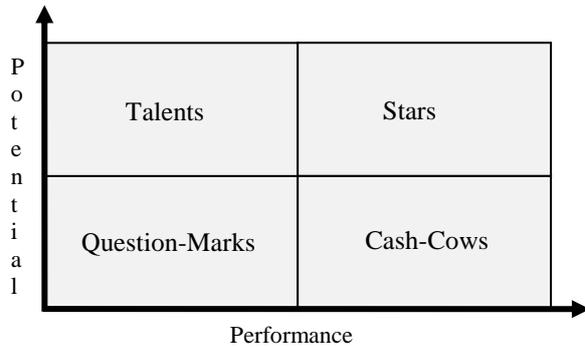


Figure 4: Classic employee's portfolio, translated from Enaux / Henrich (2011)

According to this model, an employee with low performance but high potential is still a talented employee, but in reality this is not the case. Therefore you can find modified portfolios in the literature like the modern model.<sup>19</sup>

### 3.1.2. The Modern Model: Competence Performance Potential

The modern model describes a talented employee with three factors instead of two like in the classic model. The three factors are performance, potential and expertise. Performance describes the achievements of a person, it is effectively the output and it can be measured with the help of qualitative and quantitative methods. Potential is the development chances of a human. It shows how humans manage challenging and demanding tasks. Expertise is the cognitive, emotional, physical and behavioral skills of a person.<sup>20</sup>

<sup>19</sup> Cf. Enaux/Henrich (2011): p. 17-18

<sup>20</sup> Cf. Enaux/Henrich (2011): p. 19-22

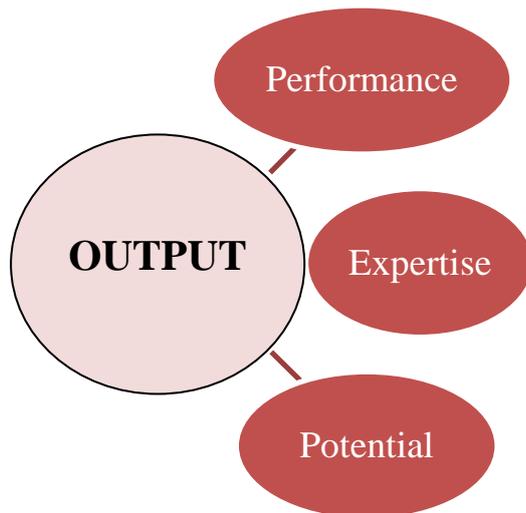


Figure 5: Modern model, Reference: Own illustration based on Enaux/Henrich (2011), p. 20

With the modern model a person with high potential and expertise can still be considered a talent independent of her/his performance. With the modern model the definition of a high potential is very different compared to the classic model. In this case a person has to have diverse features to be regarded as a talent.

### 3.2. Target Group

As already discussed there are several approaches to Talent Management. Some companies use Talent Management for all employees and others apply the tasks only to a selected group of workers. These are the two main approaches a company can adapt; "All have talent" and "A few have special talent".

#### 3.2.1. Approach 1: "All have talent"

This approach believes that every employee has a talent; an ability to some extent. According to this perspective, the duty of a company, or especially of Talent Management, is to identify this talent, to promote and place it at the best possible position to contribute to the success of the organization. The disadvantage of this approach is that there is no real separation of HR-department and Talent Management. As a consequence it is not always obvious which target group is addressed because there is no real differentiation or specification of the employees.<sup>21</sup>

#### 3.2.2. Approach 2: "A few have special talent"

Contrary to the first approach the second approach focuses only on a few employees with special talent. This target group consists only of a part of the human resources of a company, often approximately 10 to 20 percent. These employees are called the high potentials, high performer or talents. The main tasks of Talent Management are to identify, develop, promote, place them correctly and retain them in the company.<sup>22</sup>

<sup>21</sup> Cf. Enaux/Henrich (2011): p. 12

<sup>22</sup> Cf. Enaux/Henrich (2011): p. 13

### 3.3. Changes and Trends in Talent Management

Talent Management or in general Human Resource Management is faced with several changes and trends like shortage of skilled labor, obsolescence, globalization or changes in values. All these influences contribute to the "War for Talents".

In former days the wealth of companies were tangible objects like factory buildings or offices, nowadays intangible objects like knowledge, creativity and the engagement of employees are more worth than the tangible ones.<sup>23</sup>

Organizations are forced to provide attractive offers and conditions for future employees because of the strong demand from companies and the low supply of highly qualified workforce.<sup>24</sup>

#### 3.3.1. Demographic Changes

One of the three great challenges the world and especially TM are facing today is the aging workforce. The availability of engineering professionals between 35 and 44 years will decrease.<sup>25</sup> Today about 90 percent of the world population is under 65 years old, but this percentage will probably decline to about 85 percent within the next 35 years.<sup>26</sup> As a consequence the number of people over 65 years will increase from 8.2 percent to 15.6 percent which can be seen in figure 6 and 7.

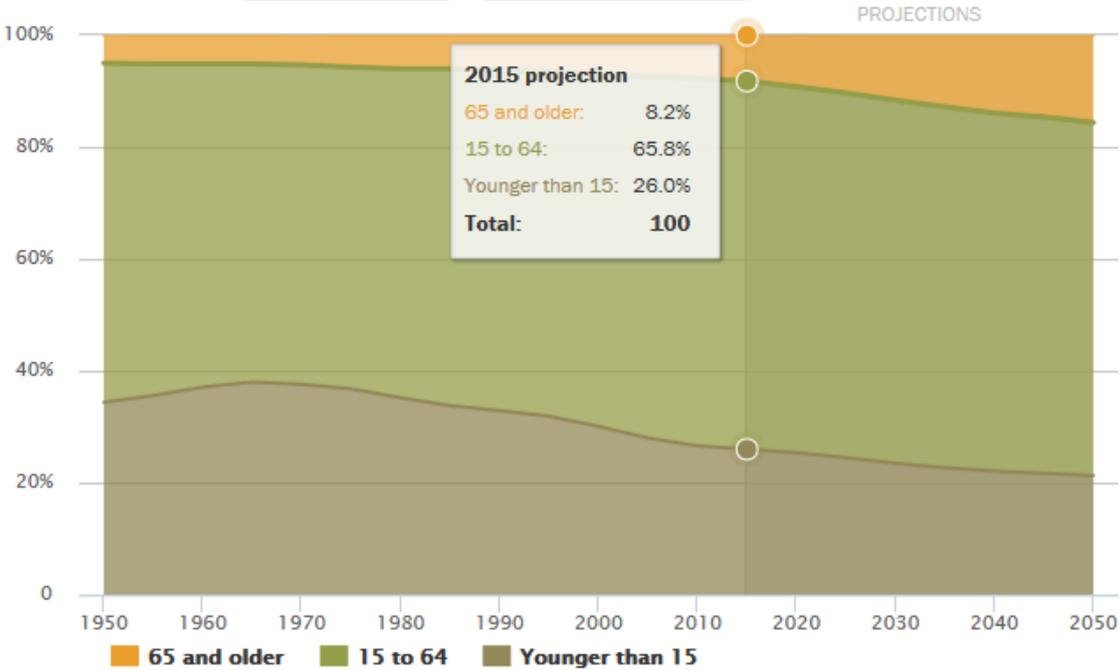


Figure 6: World Population Prospects: 2012 Revision, June 2013, Source: United Nations, Department of Economic and Social Affairs<sup>27</sup>

<sup>23</sup> Cf. Ritz/Thom (2011): p. 4  
<sup>24</sup> Cf. Achouri (2011): p. 11  
<sup>25</sup> Cf. Ritz/Thom (2011): p. 4  
<sup>26</sup> Cf. <http://www.pewglobal.org/2014/01/30/global-population/>  
<sup>27</sup> <http://www.pewglobal.org/2014/01/30/global-population/>

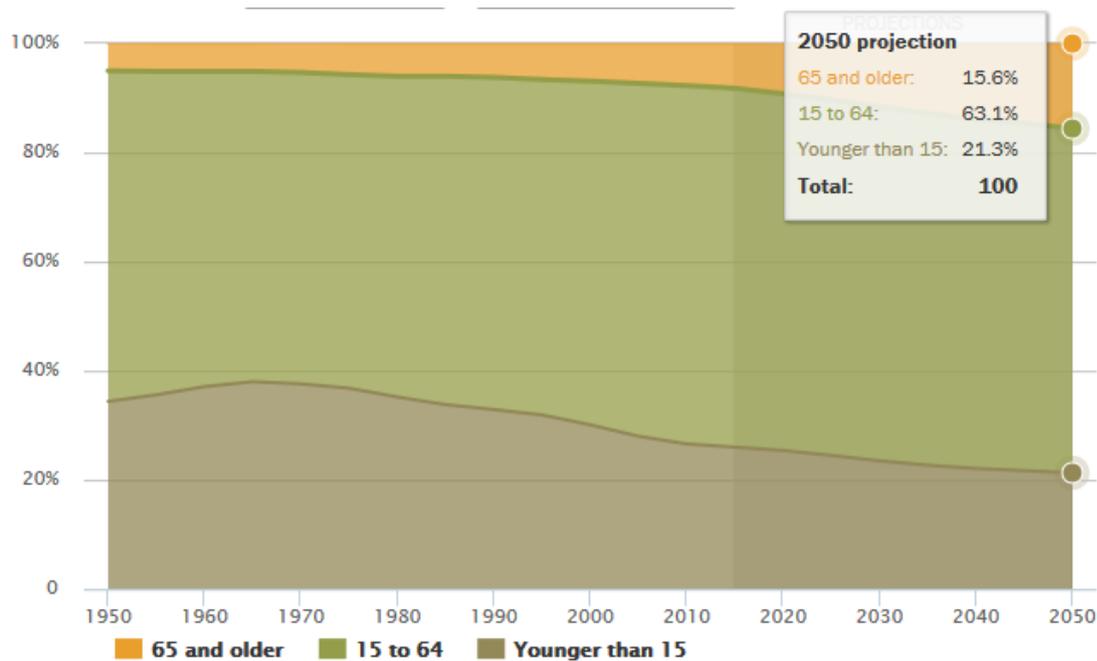


Figure 7: World Population Prospects: 2012 Revision, June 2013, Source: United Nations, Department of Economic and Social Affairs<sup>28</sup>

If we take a closer look at the demographic statistics in Austria and America, we can see the same trends. In Austria the percentage of the population over 65 years will probably increase from 18.2 to 23.6 within the next 15 years.<sup>29</sup> In the U.S. the population over 65 years will likely raise from 14.7 percent to 20.1 percent.<sup>30</sup>

Due to the fact that within the next years the baby-boom generation will retire, there is a high chance of losing knowledge within the company. Therefore it is essential for an organization to transfer the knowledge from the older workforce to the younger generation to avoid knowledge losses. This is part of the knowledge management but the hiring of young people is part of HRM. Nevertheless it is necessary to retain members of both the young and old workforce because every generation brings advantages and disadvantages within the company. The benefits of older employees are expert know-how, wisdom and the quick ability to analyze and act in complex situations and make difficult decisions. Their drawbacks are lack of up to date skills and a company needs more effort to keep them satisfied in their job positions. In contrast younger workforce are more creative and their performance is higher. The disadvantages are that they have less expert know-how and life experience.<sup>31</sup>

<sup>28</sup> <http://www.pewglobal.org/2014/01/30/global-population/>

<sup>29</sup> Cf. [http://www.statistik.at/web\\_de/statistiken/bevoelkerung/index.html](http://www.statistik.at/web_de/statistiken/bevoelkerung/index.html)

<sup>30</sup> <http://www.pewglobal.org/2014/01/30/global-population/>

<sup>31</sup> Cf. Ritz/Thom (2011): p. 4-5

There are prognoses that in 2030 there will be about 5 million less engineering professionals and executives globally available for organizations. In addition there will be a need for innovative products and services especially for the older generation. Companies, who already focus on such strategies will definitely have a competitive advantage.<sup>32</sup>

### **3.3.2. Knowledge Migration**

Talent Management is facing a further change, the knowledge migration. Knowledge is an intangible material which you only get in combination with a person. If the employee leaves the company, the valuable knowledge is also gone. A problem Austria and the U.S. are facing is the migration of high potentials because of easier labor mobility. But especially developing countries suffer from the migration of highly qualified people. Those would be required to solve problems and to raise the educational level. The migration of talented people is called "Brain Drain" and the immigration of talents is called "Brain Gain". Another term is "Brain Circulation" which describes the reciprocal exchange of personnel between participating countries which leads to advantages. For instance Switzerland has a high immigration of high potentials and benefits from that.<sup>33</sup>

All the more it is important for the organizations to hire and retain talented employees.

### **3.3.3. Employability and Labor Market**

Previously it was normal that people finished their education and then were employed until their retirement in one company. Sometimes they changed employers after their education but it was more common to stay within one company. Companies did not have to worry about early dismissals or about great compensation models. These days the employability and the labor market have fundamentally changed. The loyalty of the young generation exists only when the duties and the range of responsibility are attractive for them and when it contributes to their employability and their career path. Consequently the organizations have less ability to decide which talents they hire, instead talents can decide where and how long they want to work there.<sup>34</sup>

### **3.3.4. Diversity**

Today workforce diversity has become a competitive advantage in many organizations. Diversity can be differentiated in several dimensions like gender, age or ethnic origin. As noted earlier the changing demographics are main factors.<sup>35</sup> In addition more women and minorities are working. For example, in the U.S. that almost half of the workforce is female and more than a quarter is non-white. Diversity will probably increase within the next 35 years. The racial minorities should represent almost half of the U.S. workforce in 2050. All the better it is to include a diversity strategy within the company

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<sup>32</sup> Cf. Dumont (2014): p. 122

<sup>33</sup> Cf. Ritz/Thom (2011): p. 6

<sup>34</sup> Cf. Ritz/Thom (2011): p. 6-7

<sup>35</sup> Cf. Denisi/Griffin (2014): p. 172

because it is getting more and more important to represent a non discriminatory work environment.<sup>36</sup> Organizations already see the benefits diversity can bring along for instance the improvement of the quality of their employees by not considering the gender, race or ethnic origin when hiring or encouraging the most talented ones. Another reason why diversity has increased in the U.S. is because of the Civil Rights Act of 1964. "Title VII of the act states that it is illegal for an employer to fail or refuse to hire, to discharge any individual, or to discriminate in any other way against any individual with respect to any aspect of the employment relationship on the basis of that individual's race, color, religious beliefs, sex, or national origins."<sup>37</sup> Such a law also exists in Austria, the so-called Sex Discrimination Act which means "Gleichbehandlungsgesetz (GIBG)" in German. Today organizations are required to hire people on the basis of their qualifications and no other reasons.<sup>38</sup> Globalization is another factor which is responsible for the enlarged diversity. Companies that already worked close together with other countries had to handle these different social norms, customs and more. Organizations have to learn to deal with more disparate types of workers.<sup>39</sup> Diversity also deals with the different generations within a company; the young, middle and older generation. In turn demographic changes influence the ratio of these different generations. For the HR-department and Talent Management diversity means a higher effort and more considerations are necessary because of individual performance goals, retention and engagement activities. It is essential for a company to recognize the advantages and benefits of managing a diverse workforce and to use this gained knowledge as a competitive advantage. A more diverse workforce leads to more creativity and this in turn leads to more and faster innovations which are the main drivers of a company.<sup>40</sup>

### **3.3.5. Globalization**

Another challenge for Talent Management is the pressure of globalization. There are several factors which are responsible for globalization within individual organizations including the lack of high potentials and the availability of low cost labor in emerging countries. The shortage of skilled labor, which is going to be considered in more detail in the next point of this research paper, is a main factor for globalization because of demographic reasons. The ageing of employees and their retirement will cause a lack of workforce within the next years. The next main factor for globalization is the availability of cheap labor and the outsourcing of work in such emerging countries. These countries offer about 33 million talented workers according to McKinsey Global Institute, and the number of these professionals is growing faster than in developed countries. In addition you can also see a higher rate of well educated employees in low-wage countries than in higher waged ones. India is educating the same amount of engineers than America, China is doing more than twice the amount of that. The

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<sup>36</sup> Cf. Schweyer/Newman/DeVries (2009): p. 22

<sup>37</sup> Denisi/Griffin (2014): p.26

<sup>38</sup> <http://www.gleichbehandlungsanwaltschaft.at/site/6441/default.aspx>

<sup>39</sup> Cf. Denisi/Griffin (2014): p. 173

<sup>40</sup> Cf. Schweyer/Newman/DeVries (2009): p. 23

World Migration Report announced that in 2010 there were about 214 million migrants and 57 percent of those live in a high-wage country. Probably the number will increase within the next years. All this is possible by using very cheap technologies including the Internet and many other different systems. These technologies made it possible for people all over the world to collaborate and talk together. They can share knowledge and work together on projects.<sup>41</sup>

Thus managing the global workforce with many different cultures and languages is a main and essential task for HRM. It is the key to success in these days. Only if companies adapt multinational strategies they will be able to attract and retain high potentials.

### **3.3.6. Shortage of Skilled Labor**

Years ago there were several warnings for the shortage of skilled labor but nobody wanted to realize the threatening situation. Due to the demographic changes and the changing conditions the availability of skilled labor is becoming increasingly less. In Austria will be a demand of about 150,000 high potentials within the next six months.<sup>42</sup> By 2020, America will require about 10 million workers in manufacturing-related industries because of the demographic changes. Many of the American workers will retire soon because the average age is about 55 years and thus there is a big need to fill these positions with talented employees.<sup>43</sup>

According to the 2013 Talent Shortage Survey from Manpower Group worldwide, almost 35 percent of over 38,000 employers have problems finding the right people for their vacancies. This is the highest rate of employers suffering from talent shortages since 2007.

"As in 2012, skilled trades vacancies are the hardest to fill at a global level, followed by engineering roles and sales representative jobs."<sup>44</sup>

The survey also indicates that almost 80 percent of the employers surveyed indicated that they will take actions to increase the talent pool and improve the skills of their talented employees with the help of talent management strategies.<sup>45</sup>

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<sup>41</sup> Cf. Kapoor (2011): p. 1-3

<sup>42</sup> Cf. <http://technikstellen.at/article/achkrftemangel-in-sterreich>

<sup>43</sup> Cf. Ratzenberger (2011): p. 28

<sup>44</sup> Reach (2013): p. 6

<sup>45</sup> Cf. Reach (2013): p. 2-3

### 3.3.7. Technology & Innovation

Technology helped a lot of fields like medicine, energy production, automotive engineering, information and communication to improve their core technology, processes or systems. Technology also made it possible for Human Resource Management to evolve and grow. There are a lot of processes which support HR processes within the company like administration programs for payroll, time and attendance, or processes which simplify handling of complaints, claims or scheduling. Nowadays HRM and TM are two different terms and technological changes also supported the tasks of Talent Management. Many companies already use such technologies like performance management or tools for finding/hiring the high potentials and promote/develop them in a right way to retain them in the company.<sup>46</sup>

Internet in particular has made it easier for organizations to find and hire people. It has broadened the possibilities for companies to seek talented employees, especially with social media platforms like Facebook, Xing, Twitter or You Tube. The Internet has also simplified the recruitment and communication process with e-mail or Skype.

In the future it will be much easier for companies to get more personal information from their applicants via such social media platforms. On the downside this carries a disadvantage for applicants as the organization has easy access to your (youthful) indiscretions.

The industrial society is now changing to a knowledge society where human capital is more worth than tangible objects. Also globalization requires more knowledge to be and stay competitive on the market. Thus Talent Management and in general HRM are getting more and more essential for a company.<sup>47</sup>

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<sup>46</sup> Cf. Schweyer/Newman/DeVries (2009): p. 27

<sup>47</sup> Cf. <http://www.zukunftsentwicklungen.de/technik.html>

### 3.3.8. Change in Values

Another area of conflict is the changes of values of our present generation. Attractive tasks, work-life balance, career opportunities and appreciation of performance are main and important factors for the generation Y with birth cohorts from 1980 to 2000.<sup>48</sup>

The Towers Perrin Global Workforce Study from 2007 to 2008 analyzed the five top factors that are important for employees to have in a company. The most important feature is a good work life balance with 65 percent. The second most important feature is the long ranging security of their job position with 52 percent. The last three attributes are close together with 46 to 48 percent: maximizing the income, a thrilling and demanding job, and an appropriate benefits coverage for oneself and the family.<sup>49</sup>

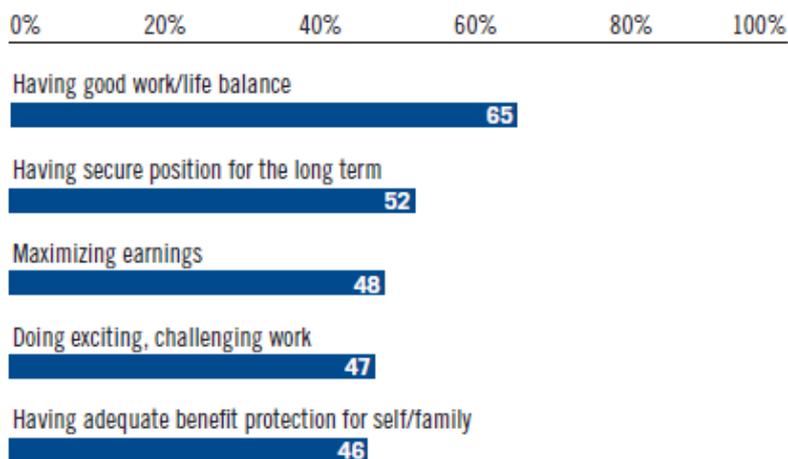


Figure 8: Top Five Attributes Important to People in Their Jobs (% of respondents ranking item among their top five), Reference: Perrin (2008): p. 7

These studies show that there is a trend from tangible to intangible values in what employees want from their jobs. In former times things like high income and to get to the top positions as quickly as possible were important. In these days central features are an exciting job where you can involve your own ideas and thoughts and close contact to other people.<sup>50</sup>

Due to the trend of a good work life balance part time employment is getting more and more popular. Especially women want to combine work and family and this is best possible with a part time job. Not only more women want to work they are also willing to assume managerial responsibility. The organization Hewlett-Packard introduced a pilot experiment in August 2013 which promotes talented employees, particularly women, to qualify for an executive position. The ulterior motive of HP is to support women with their career management.<sup>51</sup>

<sup>48</sup> Cf. Kreis (2014): p. 1

<sup>49</sup> Cf. Perrin (2008): p. 7

<sup>50</sup> Cf. Haberleitner/Deistler/Ungvari (2007): p. 15

<sup>51</sup> Cf. Frauenmarktplatz (2014): p. 1

### 3.4. Talent Management Focusing

Due to the changes and trends in the workplace, companies should focus their Talent Management resources on the second approach where only a few employees have a special talent. With this approach the company can still decide to orient some parts of the processes like performance management for the whole workforce and other parts like further training programs only for the talented employees.<sup>52</sup>

#### 3.4.1. Strategies/Approaches

As already mentioned every company defines TM in a different way. Due to that there are also different or several approaches for a TMS, some of which can be seen in figure 9.

- **Talent Management as a strategy to focus all staff functions on the challenges of the demographic changes.**
- **Talent Management as a strategy to attract, develop and maintain key positions.**
- **Talent Management as a strategy to attract, develop and maintain a broader group of people.**
- **Talent Management as a strategy to improve the working conditions in a way that the resign intentions of current talented people go back.**
- **Talent Management as a strategy to communicate the external employer attractiveness better.**
- **Talent Management as a strategy to address specifically and win younger workers.**
- **Talent Management as a strategy to specifically develop the skills of older workers.**
- **Talent Management as a strategy to retain the expertise and manpower of older employees to get over the retirement age limits.**

Figure 9: Possible Strategies for Talent Management Focusing. Reference: Ritz/Thom (2011), p.236

First an organization has to clarify their business strategy and then synchronize the TM strategy with that business strategy to avoid losses of values in resources and attraction of the company.

#### 3.4.2. Reasons for TM Focusing

There are several reasons for a TM focus including the commitment of employees, productivity, budgeting and succession.

The commitment of employees can increase with the focus of TM because talented employees will be recognized and valued for their work. If the existing employees and applicants know that their potential will be recognized and their career opportunities promoted, their identification with the company will be stronger and they feel comfortable at work.

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<sup>52</sup> Cf. Enaux/Henrich (2011): p. 13

The second advantage of TM focusing is the higher productivity of employees. High potentials produce twice as much as the average employee of revenues and productivity.

If you focus some of your Talent Management systems only on a few employees you will save money which can help a company in bad times.

Because of the demographic changes and the skilled work shortage it is essential to staff the right people in the right places. If you already focus on a recruiting and developing process you can save time and money because there is less effort and probability of choosing the wrong employee.<sup>53</sup>

### **3.4.3. Risks of TM Focusing**

Nevertheless an organization is also confronted with several risks when it focuses on Talent Management. There is a high chance of frustration and losses of motivation for those employees who are not part of the TM focus and are not seen as a high potential. In addition those employees who are seen as high potential feel like they have to fulfill expectations because they are part of the TM focus. If they don't accomplish those expectations they will also feel frustrated and unmotivated.

To avoid such effects it is important to implement a TMS the right way and to consider several conditions which will be treated in detail in chapter 5 and 6 of this research paper.

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<sup>53</sup> Cf. Eaux/Henrich (2011): p. 14-15

## 4. Engineering Professionals

This chapter focuses on engineering professionals, the definition and history of this occupational group, the function and requirements of them, the current status in the U.S. and in Austria with the shortage of skilled labor and the differences between these two countries.

### 4.1. Definition and History

First of all it has to be clarified the meaning of engineering in general. "The words engine and ingenious are derived from the same Latin root, *ingenerare*, which means "to create". The early English verb *engine* meant "to contrive".<sup>54</sup>

Engineering means that scientific perceptions are going to be explored and applied in practice. "It is the application of science and mathematics by which the properties of matter and the sources of energy in nature are made useful to people."<sup>55</sup> There are several orientations in engineering possible such as mechanical engineering, electrical engineering, civil engineering, architectural engineering, energy engineering, environment engineering and process engineering. Especially the last three orientation types are nowadays very interesting and offer exciting future jobs. In addition it is possible to work in different categories like research and development, construction or manufacturing.<sup>56</sup>

The builder of the Step Pyramid at Saqqarah in Egypt is the first known engineer worldwide. His name was Imhotep and his orientation was civil engineering.<sup>57</sup>

In general the history of engineering can be divided into four main overlapping stages and each stage is known for a revolution. At first was the Pre-scientific Revolution with Leonardo da Vinci and some Renaissance engineers who started to ask why, what and how something works. From the eighteenth through early nineteenth century the second revolution started, the First Industrial Revolution. This stage is known for Galileo's Two New Sciences which had a scientific approach to solve practical problems and thus it was the base for structural analysis, mathematics and construction of buildings. Mechanical engineering was on the rise in England and Scotland with individual such as James Watt and the textile machinists. Manpower was replaced with engines powered with steam and the education of an engineer changed from practical training to university training. Thereafter the Second Industrial Revolution, known for electricity, mass production and many different branches of engineering, started. Electrical and electronics engineering was born because of the shared knowledge from Alessandro Volta with the electric cell, James Clerk Maxwell with the Maxwellschen equations and Heinrich Hertz with his evidence of electromagnetic waves. Also chemical engineering played a major role in this revolution because of the mass production due to the usage of chemicals in the manufacturing processes. Also many other branches have experienced a rise for instance aeronautic

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<sup>54</sup><http://www.britannica.com/EBchecked/topic/187549/engineering>

<sup>55</sup><http://www.merriam-webster.com/dictionary/engineering>

<sup>56</sup>Cf. <http://www.absolventa.de/jobs/channel/ingenieure/thema/engineering-definition>

<sup>57</sup>Cf. <http://www.britannica.com/EBchecked/topic/187549/engineering>

engineers who turned the flight experience into a convenient one for everyone or industrial engineers who were responsible for mass production and distribution structures or control engineers with the automation process. There were also improvements concerning the education systems for college engineering. The last stage is the Information Age where we are now. After World War II engineering boomed with new technologies, computers, telecommunications, microelectronics and nuclear engineering. Physical sciences were a main contributory factor of technology for instance nanotechnology and biotechnology with molecular and genetic biology.<sup>58 59</sup>

## **4.2. Function and Requirements of an Engineering Professional**

"The function of the scientist is to know, while that of the engineer is to do. The scientist adds to the store of verified, systematized knowledge of the physical world; the engineer brings this knowledge to bear on practical problems."<sup>60</sup> An engineer has to solve a specific problem as it arises and the solution is the end result that should meet the requirements. Thus problem solving belongs to the daily routine of an engineer. An engineering professional has to have the knowledge of physics, chemistry and mathematics and a deeper know-how in material science. They are concerned in everyday life with two natural resources - materials and energy. In this day and age such resources are not available forever. Consequently engineering professionals have to take care about the existing ones and the development of new resources. They also have to think critically and creatively to find new ideas for the best solution.

There are seven main fields of functions an engineering professional is responsible for: Research, development, design, construction, production, operation and management. Research deals mainly with the usage of mathematical and scientific concepts and experimental techniques. Development means to use the research results to build a new product, machine or application. This product, machine or application will then be designed regarding the shape, material and technical requirements. Before producing it all the needed procedures have to be determined like quality requirements, placement of materials and personnel. The production engineer has to take care of the chosen processes, the availability of materials and components, verification and inspection. Operation is to monitor the machines, plants and communication. Last but not least management deals with customer requirements and resolving existing problems.<sup>61</sup>

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<sup>58</sup> Cf. <http://www.creatingtechnology.org/history.htm#1>

<sup>59</sup> Cf. <http://www.britannica.com/EBchecked/topic/187549/engineering>

<sup>60</sup> <http://www.britannica.com/EBchecked/topic/187549/engineering>

<sup>61</sup> Cf. <http://www.britannica.com/EBchecked/topic/187549/engineering>

### **4.3. Current Status in the U.S. and in Austria**

All over the world the demand for engineering graduates is very high due to the information age and the ongoing improvements in technical fields as well as in other professional fields including government, law and especially medicine. Universities and universities of applied sciences are offering more and more majors like constructional engineering, aeronautics and astronautics, electrical engineering, nuclear engineering or biological engineering.<sup>62</sup>

In the U.S. it is possible to do undergraduate and postgraduate engineering programs. You can complete the education with a bachelor or master degree. In Austria it works the same way since the last years because they have changed the system from a diploma engineer graduation to a master degree graduation.

#### **4.3.1. Shortage of Skilled Labor**

Skilled worker shortage is well known in both Austria and the U.S. Due to the demographic changes and other influencing circumstances like the changes of values, employability, knowledge migration, diversity or globalization the need for talented engineering professionals increased and the availability of those decreased.

Results of a worldwide study from PricewaterhouseCoopers (PwC) which was conducted with 1300 CEOs from 68 different countries showed that more than the half of all organizations are planning to hire more employees and two thirds of them are afraid of not finding the right talents for the right position. The lack of skilled labor is for 63 percent of the CEOs the biggest threat for their organization. Technology and Mechanical engineering companies are the two areas which are most confronted with the shortage of skilled labor.<sup>63</sup>

A Talent shortage Survey from Manpower Group analyzed countries worldwide about the current status of the difficulty of filling jobs and what jobs are affected. In figure 10 it can be seen the type of jobs that employers are suffering they can't fill in Austria and in figure 11 from the U.S. In Austria technicians are on the fourth and engineers on the seventh place. In the U.S. engineers and technicians are on the sixth and seventh place.

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<sup>62</sup>Cf. [http://www.fulbright.no/en/destination\\_usa/academic\\_subjects/engineering/Engineering+Education+in+the+U.S..9UFRjY3C.ips](http://www.fulbright.no/en/destination_usa/academic_subjects/engineering/Engineering+Education+in+the+U.S..9UFRjY3C.ips)

<sup>63</sup>Cf. <http://derstandard.at/2000001652871/Fachkraeftemangel-Firmen-jammern-tun-aber-wenig>



Figure 10: Austria top 10 jobs employers are having difficulty filling, Reference: Reach (2013): p. 41



Figure 11: USA top 10 jobs employers are having difficulty filling, Reference: Reach (2013): p. 39

Already 93 percent of the executives realize that they have to change their strategy regarding human resource management. However, only two out of five organizations have tried to improve systems for attraction and retention of high potentials. There are two reasons why CEOs are blaming the state for this situation. Firstly 40 percent of the executives think that the education of qualified employees is the duty of the state and secondly more than the half of the respondents are feeling restricted by the regulations when searching for the best engineering professional for the company.<sup>64</sup>

<sup>64</sup>Cf. <http://derstandard.at/2000001652871/Fachkraeftemangel-Firmen-jammern-tun-aber-wenig>

### 4.3.2. Differences among Countries

#### Austria:

Austrian companies particularly suffer from a skilled worker shortage in the fields of mechanical engineering, metalworking, instrument mechanic and IT.<sup>65</sup> There is a decrease in the demand of automation engineers, computational engineers, constructors and project and quality managers. But you can see also a progression in the demand of production planners, software engineers, methods engineers and research engineers. This study results show that the awareness of skilled worker shortage is there but it is still a major problem and threat in today's economy and for the organizations.<sup>66</sup>

#### U.S.:

A survey announced that half of human resource managers cannot fill the vacancies due to the lack of qualified candidates. Many organizations already provide training and further education for their workforce to fill the vacancies but the hard to fill positions are still open for more than a quarter of the year and this is associated with high costs.<sup>67</sup>

A report from 2011 projected that in 2012 the first shortage of skilled workers would be in manufacturing-related industries and by 2020 the number should rise from 3 million to 10 million. The U.S. is also facing demographic changes where the average age of the workforce is 55 years old. A big problem arises when these retire and new skilled employees are needed. The shortage of skilled labor causes several consequences like delays and cancellations of projects because there is no workforce available to perform them. Another survey from 2011 by The Nielson Company interviewed executives from 103 large U.S. manufacturing companies and found out that the shortage of skilled workforce causes high costs to them. These costs are about \$63 million high and are caused by extra trainings, higher efforts for the recruiting process, lower quality and less customer satisfaction.<sup>68</sup> The reason why construction and manufacturing companies feel the shortage of skilled labor more than others could be the unattractiveness of such a career path. That's why companies have to offer further education and higher salary to be attractive employers.<sup>69</sup>

*"The leading edge of American society in the 21st century will be carried by those that are creative and dynamic... Who are able to combine work habit, learning, and values into a single holistic view that enables the creation rather than the mere following of their career."*

Ray et al, (The Cultural Creatives)

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<sup>65</sup> Cf. <http://wirtschaftsblatt.at/home/nachrichten/oesterreich/1554513/Fachkraeftemangel-verschaerft-sich->

<sup>66</sup> Cf. Holy (2014): p.1

<sup>67</sup> Cf. Half (2014): p. 2

<sup>68</sup> Cf. Ratzenberger (2011): p. 28-29

<sup>69</sup> Cf. <http://www.reuters.com/article/2014/01/21/usa-economy-construction-idUSL2N0KV1CE20140121>

## 5. Implementation of a Successful Talent Management System

A study, conducted with 153 executives globally by Boston Consulting Group, announced that Talent Management is the new challenge of HRM within the next years.<sup>70</sup> Therefore this chapter will explain in detail the implementation of a successful Talent Management System, the advantages and disadvantages and what the process will look like.

### 5.1. Advantages and Disadvantages

The following table shows the advantages and disadvantages of implementing a TMS:

Advantages	Disadvantages
+ Competitive advantages in promoting the high performing employees	– When selection of a talent: Risk of brain drain by increasing awareness of one's own market value
+ Long-term retention of potentials and top performers	– Greater effort for executives (such as identification, assessment and controlling of talents)
+ Reduce dependence on the external market and on difficult recruiting conditions (War for talents, demographic changes, etc.)	– Higher coordination efforts and costs
+ Overview of existing talents and skills	– Expectations of nominated talents cannot be satisfied
+ Usage and development of the skills of the employees	– Frustration of not selected employees
+ Reduce costs through demand-oriented personnel development measures	– At the beginning increased costs of staff development

Table 1: Advantages and Disadvantages of a TMS, Reference: <http://www.weka.ch/themen/personal/personalfuehrung-und-personalentwicklung/talentmanagement/article/talent-management-die-vor-und-nachteile/>

Obviously there are disadvantages of implementing a TMS but undoubtedly the advantages are more convincing. Some of the drawbacks describe the higher effort at the beginning. Other disadvantages are when employee are not seen as a talent within the organization and feel disadvantaged or when the expectations of selected employees are too high and they can't fulfill them. It is crucial to conduct a transparent process and make comprehensible decisions to avoid frustrated expectations. By using the tools of TM and measures of prevention an organization can avoid drawbacks and become a long-lasting successful system.<sup>71</sup>

### 5.2. Function of a Talent Management System

According to studies the recruiting process is more important than retention in overall talent management. However, it is recognized that the combination of the main processes is essential and

<sup>70</sup> Cf. Ritz/Thom (2011): p. 10

<sup>71</sup> Cf. <http://www.weka.ch/themen/personal/personalfuehrung-und-personalentwicklung/talentmanagement/article/talent-management-die-vor-und-nachteile/>

leads to success for companies. What is mostly missing in companies that have already adapted a TMS is a holistic and ongoing Talent Management approach. Therefore it is necessary to have a defined process, a strategic approach and cross-section functions including planning, controlling and marketing which support a TMS.

Strategic Talent Management is responsible for the long-term goals and the coordination from the parts from the process. As already mentioned it is important to adjust the business strategy with the Talent Management strategy otherwise a clear and transparent communication is missing. Further tasks of a strategic TM are the explicit definition of a talent for the company, the designation of the requirements of a talented employee and the guarantee of enough resources. After the completion of these tasks it is crucial to communicate and coordinate them within the company.

The cross-section function planning is responsible for the short-, middle- and long-term strategy of TM. Controlling is supporting TM with decisions, providing information about the labor market situation, relationships with interested parties and the internal situation of existing talented employees. The main task of cross-section marketing is to increase the attractiveness of the employer, external as well as internal.<sup>72</sup>

### **5.2.1. Roles in Talent Management**

If an organization wants to implement a Talent Management System it has to distribute major tasks to certain roles in the company. The three most important roles are the top management, the executives and the personnel manager. The major tasks of the top management are to provide the necessary resources and to broadcast the new implementation of TMS and the new values within the company.

The executives should have the ability to recognize and develop talents with the help of tools like ABC-analysis and portfolio technique. ABC-analysis allows the company to filter out unattractive combinations of talents and their qualifications. Talents will be divided into three groups A, B, and C, with different levels of significance and those groups will be treated in digressive importance. Group A is very important, group B is important and group C is less important.<sup>73</sup> Portfolio analysis figures the strengths and weaknesses of talents out and connect and compare them with the targets of the company. Thus it helps organizations to identify the right talents who fit best to them. Top management has to launch the new duties and challenges which occurred from TM in the daily routine of the workforce. Moreover, together with the personnel manager, they are responsible for the end results of the implementation of a TMS.<sup>74</sup> Further tasks of the personnel management is to prepare the environment for the implementation of a TMS. They are the interface between the employees, executives and top managers.

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<sup>72</sup> Cf. Ritz/Thom (2011): p. 10-15

<sup>73</sup> Cf. <http://www.businessdictionary.com/definition/ABC-analysis.html>

<sup>74</sup> Cf. Scheffer (2008): p. 12

### **5.3. Basic Steps for Implementation of TM**

There are three basic steps recommended for a simplified implementation of Talent Management. At the very first beginning it is meaningful to determinate the framework to get a first overview of the current situation and how the future should look like. Afterwards a project team creates an implementation plan out of the information from the framework. Before implementing the TMS in the whole company, a pilot program should be implemented.

#### **1st Step: Determination of the framework**

The first and most important step is to analyze the current status and which targets should be accomplished with a TM. This is called the rough formulation and should include the future TM attempt with the vision, strategy, targets, organization, competence model, benefits and values.<sup>75</sup>

#### **2nd Step: Implementation plan**

Now it is time to create a project team composed of top managers, executives and personnel managers. The rough formulation will be reworked to an accurate one, called the implementation plan. This plan includes the sub-processes of a Talent Management System which are going to be explained in detail in paragraph 5.4. and a project management plan for the visualization of these processes, milestones and the controlling.<sup>76</sup>

#### **3rd Step: Start with a pilot project**

It is highly recommended to start with a pilot project, for example, implementing the TMS in only one department. The advantages of such a pilot project are the saved time and the lower costs of the implementation. Another benefit is that you have the possibility to test the new processes and tools and you can improve them directly afterwards.<sup>77</sup>

### **5.4. Process of a Talent Management System**

The sub-processes are also the core elements of Talent Management. The process starts with the attraction of employee by offering special benefits which will appear interesting for potential applicants. Otherwise there would be no reasons for candidates to apply. Once this been accomplished the recruiting part can be launched. Here it is essential to determine the talented employees out of the potential pool. The Development focuses on further education of the chosen high potentials. After this step the organization has to bind the employees to the organization. This is called the retention process. Development and Retention often overlap because self-improvement also belongs to reasons

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<sup>75</sup> Cf. Scheffer (2008): p. 14

<sup>76</sup> Cf. Scheffer (2008): p. 14

<sup>77</sup> Cf. Scheffer (2008): p. 16

for an employee to stay within a company. Nonetheless placing high potentials in the right position is as important as binding them to the business otherwise their potential would be lost.



Figure 12: Process of a Talent Management System, Reference: Own Illustration, based on Enaux/Henrich (2011)

#### 5.4.1. Attraction

Attraction is all the positive and inviting features that make a company interesting for potential people. In former times businesses could choose by themselves which applicants they are going to hire. Today it is the other way around, as the candidates are often able to decide for which company they want to work. Due to demographic changes and the shortage of skilled labor it is much easier for talented people to choose the optimal company for themselves. Consequently it is vital for organizations to position themselves as an attractive and unique employer. The positioning of a company is called Employer Branding where a business tries to associate special values with the firm. That is the only way to differentiate from the competitors and to draw attention to themselves so that talented engineers will notice them. They have to transfer the image of a positive organizational culture with excellent managerial skills and encouraging benefits for the employees outside to potential applicants. With an Employee Value Proposition a company is able to tell professional engineers why they should work for them and not for someone else.<sup>78 79</sup>

"A basic requirement for a successful Talent Management is an attractive employer brand that ensures the access of highly skilled and talented employees."<sup>80</sup>

According to studies employer attractiveness contributes to higher business success. A good employer brand leads to more applications and lower turnover. Additionally the recruiting costs are below the average, a higher productivity and profitability can be determined.<sup>81</sup>

<sup>78</sup> Cf. Enaux/Henrich (2011): p. 78-79

<sup>79</sup> Cf. Ritz/Thom (2011): p. 15-16

<sup>80</sup> Enaux/Henrich (2011): p. 79

## Attraction Drivers

To know what a company has to offer for potential applicants, it has to understand their interests and perceptions. The Towers Perrin Global Workforce Study conducted a survey to analyze the main drivers of employees to apply for a company.

RANK	GLOBAL OVERALL	AGES 18 TO 24	AGES 25 TO 34	AGES 35 TO 44	AGES 45 TO 54	AGE 55 AND OLDER
1	Competitive base pay	Career advancement opportunities	Competitive base pay	Competitive base pay	Competitive base pay	Competitive base pay
2	Career advancement opportunities	Competitive base pay	Career advancement opportunities	Challenging work	Challenging work	Challenging work
3	Challenging work	Learning and development opportunities	Challenging work	Career advancement opportunities	Convenient work location	Convenient work location
4	Convenient work location	Challenging work	Learning and development opportunities	Convenient work location	Vacation/paid time off	Competitive retirement benefits
5	Flexible schedule	Flexible schedule	Flexible schedule	Flexible schedule	Flexible schedule	Reputation of the organization as a good employer

Figure 13: Top Five Attraction Drivers Across the Generation in the Workplace, Reference: Perrin (2008): p. 17

The most important feature for employees to apply for an organization is a "competitive base pay", only for the so called "millenials (ages 18 to 24) "career advancement opportunities" are more relevant. "Challenging work" is the third most crucial attribute that makes a company attractive. In addition a "convenient work location" and "flexible schedule" are also main drivers for the attractiveness of a business. These top five drivers are attributed to the changes of values in modern times.

## Generate Employer Branding

Only if the company knows what values and perceptions their potential applicants have, can they start to establish an attractive Employer Branding proposition. Here are some instruments and methods that support the positioning of an organization to be attractive for professional engineers.

<b>Corporate Slogan</b>	<p>With a corporate slogan the organization can transfer values and perceptions to the people. It has a high recognition value and it will address the right people. For instance:</p> <p>BMW: "BMW coolest Job"</p> <p>McKinsey: "Building Global Leaders"</p> <p>The Boston Consulting Group: "Grow Further"</p>
<b>Corporate Social Responsibility</b>	<p>More and more people are getting aware of sustainability and care about their environment. They also expect social responsibility from their employers and organizations.</p>

<sup>81</sup> Cf. Enaux/Henrich (2011): p. 80

<p><b>Employer rankings and awards</b></p>	<p>Employer rankings and awards contribute to a positive image and positioning. For instance the Fortune's 100 Best Companies to Work for lists the world's most admired workplace cultures. Technology companies like Apple Inc., Google Inc., Microsoft or IBM are always on the top of the list and are well known to offer attractive benefits.</p>
<p><b>Further education possibilities</b></p>	<p>A major criterion for candidates when choosing an organization to work for are further education possibilities. As the study showed development and learning prospects are central for Germans. Some of the businesses already offer optional self-improvements additionally to the mandatory ones like software trainings for the older generation, language courses, time- and self-management.</p>
<p><b>Career path</b></p>	<p>According to the study the second most critical driver for attraction is the "career advancement opportunities". Possible lucrative ways would be fast opportunities for advancement, flat hierarchy, mainly internal personnel, foreign assignments or trainings for managers or professionals.</p>
<p><b>Social benefits</b></p>	<p>In Austria social benefits like health care system or retirement arrangement are taken for granted but in the U.S. such social benefits are not guaranteed. Further such benefits like free parking lots or a company car are also very popular among applicants. More and more companies are offering fringe benefits like child care facilities or sport- and leisure clubs because of the changed values. Especially women or the younger generation wants to connect family, leisure time and career.</p>
<p><b>Compensation system</b></p>	<p>First of all it is necessary to offer a fair and attractive basic salary. Additionally an organization can operate a transparent and comprehensible compensation system including premiums, commissions, stock option or routinely special payments like holiday pay or Christmas bonus.</p>
<p><b>Challenging work</b></p>	<p>Another very essential driver for attraction is a "challenging work". Authority of urgent decisions or autonomy are significant points for high potentials to feel needed within a firm.</p>
<p><b>Flexible work schedule</b></p>	<p>A good work-life balance is vital in these days that is why companies offer more flexible work schedules. More women are entering the labor market and a part-time employment fits best for them to combine family and job. Work from home is also getting very popular.</p>

Table 2: Methods for generating an Employer Brand, Reference: Enaux/Henrich (2011), p. 83-85, 90-93

## 5.4.2. Recruiting

The recruiting process concentrates on the selection of highly qualified engineers. The challenges are to make a good first impression of the company and to design the application process as professionally as possible. It is recommended to conduct a multi-step selection of personnel for instance pre-selection on the basis of the application documents, an interview and an assessment center.<sup>82</sup> Of course such a selection process needs time and is also expensive but that is the only way to identify high potentials.

Another recommendation is to set up a "Talent pool" which is a digital platform consisting of potential talented employees. By taking care of this "Talent pool", the staff process will be faster and more professional.<sup>83</sup>

Before the actual selection process can start the organization has to define the key positions and the required competences of an employee, this is called "Success Profiles". Such a "Success Profile" includes four main elements: Competencies (related behaviors), Personal Attributes, Knowledge (technical/professional know-how) and Expertise (work experience and qualification).

By defining these elements the business will receive a prepared job description with the requirements of the future employees.<sup>84</sup>

### 5.4.2.1. External search strategies

Active Sourcing is the key to a talented workforce. A business has to search actively and not passively.

Active Sourcing is the identification of high potential employees on the labor market by getting in personal contact with them and setting up a long-lasting relationship between the employee and the organization.

There are some differences between active sourcing and traditional recruiting. First you have to define the needed profile of the future employees and the key positions. After that you can start the active searching process.<sup>85</sup>

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<sup>82</sup> Cf. Eaux/Henrich (2011): p. 93-94

<sup>83</sup> Cf. Geke (2013): p. 17

<sup>84</sup> Cf. Wellins/Smith/Erker (2009): p. 6

<sup>85</sup> Cf. Furkel (2013): p. 39

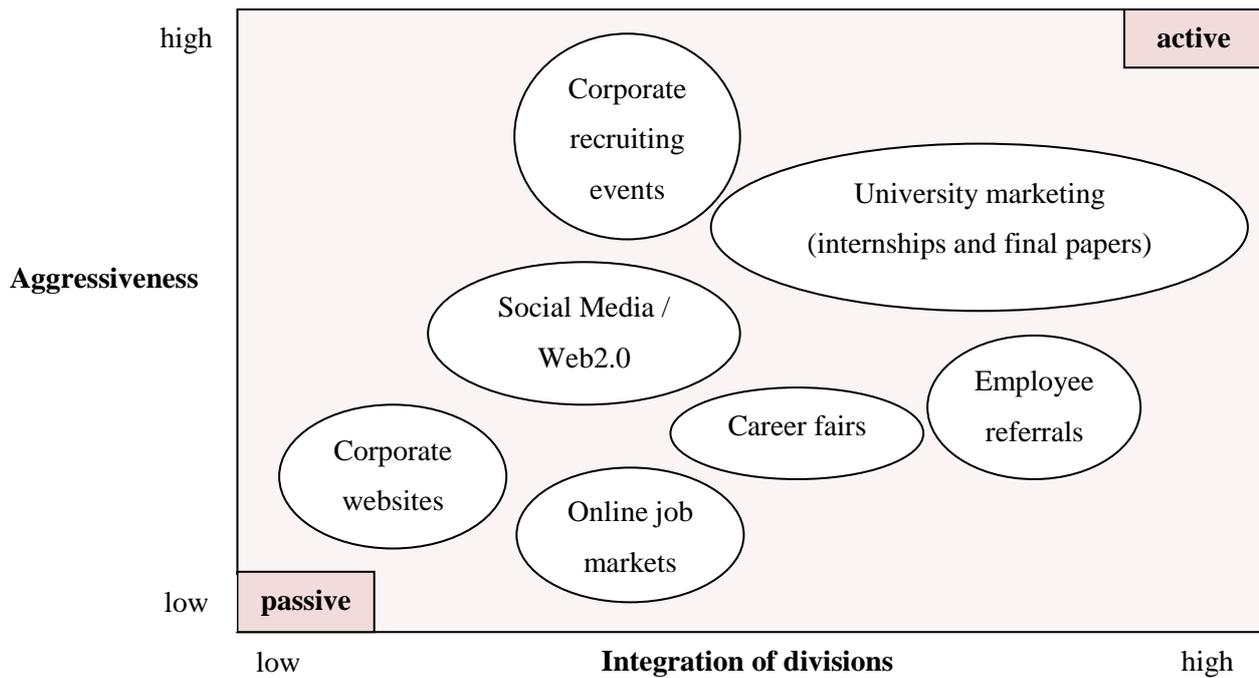


Figure 14: Passive and Active Search Strategies, Reference: Own illustration based on Hansen (2013), p. 167

### Online job markets

According to a study online job markets are the best way to find high potentials. Although 91.2 percent of the companies advertise their vacancies through their own corporate website thus digital labor markets are most successful.<sup>86</sup>

### Corporate websites

The homepage is the "business card of a company" for this reason it is important to appear professional and attractive. Even if the main application is going through online job markets an own corporate website is crucial because of the widespread use of internet.

### Employee referrals

When employees are satisfied and excited within the company and recommend the firm to their friends or family, this is one of the best ways for an organization to get potential workforce.

As reported by the study about a quarter of the vacancies were occupied through employee referrals thus such referrals are getting more popular.<sup>87</sup>

### Social Media/Web 2.0

Social Media and Web 2.0 are getting more and more popular for the personnel department to search for talents. It is an easier way for them to get in contact with different target groups and to get a lot of

<sup>86</sup> Cf. Schmidt (2014): p. 22

<sup>87</sup> Cf. Schmidt (2014): p. 22

useful information about the applicants. The usually known communication channels are LinkedIn, Xing, Twitter and Facebook. The most popular channel in Austria is Xing and in the U.S. it is LinkedIn because of its international touch. Both platforms offer the possibility to establish an Employer Brand and tools for finding talents. For instance Xing launched an active recruiting solution called the XTM, and LinkedIn the "LinkedIn Recruiter", both tools examine the database for predefined profiles on the basis of semantic algorithms. Consequently the company is able to establish an online talent tool.<sup>88</sup>

Videos from companies via YouTube also belong to social media. Those assist the transfer of the business strategy and culture to professional engineers. For instance the firm Festo in Esslingen, Germany, gives convincing insights into their workplace.<sup>89</sup>

### **Career fairs at universities**

Career fairs at universities are an effective way for organizations as well as applicants to get to know each other in person and to perform an interview there. People from Austria primary get information and materials about their favorite companies at such career fairs and apply at those companies afterwards. Students from the U.S. already conduct a job interview at such fairs. In general this method is a good way for the applicants to get first-hand information.

### **Corporate recruiting events**

Another search strategy is the corporate recruiting event which takes place on one or more days in a company. Here the potential candidates have the chance to get to know the company culture and workplace. Organizations offer workshops and trainings as well as speeches and presentations of high level and famous advisers to attract high potentials. This is a good way for a company to get a first impression of potential employees.<sup>90</sup>

### **University marketing (internships and final papers)**

Active Sourcing in universities can be a powerful method for an early identification of talents. During an internship or the writing of final papers the company can get a first impression of the applicants and can identify high potentials. If the organization offers trainee positions or gives a presentation at the universities they can also improve their image and attraction.<sup>91</sup>

#### **5.4.2.2. (Internal) identification of talents**

It is beneficial to search for talents first internally and then externally because internal staffing lowers turnover and the knowledge will stay within the company.

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<sup>88</sup> Cf. Pesch (2014): p. 29-30

<sup>89</sup> Cf. Hansen (2013): p. 167

<sup>90</sup> Cf. Enaux/Henrich (2011): p. 88

<sup>91</sup> Cf. Enaux/Henrich (2011): p. 89

With the aforementioned "Success Profile" the company can start the performance, potential and competencies analysis with their existing employees.

The performance of an employee is the easiest measurement of all three because it is directly observable and measurable. Competences and potential can only be indirectly measured.

There are several tools to execute such analysis. For instance a performance review realized through executives, a self- and external assessment undertaken by the personnel department or by external advisors and valuations from staff members, internal and external customers. Assessment Centers are also very common where the opinions of executives are necessary. Those simulate current or future business cases and it makes a direct evaluation possible.

The measurement of potential brings two main complications along: no obvious definition of "potential" within the company and the difficult observation of it. A good approach to reduce the difficulties are situational techniques for instance executive simulation, where the employee has to manage a challenging executive situation. In this case the organization can observe executive potential of their workforce.

With the help of portfolio techniques and ABC-analysis the company can discover talents straightforward and more quickly. The results of this identification process is also the foundation for the next sub-process development.<sup>92 93</sup>

### **5.4.3. Development**

A further main part of TM is Development with its competence- and learning management.

Competence management includes the predefining of a "Success Profile" as mentioned earlier. It allows an organization to identify and to evaluate already analyzed talents. The competence model is the core element of the Strategic Talent Management. It can be used in several areas including performance management, recruiting part or potential management.<sup>94</sup>

After defining the competences it is critical to promote and develop the high potential pool targeted on their expertise and goals. An internal advanced training would benefit the firm in several ways. It would encourage the transfer and exchange of knowledge within the organization. It would also strengthen the retention to the company and the personal and economic growth. With the implementation of such a targeted advanced training the demographic changes would be prevented. Executives and mentor programs would attract the younger generation and would balance the ratio of ages.<sup>95</sup>

Not only the development of professional expertise but also personal development is very important for engineering professionals. If the talents can see the opportunity to improve themselves further professional as well as personal they are more willing to take part at such training programs and stay

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<sup>92</sup> Cf. Scheffer (2008): p. 7

<sup>93</sup> Cf. Enaux/Henrich (2011): p. 25-28

<sup>94</sup> Cf. Enaux/Henrich (2011): p. 39-41

<sup>95</sup> Cf. Gräßler (2012): p. 154-155

within the company. As a result a competence- and learning management also contributes to the retention of talented workforce.

#### **5.4.4. Retention**

A strategic TMS focuses on the development of professional engineers with learning management and further education programs. As a consequence a talent gets very valuable for a company as well as for the external labor market, the so called employability. Thus it is getting more and more important to retain those high potentials in the organization.<sup>96</sup>

Due to that fact retention is the largest part of a TMS with its performance management, work engagement and retention strategies.

The goal of performance management is to "promote job satisfaction in a motivating environment and to recognize and reward good performance".<sup>97</sup> The main task of executives is to give talented employees ongoing feedback in regard to their performance. Only if the workforce will be recognized because of their good performance will they be engaged and feel comfortable to work for the organization. A 2002 report from British Columbia Public Service stated that: "Recognition has been shown to motivate staff, increase morale, productivity, and employee retention, and decrease stress and absenteeism. The report concluded that "individual recognition" was one of the top three factors for improving the levels of employee satisfaction and employee engagement in the BC public service."<sup>98</sup> This statement points out the importance of recognition and its contribution to retention.

Work engagement is another main part of retention. It describes the perception of an employee when she/he feels comfortable with her/his work, when the job gives her/him personal sense, when the press of work is manageable and when she/he sees further personal and professional education possibilities.<sup>99</sup>

The Towers Perrin Global Workforce Study took a closer look at the drivers and importance of engagement. They conducted a survey with almost 90,000 employees from 18 countries and determined the work engagement based on three dimensions: rational, emotion and motivation. Therefore they were divided into four groups: Engaged (great effort and high rates on all three dimensions), Enrolled (slightly engaged, higher rates on rational and motivational aspects and less on emotion), Disenchanted (slightly disengaged, lower rates on all three dimensions) and Disengaged (no indication with any of these dimensions). The survey analyzed how work engagement influences the retention of workforce.<sup>100</sup>

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<sup>96</sup> Cf. Eaux/Henrich (2011): p. 42-43

<sup>97</sup> Government of Nova Scotia (2006)

<sup>98</sup> Government of Nova Scotia (2006)

<sup>99</sup> Cf. Attridge (2009): p. 2

<sup>100</sup> Cf. Perrin (2008): p. 3

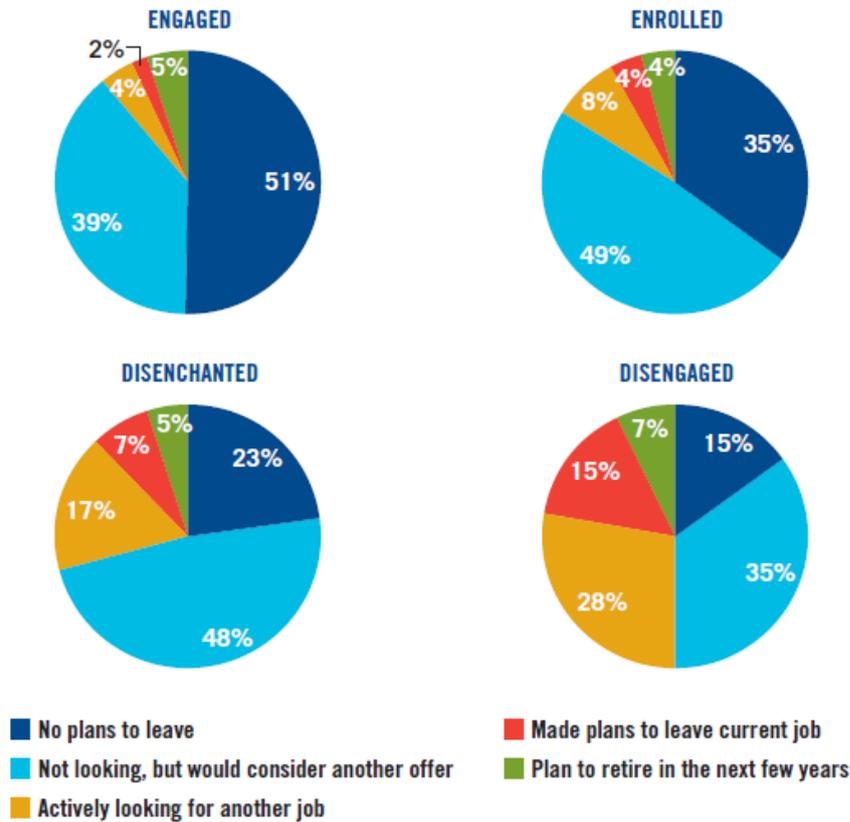


Figure 15: How Engagement Affects Retention, Reference: Perrin (2008): p. 6

The figure obviously shows that over 50 percent of the "engaged" workforce is not willing to leave the company. Only four percent are looking for another job and solely two percent of the engaged employees schemed to quit their current work. Which is another reason why active recruiting is so important. Almost 50 percent of the "enrolled" and "disenchanted" participants stated that they are not currently after a new job but if they got an offer they would think about it. In comparison, the "disengaged" only 15 percent have no plans to leave the company and shocking 28 percent are actively searching for another place to work. In addition almost 15 percent have already made plans to quit their current position. These are the ones a company do not want to hire.

This study shows how important it is to have engaged employees to minimize turnover and increase productivity. Further the Towers Perrin Global Workforce Study analyzed the top ten driver for engagement which can be seen in figure 15.

<b>1. Senior management sincerely interested in employee well-being</b>
2. Improved my skills and capabilities over the last year
<b>3. Organization's reputation for social responsibility</b>
4. Input into decision making in my department
<b>5. Organization quickly resolves customer concerns</b>
6. Set high personal standards
<b>7. Have excellent career advancement opportunities</b>
8. Enjoy challenging work assignments that broaden skills
9. Good relationship with supervisor
<b>10. Organization encourages innovative thinking</b>

Figure 16: Top 10 Drivers of Employee Engagement Globally, Reference: Perrin (2008): p. 9

The most important factor for engaged employees is that the firm, more precisely the top management, is interested in their welfare. Related to self realization of employees, it is very important to improve their skills, to have advancement opportunities, to have challenging work duties and that the company provides tools or time for creativity. A good reputation for social responsibility and job satisfaction are getting more important nowadays. This can be also seen in the next figure where it is mostly the number one aspect for retention. Another point for engagement and retention is a great relationship with executives. And as already mentioned the employees well-being, like the offering of a good work life balance, is more essential than in former times.

RANK	GLOBAL OVERALL	AGES 18 TO 24	AGES 25 TO 34	AGES 35 TO 44	AGES 45 TO 54	AGE 55 AND OLDER
<b>1</b>	Organization's reputation as a great place to work	Have excellent career advancement opportunities	Have excellent career advancement opportunities	Organization's reputation as a great place to work	Organization's reputation as a great place to work	Organization's reputation as a great place to work
<b>2</b>	Satisfaction with the organization's people decisions	Work in environment where new ideas are encouraged	Satisfaction with the organization's people decisions	Satisfaction with the organization's people decisions	Satisfaction with the organization's people decisions	Senior management supports new ideas
<b>3</b>	Good relationship with supervisor	Satisfaction with the organization's business decisions	Good relationship with supervisor	Good relationship with supervisor	Understand potential career track within organization	Competitive training
<b>4</b>	Understand potential career track within organization	Good relationship with supervisor	Organization's reputation as a great place to work	Have excellent career advancement opportunities	Ability to balance my work/personal life	Ability to balance my work/personal life
<b>5</b>	Ability to balance my work/personal life	Competitive bonus/incentive pay	Work in environment where new ideas are encouraged	Input into decision making in my department	Have effective job training	Have excellent career advancement opportunities

Figure 17: Top Five Retention Drivers Across the Generations in the Workplace, Reference: Perrin (2008): p. 17

As a result employee engagement is one of the most important factors contributing to retention. If the workforce is not highly engaged it means that they are not giving their best and they are more willing to leave the company. Thus it increases the turnover of the firm, the HRM costs will go up and the reputation of being a good place to work will be lost. All the more it is important for a company to know and understand the needs of their talents and to support and fulfill them as best as possible.

#### **5.4.5. Placement**

"Talent management is all about putting the right people in the right jobs."<sup>101</sup> The AT&T Management Progress Study announced that an organization should place higher priority on the improvement of the selection and hiring process than on the improvement of the development of the workforce. The reason therefore is that it is easier to hire the right skills than to develop those. There is a greater effort and it is more difficult to train the employees because of obstacles like lack of motivation, no common objectives of employee and company and lack of training expertise. As a consequence it is easier and cheaper to hire the right and needed skills from the start and to place them in the right key position than to develop them.<sup>102</sup>

After finding and hiring talented engineers or identify them within the company it is important to place those talents in the right key positions. Therefore the organization has to determine the key positions according to its strategic impact, added value, correlation to other departments and easiness of repositioning. If the key position will not be staffed or with the wrong person there could be negatively impacting trading results. Those analyzed key positions are the objectives for a strategic placement management. It is essential to identify those positions at the right time and to staff it with the right engineers from the existing talent pool of a company, this is called "matching".<sup>103</sup>

Another main factor for a successful placement of talents is the transparency within the company. All available jobs should be published and accessible for every employee to get information about it.<sup>104</sup>

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<sup>101</sup> Wellins/Smith/Erker (2009): p. 8

<sup>102</sup> Cf. Wellins/Smith/Erker (2009): p. 8

<sup>103</sup> Cf. Enaux/Henrich (2011): p. 164-166

<sup>104</sup> Cf. Ritz/Thom (2011): p. 78

## 6. Conditions for a Successful Talent Management

There are several conditions which contribute to a successful Talent Management System. First of all it is necessary to clarify the apportionment of work and the distribution of roles. Many organizations believe that the implementation and execution of a TMS is the duty of the Human Resource department but that is wrong as it is an obligation of the whole company.<sup>105</sup> As already mentioned above there are three main roles within a company who have responsibilities and assignments.

Another condition is the alignment of the business strategy with the talent strategy, like Procter & Gamble conduct it. "Effective talent management requires that your business goals and strategies drive the quality and quantity of the talent you need."<sup>106</sup>

Engineering professionals need space to develop themselves and room to maneuver. If they do not feel that they can make a difference and have nothing to say, they will not feel comfortable and will leave soon. It is also essential that not only the Human Resource department spends time with talented employees but also executives and the top management. A good example for that is the company General Electric where former CEO Jack Welch announced that they spend about 50 percent of their time with their professionals. He and other organizations already recognized that those talents are essential for the success of their companies and they can't do their jobs without them.<sup>107</sup>

An integrated technology platform would support the Human Resource department with the implementation and execution of a Talent Management System. With such a tool it would be easier to get, save and analyze all the information about engineering professionals. Furthermore those IT platforms would be able to combine the data from the recruitment process, development/training, performance and placement management.<sup>108</sup> "The better you'll be at overall workforce planning, the better you'll be at managing and motivating individual workers, and so the more effective you'll become as an organization".<sup>109</sup> In addition it would save time for the executives as well as the Human Resource department with less administration work and it would simplify the connection between talents who work abroad and professionals who work at the corporate headquarters.

Such IT platforms like IBM, Oracle or SAP would also benefit the TM process with its five steps: Attraction, Recruiting, Development, Retention and Placement.

For instance SAP is the worldwide market leader in ERP solutions with a market share of 30 percent. It is available in more than 47 countries and in 30 different languages. Its strength is employee recruitment and development and the interface to social networks. As an example the SAP E-

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<sup>105</sup> Cf. Enaux/Henrich (2011): p. 51

<sup>106</sup> Wellins/Smith/Erker (...): p. 8

<sup>107</sup> Cf. Wellins/Smith/Erker (...): p. 5

<sup>108</sup> Cf. Millar (2007): p. 6

<sup>109</sup> Millar (2007): p. 6

Recruiting module helps an organization with all the steps of a recruitment process. It analyzes, saves and ranks potential applicants and identifies the right talent for the right position. Additionally SAP supports the areas of performance, compensation, learning and training management.<sup>110</sup>

IBM has another IT platform which provides Human Resource solutions. Kenexa belongs to IBM and is an American expert in those fields. It offers an integrated skills- and competences classification and also a social networking integration. So the organization is able to post vacancies via social websites and the applicants can apply directly there.<sup>111</sup>

The third IT supplier is Oracle which has improved in recent times. Oracle Talent Management Cloud is well known for its recruitment functions but it also covers other areas like compensation, performance management and development of professionals. Oracle uses a holistic approach and cloud applications because of flexibility and easiness. It can be accessed anywhere and it is cost and resource saving.<sup>112</sup>

Taken all together every IT platform has its pros and cons and every company has to decide on their own if and what platform fits best and gives them the most value. Those technology platforms will take time when implementing it but it will be helpful and time saving later on.

Talent Management has to be lived by the whole organization. It is essential to define and regard conditions and integrate all involved into the process. Careful planning and good project management will support the implementation of a TMS. Only when this system will be integrated in an organization's culture and its daily routine it will be effective, successful and sustainable.

In conclusion, here are the top ten best practices for a successful Talent Management:

1. Online-recruiting: Nowadays it is unavoidable to conduct the recruiting process without the help of Internet and Social Media. Mainly the younger generation will be addressed with online-recruiting.
2. Social Media and networks: It is recommended for companies to search for talents not only through their own websites but also through Social Media and networks. It is a cost-effective way and an automatization of the search process will simplify the finding of the best engineering professionals for the company.
3. Social recruiting: To increase the number of high potentials among the applicants social recruiting is a good way. Additionally to job boards and career fairs vacancies should also be posted on Facebook, Twitter, LinkedIn or other sites.

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<sup>110</sup> Cf. Bader/Lasprilla (2010): p. 6-8

<sup>111</sup> Cf. Heurer (2014): p. 17

<sup>112</sup> Cf. Oracle (2013): p. 8

4. Onboarding tools: It is essential that job beginners get introduction trainings and appreciation from the beginning of their work. Otherwise they will be overwhelmed and not feeling comfortable with their job and will probably leave the company soon.
5. Coordination of objectives: To get the right performance for the right objectives it is necessary to inform all employees about them.
6. Online performance evaluation: It would be much easier for talents as well as for executives to share the performance evaluation online via Intranet for instance, so every employee has access to them and the top management would get a better overview of all engineering professionals.
7. Continuous learning: Ongoing training sessions and further education possibilities would not only benefit the talent it would also benefit the company.
8. Transparency: More than 70 percent of the business expenditures are for personnel. That means that it is necessary to present the system as transparent as possible. For Talent Management the dates of the previous and current performance management are very important.
9. Pay-for-Performance-Culture: A performance system where you get paid extra or other salaries when an employee finishes her/his high quality work would be a good motivation for talents to manage the tasks as good as possible.
10. Talent pool: It is highly recommended to implement a talent pool with internal and external applicants to assure succession if someone leaves the company. Therefore it is important to identify, hire and retain those high potentials in the company. The organization also has to show and offer every talent the opportunity to develop her/his career.<sup>113</sup>

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<sup>113</sup> Cf. <http://www.cio.de/a/10-best-practices-fuers-talent-management,2259100,3>

## 7. Empirical Part I

The first empirical part of this paper describes a pair of workshops, one was held in Austria and the second one in the U.S.. The workshop in Austria was conducted with students from Austria and Germany from the University of Applied Sciences in Wels during a seminar of social competences and communication. The second workshop, which was held in the U.S., was conducted with students from America from the Clarkson University in Potsdam, New York.

The workshop has been planned and done by my own and was realized with two creativity methods "Brainwriting" and "Crawford's Slip Writing Method" or in Austria called "Kärtchenmethode".

### 7.1. Aim of the Study

The aim of the workshop was to get the state of knowledge of American and Austrian laymen regarding talent management. For that reason students between the age of 20 and 30 years were asked because they are the potential applicants in the future for industrial companies.

With the help of the creativity methods I tried to get solution approaches and inputs for the following questions:

- What exactly is meant by the term "Talent Management" and "Talents" in general?
- How to identify and find engineering professionals and to retain them in the company?
- Which education and characteristics should talents bring along?
- What are negative factors for talents to leave the company?
- Comparison of talent management systems in American and Austrian industry companies.

### 7.2. Method

The workshop in Austria was conducted with 14 students from Austria and Germany and the workshop in the U.S. with 12 students from America. Both workshops started with a short introduction of myself, the topic of the research paper and also the Marshall plan foundation. In Austria two students helped me with the moderation of the workshop because it was combined with a team project of the seminar. In America I moderated the workshop by myself but my professor and a student helped me with the preparations and coordination of it.

As already mentioned the workshop was realized with the help of two creativity methods "Brainwriting" and "Crawford's Slip Writing Method". See the descriptions of these two methods below:

#### **Crawford's Slip Writing Method:**

This is a simple method of collecting ideas from a broader group in an autonomous atmosphere.

The participants write their ideas and comments by themselves on sheets or sticky notes. These notes get collected and get afterwards announced to the group. The advantage of this method is that persons who don't feel comfortable with spreading out their ideas to a broader group feel better with writing

them down and thus they don't have the feeling to compete with others or that someone may criticize their ideas.<sup>114</sup>

In my case it was the first round of my workshop and I wanted to get a basic overview about the current knowledge of the group and that nobody has to feel uncomfortable it was a good method to start the workshop.

### **Brainwriting:**

Brainwriting is a modification of the creativity method "Brainstorming". In Brainstorming you announce your ideas and comments out loud to your group and in some cases the comments are written down. Brainwriting has the same approach but the ideas and comments were written down by the participants directly on sheets or placards. This method is commonly used to generate ideas, and to come up with a creative solution to a problem or different questions. A big advantage of Brainwriting is that the ideas and comments are visible and so they are help in providing new ideas.

In my case, three groups were rotating between three stations so each group saw the ideas and comments from the group before and so they could write their own ideas on it and the new ideas they come up with the comments before.

### **Workshop Procedure**

The first part was a general question round to get a basic overview about what the participants already know about TM and high potentials. This was realized with the help of the creativity method "Brainwriting". Here the students got sticky notes where they could write their ideas.

The second part of the workshop was divided into three areas, "find/hiring talents", "retaining talents" and "comparison between Austrian and U.S. talent management systems".

This part was conducted with the creativity method "Crawford's Slip Writing Method". Here the students had to split up in three groups and every group had to answer the questions of each area. After the three rounds every student had to evaluate the approaches and ideas which were written on the boards.

With the evaluation of the approaches and ideas you can see which ones are the best and so it is easier to compare the workshop results from Austria and the U.S.

For the analysis of these two workshops, the first part was the understanding of "Talent Management" and of "Talents". Here I clustered the answers provided by workshop participants in these two definitions and compared the answers from each workshop.

For the second part of the workshop, I wrote in tables 3 to 16 the results with their scores from the evaluation part to get a better overview of the answers. Then I compared the tables of each workshop and tried to identify the similarities and difficulties between these two.

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<sup>114</sup> [http://www.mindtools.com/pages/article/newCT\\_95.htm](http://www.mindtools.com/pages/article/newCT_95.htm)

## 7.3. Results

### 7.3.1. Understanding of "Talent Management" (TM) and "Talents" / "High Potentials"

At the beginning of the workshop the students were asked what they understood by the term "talent management system" and "talents".

The participants had to answer the following two questions:

- What does the term "talent/high potential" and "talent management" mean for you?
- What is a high potential/talented employee?

#### 7.3.1.1. Workshop Austria

General the results were split up in two areas, "talent management" and "high potential/talent". The results from the workshop in Austria were clustered together with the similarity of the meaning of the ideas because the students have given more keywords in response. In table 3 you see the responses to "high potential / talent" and in table 4 you see the replies for "talent management".

"High potential" or "talent"
"Talent ≠ good grades, just 1er"
"singing talent, sport talent, super talent (casting of talents), management of artists"
"highly qualified employee"
"inherent characteristics"

Table 3: Responses of Austrian students to their definition of "High potential/Talent"

"Talent management"
"Human Resources; maybe integration in personnel division; personnel division manages it"
"Occupational climate"
"Search for qualified personnel; to do talent competition; talent scouting (observations, search), battle for the best employee →to present better than other companies"
"Commission / salary"
"to get in touch with educational institutions"
"interesting projects, to offer further education, training program for talents in companies"
"long dated attractive development opportunities for young people"
"to retain know-how of young persons, to retain qualified personnel, to retain good educated employees, to retain employee to the company"
"to promote ability, to deepen ability"
"to analyze strength and weaknesses, use this strengths pointedly and to be promoted in this strengths"

"to identify and promote the strengths of employees; to utilize ability there, where it is most useful"
"get the best out of the employees"
"employ talents properly in the company"

Table 4: Responses of Austrian students to their definition of "Talent Management"

### 7.3.1.2. Workshop U.S.

In comparison to the result from Austria the students in America have given responses in whole sentences and more in detail. In table 5 and 6 you see the responses from the participants to each area. Every row represents a comment from a student.

<b>"High potential" or "talent"</b>
"is the capacity to grow, develop, and learn new skills that optimize a particular activity"
"is the amount of upward growth possible through betterment"
"a very high capacity on potential improvement"
"creative, willing to stay, effective member in teams, excellent communication, timely, dedicated, improves existing processes"
"person with outstanding qualifications; should be highly skilled; create added value for the company"
"highly qualified, big growth potential, creates value for the company →competitive advantage, has leadership potential"
"A high potential/talented employee should show themselves to be highly skilled (or show themselves to have the potential to be) in a specific field; for example a "talented" chemical engineer would be top of their specific field within chemical engineering"
"Qualities: top 5 percent of knowledge/skills; attention to detail; work efficiently; meet deadlines; exceed required quotas / performance standards"
"Top performing employee is someone in top 5 percent of respective professional"
"Someone who possess the drive to work to acquire new skills that will improve their efficiency within a company."
"Someone with lots of skill or knowledge in their particular industry."
"He/she need to be knowledgeable, passionate, interested, and driven."
"Qualities of high potential/talented employee: fast learner, has initiative, desire to succeed."
"an employee that has a large number of good qualities: able to work well without supervision, good social skills, intelligent, able to think for oneself."
"This employee is one who has a strong skill set and has the ability to be successful and do well in their position and then move up in rank quickly."
"Qualities: adaptable, hard working, intelligent, self-motivated, reliable, fast-learner"

"Someone who meets all the criteria needed for a job (plus additional skills that may be needed)."
"An employee who has potential to exceed expectations and advance in their career field."
"Talent/high potential implies applicants are highly skilled/distinguished in the relevant field"
"Means that you are good at something or with proper training and guidance be great at something."
"It means that someone has the skills and ability to do the task at hand. If they do not fully have the skills, than the person has the capability to learn quickly."
"something rare that sets somebody apart from all the others"

Table 5: Responses of students from the U.S. to their definition of "High potential/Talent"

<b>"Talent Management"</b>
"Talent management is the process of retaining; growing/training these involvement."
"Thus talent management, to my mind, means recruiting or headhunting based on "talent" as the main criteria."
"High value; working to make sure the employees strengths are being expressed."
"Talent management means to find employees who will work to achieve the mission of the company to the highest extend."
"Talent management is the ability to lead people based on their strengths and weaknesses and to know where to place them, what jobs to assign them in an organization or group."
"find the best employee on the market"
"Someone who is in charge of recruiting talented employees that are high in demand."
"Someone who is in charge of making sure that the "talented" employee is doing their work and what they were hired to do."
"The supervisor in charge of someone knows how to bring out the person's talents effectively."
"supporting qualified employees, recruiting, education/trainings, giving employees incentives to motivate them"

Table 6: Responses of students from the U.S. to their definition of "Talent Management"

### 7.3.1.3. Comparison / Similarities and Differences

You can see clearly that the American students from the workshop were more concerned about the clarification of "high potential/talent" than the students from Austria because they gave more extensive and longer answers. Another major difference is that the American students have a broader background knowledge of the topic talent management than the Austrian students do which is clearly seen in the detail of the answers. There could be several reasons for this condition, first one could be that at Clarkson University are several classes offered which deals with human resource management. And talent management is a major topic in such courses. The second reason is based on my observation here in America which is that talent management is more well known in the work environment than in Austria. You hear and read in articles often about this topic and of the importance of human resources. Especially this year, the Global Innovation Index 2014, pays special attention to the "human factor" in innovation, it looks at education, the availability and incentivizing of talent and mobility across borders and between cities. Switzerland and Singapore are here on the top of attracting talent. The U.S. also belongs to the top favorites in this regard with its university system which attracts talent from all over the world.<sup>115</sup>

In figure 17 you can see the rankings of the Global Innovation Index - The Human Factor in Innovation - where the United States of America are among the top 10, on the 6th place and Austria is far behind on the 20th place.

Global Innovation Index						Exp
Rank	Country	Score	Value	Percentage Rank	Score View	
1	Switzerland	64.8	-	1.00		
2	United Kingdom	62.4	-	0.99		
3	Sweden	62.3	-	0.99		
6	United States of America	60.1	-	0.96		
13	Germany	56.0	-	0.92		
20	Austria	53.4	-	0.87		

Figure 18: Global Innovation Index 2014, Source: <http://www.globalinnovationindex.org/content.aspx?page=data-analysis>

The results show that both participants of the workshops have the same meaning of talent management that it deals with hiring, retaining and training employees. That talent management is responsible for trainings, supporting employees and identifies their strengths and weaknesses to use them in a right way and place the employees properly in the organizations.

<sup>115</sup> <http://www.forbes.com/sites/insead/2014/07/29/global-innovation-index-2014-switzerland-on-top-for-fourth-consecutive-year/> 29.07.2014

### 7.3.2. Find and Hiring Talents / High Potentials

For the part find/hiring talents the area included for topics: Search for talents, where?, Recruitment process, Qualities/Characteristics of a talent and Education/Qualifications. Each topic was presented on an extra placard and each topic was evaluated separate from each other.

#### 7.3.2.1. Workshop Austria

Search for talents, where?	
Score	ideas/comments
7	University/University of applied sciences
5	headhunting
2	unions, open labs
2	You tube / blogs
1	students' association/corporation
1	connections
1	career fairs
1	application homepages
1	social facilities
1	recommendations
1	snowball sampling
1	YPD Challenge
-	other companies
-	internet (XING)
-	randomly

Recruitment process	
Score	ideas/comments
6	internships, field tests
4	challenges
4	creativity workshops
3	small projects
2	trial works
1	personality tests
-	elevator pitch
-	assessment center and cases
-	go-see's
-	step tests

Qualities/characteristics of a talent	
Score	ideas/comments
8	unique skills and social knowledge
4	to recognize your talent and "market" them
3	social expertise
2	ability to work in a team
2	...are different for each area (R&D, sale)
2	open to new challenges
1	disciplined, to train one ability

Education/Qualifications	
Score	ideas/comments
9	talent is innate and must only be properly promoted
5	early talent identification
3	attractive additional trainings e.g. certifications
2	unions
1	apprenticeships
1	elite universities
-	education or trainings abroad

1	expert knowledge
-	communication
-	organizational skills
-	...live in their own world
-	there are no non-talents, they remain undetected only

-	personality education
-	not important, every area has talents

Table 7: Responses of Austrian students to "Find/hiring talents"

### 7.3.2.2. Workshop U.S.

Search for talents, where?	
Score	ideas/comments
7	Internships / Co-operative careers portal
2	scouting
2	high potential military recruitment
1	word of mouth
1	family connections
-	internet (job offers)
-	ads (targeted →only searching for high potentials)
-	social media (LinkedIn, Twitter, Facebook)
-	other companies
-	hiring agency
-	unions

Recruitment process	
Score	ideas/comments
7	interviews/testing
3	headhunters
2	difficult work simulations
-	job fair
-	social media (LinkedIn)
-	on-site visits
-	case studies
-	personality tests
-	qualification tests
-	well published interests/openings and info related to them

Qualities/characteristics of a talent	
Score	ideas/comments
5	growth potential
2	proactive
2	distinguished in relevant field
1	diligence
1	leadership
1	hardworking
-	creativity
-	effective communication
-	dedicated to the mission of the

Education/Qualifications	
Score	ideas/comments
6	past working experience
2	advanced degree
2	clear competency at job
1	college degree
1	certifications
-	references
-	tests
-	workshops with current employees

	company
-	passionate / interested
-	initiative
-	intelligent

Table 8: Responses of students from the U.S. to "Find/hiring talents"

### 7.3.2.3. Comparison / Similarities and Differences

Austrian students reported that universities are the best way to find talents. Secondly headhunting and also unions, open labs and the video portal "You Tube" are a good way to find talented engineering professionals (see table 7 above). Students from the U.S. reported that internships and co-operative career portals are the most important way to find talents. They also think that scouting and the high potential military recruitment are good opportunities to find high potentials (see table 8 above). Internships and military are obviously highly regarded among the American students according to the answers from the students and several articles announce the importance of internships. It is also well known in Europe that military has a high status in America according to media, news and articles. For instance Air Force or Army offer scholarship that young people can afford to study and can complete the education for Air Force or Army.

For young people from the U.S. it is very important to get as many internships as possible during their education to broaden their knowledge and to increase their chances to get a good job in the future. I could experience this fact when I was in America, many study colleagues already completed several internships and they are really proud of their worth-while experiences. An Internship is good way for the organization to recognize the talented engineering professionals and hire them after they finished their education. In Austria it is more important to attend a highly recommended and good university to enhance your chances of getting a good job in the future because most of the companies are searching for the talents in the universities and universities for applied sciences. There are also similarities but they were not ranked that high: connections, internet and social media, and other companies.

According to the outcomes from the workshop for the Austrian students internships belong to the recruitment process. As a result internships are for both student groups important. In Austria the recruitment process should also contain field trips, challenges, creativity workshops and small projects to identify talents (see table 7 above). In the U.S. the best way to identify talents in the recruitment process is with interviews, testing, headhunters and difficult work simulations as you can see in table 8. Students from both countries also believed that personality tests are a useful tool for that.

In regard of the qualities or characteristics a talent should have you can see in table 7 and 8 completely different answers from the two student groups. For Austrian students unique skills and social knowledge are most important, but also to recognize your talent and market them and again social expertise are vital. In contrast the students from the U.S. think that "growth potential" is the most important quality of a talent. Additionally a talented employee should be proactive and be

distinguished in relevant fields. Both student groups think that communication should also be a characteristic of a talent but it is not that important than the above ones.

The last section of this part deals with the education/qualification a talent should have (see table 7 and 8 above). Most of the Austrian students think that talent is innate and only must be properly promoted. Early talent identification and attractive additional trainings and certifications are also of advantage. Students from the U.S. think that past working experience is a good indicator to recognize a talent. Also advanced degree and clear competency at job are qualifications a high potential should have. Both groups announced that certifications are important qualifications and ranked them.

### 7.3.3. Retaining Talents / High Potentials

The third part of the workshop deals with retaining talents. Here the aim was to identify positive and negative statements about what a company can do to keep or lose talented employees.

#### 7.3.3.1. Workshop Austria

Score	positive statements
6	salary
3	innovative culture
3	flexible work schedule
3	top colleagues
2	location of company
2	celebration culture of company
1	exciting projects
1	different locations of company
1	glory & honor, praise & recognition
1	to change round within the company (different departments)
1	offers for employees (gym, cafeteria, leisure room,...)
1	intrinsic motivation
1	dynamic
-	challenging tasks/assignments
-	job security
-	commissions
-	nice boss, supervisor
-	reputation of the company (good reference)
-	good work-life balance

Score	negative statements
3	bad/poor working atmosphere
2	hindrance of personal self-realization
1	hindrance of further education
-	hierarchy structure in the company
-	missing respect
-	competitive pressure
-	competitive battle/struggle with colleagues
-	poor/bad salary
-	long journey to company
-	no reward for patented ideas
-	inflexible work schedule / vacation
-	no giving, only taking
-	unqualified supervisors

-	overall impression
-	a good team
-	to enforce own ideas
-	benefits for family
-	good working atmosphere
-	identification with company
-	self sufficiency
-	trips, excursion which boost coherence

Table 9: Responses of Austrian students to "Retaining talents"

### 7.3.3.2. Workshop U.S.

Score	positive statements
5	flexible work schedule
4	healthcare
3	satisfy employee needs: Maslow's Hierarchy of needs, ERG theory
3	Google's 10% time (open ideas from any level for company advancements)
3	good company culture (Zappos, MooseJaw)
3	good food in the cafeteria
3	benefits for family
2	CSR-feel like company cares about social impact
2	room to grow (promotion/learn new skills)
1	competitive benefits
1	transparency of expectations
1	medical leaves/maternity leave
-	mentor program
-	skill tune-up workshops
-	vacations
-	positive work environment
-	appreciate the talent

Score	negative statements
5	rejection of new ideas
4	poor management (mission creep)
4	poor salary/benefits
4	non-challenging work
3	unclear goals/responsibilities
2	unable to grow or advance career
2	favoritism among employees
2	hostile work environment
2	don't appreciate the talent
1	poor company culture
1	lack of employee value/consideration
1	not efficient training
1	lack of benefits
-	stringent work schedule
-	ineffective evaluations
-	difficulties with supervisors

Table 10: Responses of students from the U.S. to "Retaining talents"

### 7.3.3.3. Comparison / Similarities and Differences

In Austria the students think that a good salary is a positive way for a company to keep talents. Additionally innovative culture, flexible work schedule and top colleagues are also motivational factors for retaining talented employees. In contrast U.S. students think offering flexible work schedules and healthcare this would be the most important and attractive reasons to keep the high potentials. American students think that there are additionally a lot of positive reasons for talented employees to stay within the company: satisfaction of employee needs, good company culture, good food in the cafeteria and benefits for family. They also mentioned Google's 10% time, which offers their employees to work on one day at projects beside the company. As a result for both countries flexible work schedule is a important tool for companies to retain their talents.

There could also be negative things that a company can do to lose their talented employees. The Austrian students think that bad/poor working atmosphere would be the first reason why high potential could leave the company. Hindrance of personal self-realization and of further education could also be good reasons for an engineering professional to quit the job. For the American students the rejection of new ideas would be main reason for talents to leave a company. In addition poor management, poor salary/benefits and non-challenging work are also negative reasons for talented employees feel uncomfortable in the company. A big difference between the statements from Austria and the U.S. is the amount and detail of the answers from the U.S.. These students focused more on the negative aspects of retaining talents.

This section of the workshop had more similarities than the ones before. For both countries, main reasons for companies to lose high potentials are poor salary, inflexible or stringent work schedule, unqualified or difficulties with supervisors, no possibility of personal self-realization or inability to grow and no further education. As a result of this section there are a lot of good and also bad things a company can do to retain or also to lose talented employees and it is important that the companies are aware of that.

### 7.3.4. Comparison between Talent Management Systems in Austria and the U.S.

The fourth and last part of the workshop shows the comparison between talent management systems in Austria and the U.S.. Therefore I asked the students their opinion of what the differences between these two countries could be.

#### 7.3.4.1. Workshop Austria

Talent Management Systems in Austria	
Score	Statements
4	educational leave
3	scholarships
3	jointly meals (for free and healthy)

2	companies support employees in studying, matriculation, MBA
-	support in sport (ski jumping, skiing,...)
-	talents are often from elite universities
-	some industries are very political
-	Siemens

Table 11: Responses of Austrian students to "Talent Management Systems in Austria"

<b>Talent Management Systems in the U.S.</b>	
<b>Score</b>	<b>Statements</b>
6	flexible work schedule, free break arrangements
3	Incentives in all life situations
3	leisure time activities
2	creative working environment
2	associations for leisure time and career
2	students' fraternity
1	Google, Facebook "city"

Table 12: Responses of Austrian students to "Talent Management Systems in the U.S."

#### 7.3.4.2. Workshop U.S.

<b>Talent Management Systems in Austria</b>	
<b>Score</b>	<b>Statements</b>
7	more vacation days
5	more self-sufficient
4	programs that support people going back to school
3	high minimum wage
2	long lunch hours
1	more conservative
1	early evaluation of talent
-	family oriented (social priority) →maternity leave
-	low stress work environment
-	"My job is my job" stay proficient in 1 job
-	stay longer in one job

Table 13: Responses of students from the U.S. to "Talent Management Systems in Austria"

<b>Talent Management Systems in the U.S.</b>	
<b>Score</b>	<b>Statements</b>
7	rewards schemes (bonuses, commission, tips) are more common
5	cost of living is lower so employee has more choice where to work
5	clear expectations defined at: hire, weekly, monthly, annually, in writing
3	compensation is linear with advancement
2	unions to identify and protest industry rights
2	more "team" oriented
1	professional networks - LinkedIn
-	more investment in talent
-	annual employee evaluations are much more common
-	clear hierarchy

Table 14: Responses of students from the U.S. to "Talent Management Systems in the U.S."

#### **7.3.4.3. Comparison / Similarities and Differences**

Austrian students think that TMS in Austria contain the following benefits: educational leave, scholarships and healthy meals for free. In comparison students from the U.S. think that TMS in Austria include following benefits: more vacation days, more self-sufficient and programs that support people going back to school, for instance, educational leave. The programs that support people going back to school are in both countries well known.

Compared to the TMS in Austria, Austrian students think that flexible work schedule, free break arrangements, incentives in all life situations and leisure time activities are the main benefits of TMS in the U.S.. Whereas the American students think that TMS in the U.S. include following benefits: reward schemes, cost of living is lower so employee has more choice where to work and clear expectations are defined. Here you can find no similarity between these two workshops.

All the statements from the students are focused on the benefits for hiring and retaining talents.

## **8. Empirical Part II**

The second empirical part of this research work contains interviews with employees of the Human Resource department of engineering companies. Two companies from the U.S. and two company from Austria were interviewed about Talent Management. All organizations have already implemented some kind of Talent Management System and were thus a good contact point for this research paper.

### **8.1. Aim of the Study**

The aims of the interviews were to get an overview of the state of knowledge about Talent Management of engineering companies and if there are already implemented Talent Management Systems or similar methods or systems within organizations from Austria and the U.S. This research paper deals especially with engineering professionals thus only companies in the field of engineering were interviewed.

The interview focused on the following areas and questions to get valuable information that could then be analyzed and compared with the results from the theoretical section and first empirical part.

- What do the terms "Talent Management" and "Talents/High Potential" mean for them?
- How does the organization identify and find engineering professionals and retain them in the company?
- What are their arguments for and against a Talent Management focus?
- What is their future prognosis of Talent Management?

### **8.2. Method**

The semistructured interview guide is divided into four sub areas: General, finding talents/high potentials, retaining talents/high potentials and the future development analysis. The general part consists of the icebreaker questions to make a smooth introduction to the interview guide. The finding and retaining talents/high potentials part is the body of the examination. The future development analysis should illustrate the thoughts and prognoses of engineering companies for the use of Talent Management in the future.

In the U.S. I had the chance to talk first to the companies at the career fair which was held at the university. I sent six interview guides afterwards directly to the Human Resource departments of those companies. Two out of the six have written back and have returned the questionnaire.

In Austria I directly sent the interview guides to the Human Resource department of the companies because I had already connections to them and the career fair was during the time of my stay in the U.S. Here I sent three interview guides to the organizations and two have responded back. The companies from Austria got a German version of the interview guide and I translated them for the evaluation. To complete the interview sheet the people needed about 20 to 40 minutes depending on the intensity of the answers.

### Evaluation of interviews

For the evaluation of the four interviews, the responses of the questions were written in tables to get a rough overview and as a consequence it was easier to compare them. After writing down the findings an abstraction was made to get the main statements for the research paper.

### 8.3. Findings

In total there were four companies interviewed, two from the U.S. and two from Austria. Here is a brief overview of these companies:

	Organization 1	Organization 2	Organization 3	Organization 4
<b>Branch of industry</b>	Delivery of integrated solutions	Geotechnical, environmental and construction materials testing & engineering	Plastic industry	Mechanical engineering
<b>Location</b>	U.S.	U.S.	Austria	Austria
<b>Number of employees</b>	1900	200-250	about 1000	1575
<b>HR-department</b>	Yes	Yes	Yes	Yes
<b>Number of employees in HR-department</b>	23	4	3	9

Table 15: Overview of interviewed engineering companies

#### 8.3.1. Understanding of "Talent Management" (TM) and "Talents" / "High Potentials"

The first two questions of the interview guide were intended to help clarify the meaning of "Talent Management" and "Talents/High Potentials" from the view of those four companies. The results can be seen in table 16.

##### Understanding of "Talent Management"

<b>Organization 1</b>	TM covers the entire employee lifecycle. It is the commitment of an organization to recruit, develop, and retain exceptional employees
<b>Organization 2</b>	"TM to me means investing in the employee. This in turn, will position the company positively in the future and allows for short and long term planning."
<b>Organization 3</b>	TM is needed for getting good employees. Additionally an organization has to offer existing employees opportunities to develop and apply their talent.
<b>Organization 4</b>	To me TM means to set activities and build systems that help us ensure our employees an optimal development of their talents (professional career, further education,...) and to retain those employees to the company.

Table 16: Responses from organizations to the understanding of Talent Management

As already mentioned in the theoretical part there is no real definition of "Talent Management", every company defines it in a different way. In this case those four organizations also define it differently but every definition expresses the importance of finding, recruiting, developing and retaining good employees.

**Understanding of "Talent/High Potential"**

<b>Organization 1</b>	"For me, a high potential employee is one that has demonstrated potential or ability to drive the company's vision/mission forward." A talent should be motivated, eager to learn and takes initiative to try new and challenging projects. An employee's technical skills must "fit" within the organization. "Their vision/values should align with the company's vision and values. They should display a positive attitude and encourage others to be positive. They should be respectful, communicate clearly, work well in a team oriented environment, and be committed to continuous improvement."
<b>Organization 2</b>	"Someone who enjoys the work they are in, want to become part of the corporate team, has the intellect and ability to do so, and also the drive and determination."
<b>Organization 3</b>	Flexibility is an important qualification of a talent because of the variety of tasks and challenges she/he has to manage within a business. Talents should cover as much as possible of those job profiles with different requirements.
<b>Organization 4</b>	Everyone has certain talents-activities in which one is really good and which make her/him fun. It depends on the task of the talent which characteristics and skills she/he should bring along for our company. Employees in the construction department should have fascination for technology, expert knowledge and creativity. Executives should have a high level of goal orientation, determination, perseverance, personal balance, communication skills and so on.

Table 17: Responses from organizations to the understanding of "talent/high potential"

Every organization has a different understanding of a talent/high potential because of the several requirements an employee should bring along for them. For **organization 1** a talent's vision and values should resonate with those from the company and that she/he drives them forward. Additionally the interviewee stated several attributes a talent/high potential should have like a positive attitude, clear communication, commitment to continuous improvement and that their technical skills fit within the company. For **organization 2** a high potential should enjoy the work and be part of the corporate team. In contrast to that, **organization 3** suggested that flexibility is the main characteristics a talent should have. She/he should cover as many different job profiles as possible. **Organization 4** said that everyone has certain talents and the required skills and abilities she/he should have depend on her/his tasks and position.

### 8.3.2. Finding and Hiring Talents / High Potentials

In this section the first two elements of the Talent Management System Process are addressed: Attraction and Recruiting.

One question deals with employer attraction, what the company is doing to be attractive for applicants and what their special feature or "unique selling proposition" is.

The second part of this section has to do with the recruitment process, how it looks like, which methods they use to find talents and what assessment methods they use to identify high potentials.



#### Attraction:

#### **Employer Attraction**

<b>Organization 1</b>	"We pride ourselves on a strong corporate culture that revolves around doing good work, having fun, and making money. We try to attract potential employees by sharing that philosophy with them and helping them understand what it means to us and what it can mean to them and their families. We also focus on providing the right mix of benefits when it comes to retirement, health care plans, professional development, company functions, a casual work environment, and paid time off."
<b>Organization 2</b>	"We pride ourselves in the reputation of being a quality firm. We find employees respect companies that have high work ethics. This also brings repeat clients and those we work with recommend us which builds our reputation. We also pride ourselves in the "family business" approach we take. We do a lot of family friendly things that helps build loyalty and value, such as providing time off (or flex time) to attend family or school events, gifts for new born/marriages, and cards/gifts for employees/family members hospitalized."
<b>Organization 3</b>	Flexible working hours, offers of health care, appropriate and fair payment of work. To distinguish us from other companies, we try to maintain a familiar and simple relationship with our employees despite the size of the company.
<b>Organization 4</b>	Our company is a family business, thus there is a particular good working environment and we are a business "in which employees enjoy working" (extract from the corporate image). We offer our employees maximum flexibility in working time, a very good health promotion, many social benefits and good payment.

Table 18: Responses from organizations to employer attraction

All four companies offer benefits for employees to draw attention to potential applicants and have a good reputation as an attractive employer. **Organization 1** provides benefits like health care plans, professional development, casual work environment and paid time off. **Organization 2** emphasizes values like flex time or time off referring to family matters. Flexible working hours, health care and appropriate and fair pay are the advantages of **organization 3**. **Organization 4** offers similar benefits like maximum flexibility in working time, good health promotion, many social benefits and good pay. Additionally for all four companies it is important to transfer a positive image to employees, potential applicants as well as to clients. **Organization 1** prides itself for strong corporate culture and **organization 2** for being a quality firm. **Organizations 2, 3 and 4** try to operate in a family friendly way and offer social benefits, and **organization 4** is actually a family business.

**Recruiting:**

For the question "How and where to find talents/high potentials outside the company?" the organization could choose between 8 answer possibilities.

Organization 1	Organization 2	Organization 3	Organization 4
<input checked="" type="checkbox"/> Active sourcing	<input checked="" type="checkbox"/> Active sourcing	<input type="checkbox"/> Active sourcing	<input type="checkbox"/> Active sourcing
<input checked="" type="checkbox"/> Online assessments	<input type="checkbox"/> Online assessments	<input type="checkbox"/> Online assessments	<input type="checkbox"/> Online assessments
<input checked="" type="checkbox"/> Career websites	<input type="checkbox"/> Career websites	<input type="checkbox"/> Career websites	<input checked="" type="checkbox"/> Career websites
<input checked="" type="checkbox"/> Career fair	<input checked="" type="checkbox"/> Career fair	<input checked="" type="checkbox"/> Career fair	<input checked="" type="checkbox"/> Career fair
<input checked="" type="checkbox"/> Web 2.0	<input checked="" type="checkbox"/> Web 2.0	<input type="checkbox"/> Web 2.0	<input type="checkbox"/> Web 2.0
<input checked="" type="checkbox"/> Universities, Colleges	<input checked="" type="checkbox"/> Universities, Colleges	<input checked="" type="checkbox"/> Universities, Colleges	<input checked="" type="checkbox"/> Universities, Colleges
<input checked="" type="checkbox"/> Word of mouth	<input checked="" type="checkbox"/> Word of mouth	<input checked="" type="checkbox"/> Word of mouth	<input checked="" type="checkbox"/> Word of mouth
<input checked="" type="checkbox"/> Ask our employees for referrals	<input type="checkbox"/> Other	<input type="checkbox"/> Other	<input type="checkbox"/> Other

Table 19: Responses from organizations to searching tools to find talents/high potentials

For those four companies career fairs, universities, colleges and word of mouth are the main searching tools to find high potentials outside the organization. The two companies from the U.S. (**organizations 1 and 2**) additionally use active sourcing and web 2.0 to find the right people. Online assessments are not that common in those four companies, with only **organization 1** using this tool to find applicants.

## Recruitment Process

<b>Organization 1</b>	The recruitment process starts with the determination of the need for additional staff and the approval of management to hire for that need. After approval the open position will be advertised and several methods for actively searching will be conducted. "This process entails locating the right candidates, screening resumes, conducting interviews, and checking references." After the right person has been found and an offer will be submitted and the onboarding process starts.
<b>Organization 2</b>	The organization advertises the open position through various vehicles which direct the applicant to an online website application. Next they are screened by HR and supervisors for candidates to interview. After that step the division's manager interviews passed applicants and if the interviews goes well, the applicant gets a written offer.
<b>Organization 3</b>	Candidates are pre-sorted with the help of minimum qualifications. Those qualifications will be prepared in collaboration with the responsible department. The final selection will take place after an interview where it is possible to identify potential talents.
<b>Organization 4</b>	Candidates are preselected by screening the application documents. A small number of selected applicants will have an interview with the personnel developer and the executive. Primarily the personnel developer leads the interview using an interview guide. After that one or two candidates will have a second interview with the personnel department, executive and area manager where most of the time the contract of employment is already signed. The organization takes especially care that the personality fits to the company.

Table 20: Responses from organizations to their recruitment process

The recruitment processes within the interviewed organizations are similar to each other. At first the open position will be advertised, the applications will be screened mostly by the personnel department and executives, and then selected applicants will be invited to an interview. If everything goes well they will get an offer. Only **organization 4** conducts a second interview to find the right people for them.

The third question of the recruiting section deals with assessment methods to identify talents/high potentials. There the interviewed organizations could choose between 6 possible answers. The responses can be seen in table 21.

Organization 1	Organization 2	Organization 3	Organization 4
<input checked="" type="checkbox"/> <b>Structured and standardized interview</b>	<input checked="" type="checkbox"/> <b>Structured and standardized interview</b>	<input checked="" type="checkbox"/> <b>Structured and standardized interview</b>	<input type="checkbox"/> Structured and standardized interview
<input type="checkbox"/> Personality test			
<input type="checkbox"/> Assessment center			
<input checked="" type="checkbox"/> <b>Knowledge test</b>	<input checked="" type="checkbox"/> <b>Knowledge test</b>	<input type="checkbox"/> Knowledge test	<input type="checkbox"/> Knowledge test
<input type="checkbox"/> Intelligence test			
<input checked="" type="checkbox"/> <b>Unstructured interview</b>	<input type="checkbox"/> Unstructured interview	<input type="checkbox"/> Unstructured interview	<input checked="" type="checkbox"/> <b>Partly structured interview, adapted to the position</b>

Table 21: Responses from organizations to assessment methods

A (partly) structured and standardized interview is within those four companies the most common way to identify talents during a recruitment process. **Organizations 1 and 2** from the U.S. also use knowledge tests as an assessment method.

### Internal Potential Management:

An organization does not always have to find and hire the right people. There could be already existing talents/high potentials within the company. Therefore it is interesting to know how those four engineering companies identify internal talent and if there is a standardized nomination and selection process.

### Identification of existing talents/high potentials within the company

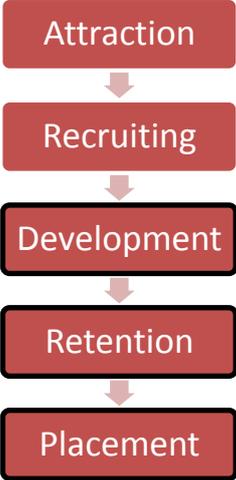
<b>Organization 1</b>	The identification of talents/high potentials happens through performance management. At this time there is no structured succession planning process in place.
<b>Organization 2</b>	"As employees "grow" with the company and their strengths and weaknesses are recognized, employees are guided into areas that best utilize their talents and allow to grow. By increasing their level of responsibility,, you can determine strengths and weaknesses. There is not a standardized nomination/selection process."
<b>Organization 3</b>	In most cases, employees with great potential will be identified by supervisors. There is no standardized nomination/selection process.
<b>Organization 4</b>	Within the organization talents can be recognized by special performance and are known at the management level. At the moment there is no standardized nomination/selection process but we are working on a skills management system that should provide help. There is a competence model for executives which gives them a 360° feedback.

Table 22: Responses from organizations to internal potential management

None of the four companies use a standardized nomination and selection process. In **organization 1** the identification of talents happens through performance management and in the other three organizations high potentials will be recognized and identified by supervisors or executives. Only **organization 4** is in the process of establishing a skill management system that should support the identification of talents.

**8.3.3. Retaining Talents / High Potentials**

This section deals with the Development, Retention and Placement part of the Talent Management System Process. The four companies were asked about existing development programs or systems, an existing performance culture, what they are doing to keep talents/high potentials, if they are offering extrinsic incentives or if soft factors are more important to them, if the company measures the satisfaction of their employees and if they offer specific positions or career paths for talents/high potentials.



**Development:**

**Program or system to develop identified talents/high potentials**

<b>Organization 1</b>	"We have established competency management and learning management systems to aid in developing high potential employees. We also employ leadership development programs, mentoring, and coaching strategies."
<b>Organization 2</b>	"We do have identified career paths and evaluations to help our employees have the tools they need to grow and demonstrate their strengths. At some positions they are also identified to continue on the technical career path or a managerial one."
<b>Organization 3</b>	There are no decided systems. The development of talents happens always in consultation with the staff and their respective executives. Thereby the possibilities and provisions will be adjusted.
<b>Organization 4</b>	Every executive in our company gets the same training- there is one for all team leaders, one for all department managers and so on. Since last year there is a special two-year development program for "young talents". They got nominated separately and selected from the top management team.

Table 23: Responses from organizations to development of identified talents/high potentials

**Organizations 1, 2 and 4** are offering programs or systems to develop high potentials. **Organization 1** drives a competency management and learning management system, development programs, mentoring and coaching strategies. **Organization 2** offers technical and managerial career paths and

tools to develop the strengths of their employees. **Organization 4** is offering tailored trainings for various positions. They also conduct a special two-year development program for "young talents". **Organization 3** has no decided systems; the development of talents takes place individually and in consultation with their respective executives.

**Retention:**

**How to keep talents/high potentials within an organization?**

<b>Organization 1</b>	"We try to keep talent within the company by offering a competitive salary, group insurance options, paid-time off, performance reviews that provide opportunity for raises and bonuses, a 401(k) retirement plan, professional development, educational assistance, and training. Our employees also enjoy company functions in the winter and summer, a casual work environment, and a culture that supports and encourages employees to do good work, have fun and make money."
<b>Organization 2</b>	"We do have a performance culture. Those that do well and go above and beyond receive merit bonuses for their efforts. Soft factors are important for family oriented employees."
<b>Organization 3</b>	There are no decided measures to retain talents to the company because there was no need in the past. The needs of employees (further education, working time,...) will be considered from the view of an employer.
<b>Organization 4</b>	We try to determine all the expectations and needs in a personal conversation (staff appraisal with executives or conversation with HR department) and to offer or present them the prospect of appropriate development opportunities. The extent of such development opportunities can vary from person to person (extension of expert knowledge and ambitious projects or executives with further education in management area). At the size of our company such individual treatments are still successful.

Table 24: Responses from organizations to retention of talents/high potentials within the company

It is very interesting to see that every company is trying to keep talents in a different way. **Organization 1** is offering things like competitive salary, group insurance options, performance reviews that provide opportunity for raises and bonuses, retirement plan, professional development, educational assistance and so on. The company stands for a casual work environment and a culture where employees do good work, have fun and make money. **Organization 2** has a performance culture that means if an employee is doing the job well she/he will receive merit bonuses. For **organization 3** there was up to now no real need for measures to keep talents. The needs from employees will be considered. **Organization 4** is still successful with individual treatment of their employees. They determine the needs and expectations in a personal conversation and offer or present them the prospect of appropriate development opportunities.

### Offering of incentives/commissions to maintain motivation of talents/high potentials

<b>Organization 1</b>	"We have a bonus program that is based on performance and used maintain motivation."
<b>Organization 2</b>	"We do offer incentives such as merit bonuses, profit sharing bonuses, matching to retirement plans, etc."
<b>Organization 3</b>	Executives are paid performance-oriented. They get commissions which are based on the company's success.
<b>Organization 4</b>	Almost every employee has a variable proportion of wage and salary. There is a piece-price-system in the working area. At the beginning of the marketing year every employee sets the targets with her/his executive-depending on how well these objectives were achieved-a certain percentage of the variable wage or salary will be paid out.

Table 25: Responses from organizations to the offering of incentives/commissions to maintain employees motivation

All four organizations are offering incentives or bonuses based on performance to maintain the motivation of their talents. **Organization 2** has merit bonuses and profit sharing bonuses. Executives from **organization 3** get commissions that are based on the company's success. **Organization 4** has a system with achieved objectives.

### Measurement of satisfaction of talents/high potentials

<b>Organization 1</b>	"Satisfaction is measured through open communication, formal performance reviews, and periodically through surveys."
<b>Organization 2</b>	"There is a lot of various verbal and field work mentoring that is continually occurring which allows for the employee to voice opinions and concerns. Our corporate culture promotes the approachability of the employee to his supervisor. They are also given at least a formal annual review that covers how they are feeling they are doing."
<b>Organization 3</b>	No, such a thing does not exist.
<b>Organization 4</b>	There are staff meetings at least once a year and employee surveys every three years for all employees not only for talents.

Table 26: Responses from organizations to the measurement of satisfaction of talents/high potentials

Three out of four organizations measure the satisfaction of their employees. **Organization 1** is doing this through open communication, formal performance review and periodically surveys. **Organization 2** is doing various verbal and field-work mentoring where employees have the chance to voice opinions and concerns. **Organization 4** is having staff meetings once a year and employee surveys every three years for all their employees.

**Placement:**

**Specific positions or specific career paths for talents/high potentials**

<b>Organization 1</b>	"Yes specific positions and career paths are based on performance."
<b>Organization 2</b>	"Yes, we offer specific positions and career paths for our talents/high potentials."
<b>Organization 3</b>	The most suitable candidate is always selected for each position.
<b>Organization 4</b>	Standardized career paths do not exist yet but we are working on it. We try to offer tailored development opportunities for our employees and individually make changes.

Table 27: Responses from organizations to the placement of talents/high potentials

All four organizations are offering or trying to offer specific positions and career paths for their high potentials in a predictable time. For them it is important to get the right people in the right position.

**8.3.4. Importance of Talent Management**

There were several questions in the interview guide that focused on the importance of Talent Management.

**Importance of Talent Management within the organization**

<b>Organization 1</b>	"Yes, talent management is important to our company. It's a competitive world out there and we want to ensure our client's and our own success. To do that, we must be committed to and engaged in hiring the right people and then give them the tools they need, to do really great work!"
<b>Organization 2</b>	"Talent management is important because companies invest a lot into employees with their training and certification courses. If not properly managed, once the employee reaches enough work experience, they will start looking elsewhere for job opportunities. This in turn, requires the company to start all over by advertising and locating a replacement which they will repeat the training and certification work, and they also lose the experience that was gained by the departing employee."
<b>Organization 3</b>	TM is not seen as a "method" rather as a principle in the HR. Good employees are critical to the success of the company and thus it is self-evident that TM, starting with the apprenticeship to the training of young leaders, plays an important role.
<b>Organization 4</b>	Yes, it is very important for businesses. Looking at the demographics, it is obvious that in the future fewer well-educated professionals will be available in all areas-in jargon it is called "War For Talents". The employees are getting more pretentious. Work contents increasingly need to comply with their own interests. For the HR department it is therefore necessary to determine the talents/interests of their employees and promote and develop them appropriate in a position.

Table 28: Responses from organizations to the importance of Talent Management

According to the responses from the four organizations it is obvious that Talent Management is very important. Like **organization 1** states, hiring the right people and giving them tools to do good work is essential for the success of the organization and their clients. **Organization 2** expressed that the costs for personnel are very high thus TM is a valuable tool to keep talents and thereby save money. **Organization 4** took a look at the demographic issues and added the smaller availability of well-educated employees in the future. Thus the task of HR department is to determine the interests of their employees and promote and develop them.

### **Arguments for and against Talent Management Focus**

All four organizations expressed the advantages of a Talent Management Focus. **Organization 2** stated: "There are many arguments for it. As a "for profit" company, having talented employees allows for higher revenues/profits with lower overall expenses." **Organization 3** reported that there are no negative arguments of a TMS as long as the company does not forget their social responsibility including the encouragement of employees with less "talent". **Organization 1** declared that an argument against TM Focus could be personal bias. **Organization 4** is also skeptical with the negative effects a TM Focus could bring along. If you have development programs for high potentials and some employees are not seen as a "talent" within the organization they will feel disadvantaged and discriminated. Also talents will have expectations after finishing further education and development programs thus the company has to guarantee a change in their position or career path otherwise they too will be disappointed.

### 8.3.5. Future Development Analysis

The last question of the interview guide was regarding the future development analysis. There the organizations were asked about their opinion and prognosis for the future of Talent Management. This questioning should give a rough overview of possible chances and modifications.

#### Prognosis for the future of Talent Management

<b>Organization 1</b>	"Talent management will continue to develop and evolve. Tools may change, but overall desired overcome will remain the same-hire the right people, at the right time, and in the right place."
<b>Organization 2</b>	"Talent management is here to stay. Look at a sports team who is looking to win a championship. The players and management do this for several reasons. By recruiting the best players, they get the fans to show up (revenue) and the sponsors to invest and advertise (revenue). This in turn means a bigger pay date for the successful players and the organization as a whole. It helps other players by setting the bar they need to achieve in order for them to receive similar rewards."
<b>Organization 3</b>	In the future it will be important to promote all employees and not only the best ones (those who want it). This has the background that the absolute top talents are not as easy to get as they were a few years ago. Talent Management starts with education systems thus it is also conceivable that in a few years Austrian companies have their own educational institutions included.
<b>Organization 4</b>	A one-size-fits-all system with objective criteria that tells you who is a talent and who not will be difficult to implement. Employees should be encouraged as individually as possible to keep them satisfied and retain them to the company. You can tell already that it is difficult to find good employees in certain areas. In future it will be more important to offer an attractive "total package" which is aligned to the needs of an employee.

Table 29: Responses from organizations to the future prognosis of Talent Management

The responses from all four organizations expresses the high potential Talent Management can have in the future. **Organization 1** said that TM will continually develop and evolve and tools may change. Companies from Austria (**Organization 3 and 4**) stated that it will be necessary to promote and offer benefits individually and to all employees and not only high potentials.

## **9. Discussion**

This section of the research paper compares the results and findings from the theoretical part, empirical part one with the workshops and empirical part two with the interviews. It should give a brief overview of what is thought in theory, and what the interviewed students are thinking as they are the potential applicants of the future. It also shows what opinion the interviewed companies have and what methods and systems they have already implemented and lived in the organization.

### **9.1. Definition and Understanding of "Talent Management" and "Talents/High Potentials"**

#### **Definition and Understanding of "Talents/High Potentials"**

According to the theoretical part a talent/high potential should have qualifications like a higher technical education, an intense motivation and enjoyment of challenging work, social skills and an ongoing want for personal and work-related advanced training.<sup>116</sup> The responses from the interviewed organizations displayed similar conditions a talent/high potential should have for them. The comments from the students also defined a talent/high potential with similar requirements.

#### **Definition and Understanding of "Talent Management"**

Every company defines Talent Management differently but mainly TM is defined as finding, recruiting, retaining and developing talented employees. This can be seen in the responses of the four engineering companies where every answer is different but the importance of the same five steps of a TMS are expressed in diverse ways. The comments of the students also emphasize the main tasks of a TM for instance "the ability to manage people based on their strengths and weaknesses and to place them in the right position" or "the support of qualified employees with trainings, further education and incentives".

### **9.2. Finding and Hiring Talents/High Potentials**

#### **Attraction**

The top five attraction drivers worldwide are "competitive base pay", "career advancement opportunities", "challenging work", "convenient work location" and "flexible schedule".<sup>117</sup> Both Austrian companies named appropriate and fair or good payment as important to them. One organization from the U.S. offers career advancement to be attractive for applicants. A flexible schedule was mentioned by all four engineering companies.

Let's take a closer look at the attraction drivers from Germany and the United States. In Germany "flexible schedule", "challenging work", "competitive base pay", "reputation of the organization as a

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<sup>116</sup> Cf. Ritz/Thom (2011): p. 8

<sup>117</sup> Cf. Perrin (2008): p.16

good employer" and "learning and development opportunities" are the main attraction drivers.<sup>118</sup> Both Austrian companies mentioned almost every point of those drivers except "challenging work". Organizations from the U.S. named three out of the top five attraction drivers. "Competitive health care benefits", "vacation/paid time off" and "flexible work schedule" were in the list of the two engineering companies and "competitive base pay" and "convenient work location" were not. As a conclusion almost every attraction driver was named from the four organizations. This is a sign that the interviewed companies know what needs employees and applicants have.

### **Recruiting**

According to the interviewed students the most common ways to find high potentials are via universities, internships, headhunting, unions and Web 2.0. For the surveyed companies the best ways to find talents are universities, colleges, career fairs and word of mouth. In the U.S. Web 2.0 is also an attractive way to find engineering professionals. According to these findings universities and Web 2.0 should be good places to find talents/high potentials.

In every surveyed organization the recruitment process includes an interview. The students from the U.S. named interview, headhunters and difficult work simulations as important recruitment processes and identification methods. Students from Austria thought that internships, challenges and creativity workshops are good recruitment processes and identification methods. In one organization the identification of existing talents happens through performance management, while in the other three companies high potential will be recognized and identified by executives.

## **9.3. Retaining Talents/High Potentials**

### **Development**

According to the theory, development consists of competence- and learning management. Competence management helps an organization to identify existing talents and learning management to develop and educate high potentials. It is important to offer engineering professionals development opportunities of professional and personal expertise (see chapter 5.4.3. Development).

One company from the U.S. operates competency- and learning management systems to support the development of high potentials. One organization from the U.S. and one from Austria do the development part of TM individually to the needs of their employees. The development options and tools the employees need to grow and strengthen their skills will be adjusted. One organization from Austria offers a basic training for all employees which depends on the departments they work for and additionally they have a program for young talents.

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<sup>118</sup> Cf. Perrin (2008): p. 23, 27

## **Retention**

The top five retention drivers worldwide are "organization's reputation as a great place to work", "satisfaction with the organization's people decisions", "good relationship with supervisors", "understand potential career track within organization" and "ability to balance my work/personal life".<sup>119</sup>

For the students from Austria the top five retention statements are salary, innovative culture, flexible work schedule, top colleagues and location of company.

The interviewed companies from Austria try to keep talents with offerings like further education, flexible working time, good pay, health care promotions, social benefits and a familiar atmosphere. Here you can see many overlaps between the top five retention drivers worldwide in the responses from the students and those from the companies.

The surveyed students from the U.S. think that flexible work schedule, healthcare, satisfied employee needs, specific amount of work time for creativity and a good company culture are the top five retention drivers. Engineering companies from the U.S. stated offerings like a competitive salary, group insurance options, paid-time off, performance reviews, retirement plans, professional development and trainings, company activities and a casual work environment to keep high potentials.

The statements from the students feature the same responses from the companies and compared to the top five drivers worldwide there are also many overlaps.

"Satisfaction with the organization's people decisions" and "good relationship with supervisors" are the two drivers that were not named from the interviewed students and companies.

## **Placement**

The theoretical part of this research paper describes the importance of putting the right people in the right positions. The interviewed companies agree with that and offer specific positions and career paths for their employees.

## **9.4. Importance of Talent Management**

In general TM is important for all four engineering companies. To be and stay successful businesses have to hire the right people and develop them in professionally and personally so that they can do great work and feel comfortable within an organization. Companies invest a lot of money in employees; as a consequence, it is necessary to spend the money for the right tools for development and retention to facilitate employee satisfaction. In addition it is of advantage to determine the needs and interests of employees and promote and develop them appropriately.

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<sup>119</sup> Cf. Perrin (2008): p. 17

### **Arguments for and against Talent Management Focus**

The theoretical part also deals with the advantages and disadvantages of a Talent Management Focus. Advantages of using TM include the long-term retention of qualified employees, a competitive advantage, the overview of existing talents and skills, the usage and development of the skills and decreased costs. Disadvantages are the risk of brain drain, greater effort for executives, expectations of talents which cannot be satisfied and frustration of employees not identified as talent.<sup>120</sup>

All four organizations agree with the advantages of a Talent Management Focus but they also see the personal bias as a negative effect. Employees who are not seen as a talent within the organization feel disadvantaged and disappointed and in reverse selected talents will have the feeling to fulfill the expectations and thus are always under pressure.

In order to avoid such a situation, a solution would be an individual treatment of each employee, as seen in organization 4 from Austria. Like an organization from Austria is conducting. They offer basic trainings for every employee in regard to her/his position. With the help of personal interviews they determine the needs and expectations of each employee and offer them appropriate development and education opportunities. Such an approach is only realizable for small to medium organizations. For bigger ones such an individual treatment is not possible because of the required resources, there has to be a standardized approach. It is important not to discriminate against anybody and to offer every employee the opportunity to develop. Thus, each employee can decide by her/his own and no one feels disadvantaged.

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<sup>120</sup> Cf. <http://www.weka.ch/themen/personal/personalfuehrung-und-personalentwicklung/talentmanagement/article/talent-management-die-vor-und-nachteile/>

## 10. Conclusion and Outlook for the Future

In section 1, the following research questions were posted:

- a. Why is Talent Management important for engineering companies and why should these companies pursue a Talent Management Strategy?
- b. What type or shapes of Talent Management Systems are already used in engineering organizations?

Engineering companies are facing enormous trends and changes including demographic aging, knowledge migration, employability and labor market, diversity, globalization, changes in values and shortage of skilled workforce. Mainly because of the shortage of skilled labor Austria and the U.S. are confronted with, companies have to focus and spend more time in the recruitment, developing and retaining of engineering professionals. Talent Management would help an organization to have an overview of existing high potentials and their skills and the usage of those skills could be developed and positioned in the right way. TM can be seen as a helping create competitive advantage and save costs.

The two empirical parts give a good overview of the needs, requirements and perceptions of the interviewed potential applicants (students) and what the interviewed companies already do to hire, keep and develop their employees.

In regard to question b the interviews with the engineering companies gave a good insight of what type or shapes of Talent Management Systems are already in use. Austrian companies as well as those from the U.S. are conducting several methods to find, hire, develop, retain and place the right people. Three of the companies identified a talent pool and put more resources into those employees. Austrian companies are more skeptical about the use of Talent Management System only for talents because of the negative effects that could arise. They are more likely to conduct a TMS not only for high potentials but rather for all their employees to avoid discrimination and personal bias. Thus they would use the first approach "All have talent" and practice the tools of TM individually for each employee.

All four organizations agreed that Talent Management will be very important in the future. Like organization 1 stated:

"Talent Management will continue to develop and evolve. Tools may change, but overall desired overcome will remain the same-hire the right people, at the right time, and in the right place."

Austrian companies emphasized that it will be necessary to promote all employees and not only the best ones. There will be no "one-size-fits-all system that tells you who is a high potential and who not". Because of the changed values businesses have to fulfill all the individual needs of their employees to be an attractive employer.

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## **List of Abbreviations**

HR	Human Resources
BCG	Boston Consulting Group
IT	Information Technology
TM	Talent Management
TMS	Talent Management Systems

# Appendix 1: Semi-structured Interview Guide of Organization 1

## Interview Guide Research Paper

### General

#### 1. What does the term "talent management" mean for you?

It's an expression that encompasses the entire employee lifecycle. It is POWER's commitment to recruit, develop, and retain exceptional employees.

#### 2. What is for you a "talent" or rather a "high potential"?

##### What qualities and skills should a talent bring along for your company and in general?

For me, a high potential employee is one that has demonstrated potential or ability to drive the company's vision/mission forward. It is someone who is motivated and eager to learn. It is someone who takes initiative to try new and challenging projects.

In addition to the employee's technical skills, they must "fit" within the organization. Their vision/values should align with the company's vision and values. They should display a positive attitude and encourage others to be positive. They should be respectful, communicate clearly, work well in a team oriented environment, and be committed to continuous improvement.

#### 3. We read more and more about it in the media. Is talent management important for your company? If so, why?

Yes, talent management is important to our company. It's a competitive world out there and we want to ensure our clients' and our own success. To do that, we must be committed to and engaged in hiring the right people and then give them the tools they need, to do really great work!

### HR Department

#### 4. Do you have a formal HR department?

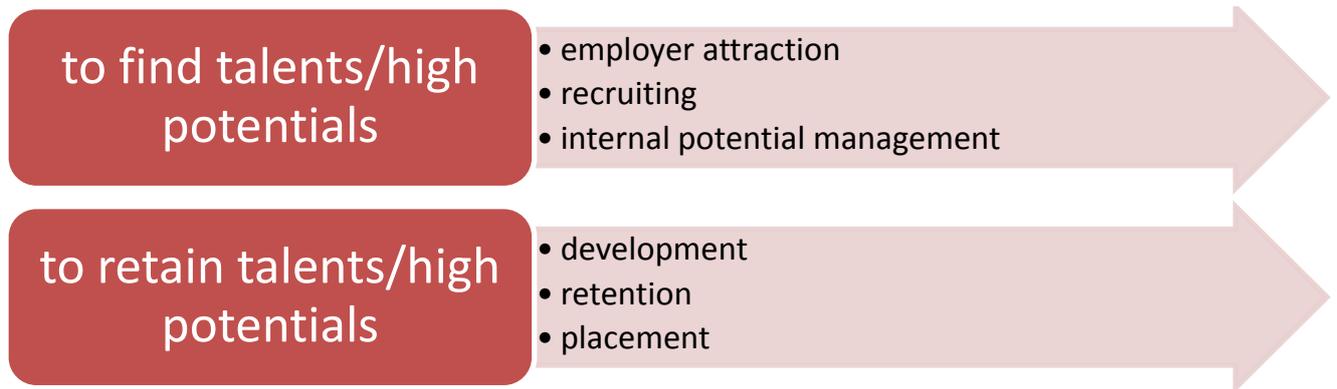
##### If so, where in the organizational structure is it located? Who does it report to?

Yes, our HR department sits on what I call the third tier within our organizational structure. The first tier consists of the president, while the second tier consists of the division managers. The third tier is where you will find HR. HR is located within our Operations Division and reports directly to the Operations Division Manager.

#### 5. How many employees do you have in your HR department?

There are 23 employees in our HR department.

## Talent Management System



### To find talents/high potentials

#### Employer attraction

**6. How do you try to be an attractive company to potential employees? What special feature, which "unique selling proposition" does your company have?**

We pride ourselves on a strong corporate culture that revolves around doing good work, having fun, and making money. We try to attract potential employees by sharing that philosophy with them and helping them understand what it means to us and what it can mean to them and their families. We also focus on providing the right mix of benefits when it comes to retirement, health care plans, professional development, company functions, a casual work environment, and paid time off.

#### Recruiting

**7. How and where do you find your talents outside the company?**

- Active Sourcing
- Online Assessments
- Career websites
- Career fair
- Web 2.0 (Facebook, Twitter, Youtube, Linked In)
- Universities, colleges
- Word of mouth
- Other:

**8. What does your recruiting process look like? How does this process work?**

**Do you use a list of characteristics or qualities a high potential applicant should have?**

We begin our recruiting process by first determining the need for additional staff and gaining management approval to hire for that need. Once we have approval to add staff, we advertise the open position and employ a variety of methods to actively recruit to fill the position. This process entails locating the right candidates, screening resumes, conducting interviews, and checking references. Once we have a candidate that fits the position, we submit an offer which ideally turns into a hire and an opportunity to then begin the onboarding process.

**9. What assessment methods do you use?**

- Structured and standardized interview
- Personality test
- Assessment Center
- Knowledge test
- Intelligence test
- Unstructured interview
- Other:

**Internal potential management**

**10. How does your company identify talents/high potentials? Is there a standardized nomination and selection process within the company?**

POWER identifies talents/high potentials through performance management. We don't have a structured succession planning process in place at this time.

**To retain talents/high potentials**

**Development**

**11. Do you have a program or system to develop the identified talents/high potentials?**

**(Competency management, learning management, leadership development program)**

We have established competency management and learning management systems to aid in developing high potential employees. We also employ leadership development programs, mentoring, and coaching strategies.

## Retention

**12. How do you try to keep talents in your company? Is there a performance culture? Do you try to retain talents with extrinsic incentives, like fast advancement opportunities and monetary benefits or with soft factors, where the need of the employees is in the foreground?**

We try to keep talent within the company by offering a competitive salary, group insurance options, paid time-off, performance reviews that provide opportunity for raises and bonuses, a 401(k) retirement plan, professional development, educational assistance, and training. POWER employees also enjoy company functions in the winter and the summer, a casual work environment, and a culture that supports and encourages employees to do good work, have fun, and make money.

**13. Do you offer incentives / commissions for your employees in order to maintain motivation? If so, which?**

Yes, we have a bonus program that is based on performance and used maintain motivation.

**14. Are talents/high potentials generally paid better in your company than "non talents" / "non high potentials"?**

POWER employees who meet and exceed expectations are generally paid better.

**15. Does your company measure the satisfaction of your talents/high potentials to be sure that they are still happy to work for you? If so, how often and to what extend?**

Satisfaction is measured through open communication, formal performance reviews, and periodically through surveys.

## Placement

**16. Does your company offer specific positions or use specific career paths for talents/high potentials?**

Yes, specific positions and career paths are based on performance.

## Closure/Future development analysis

**17. What changes occurred after your company's implementation of a talent management system, positive or negative?**

Too early to tell; we currently have an informal TMS.

**18. Why do you have a talent management system implemented in your company?**

We have a TMS in place to ensure personal and professional growth opportunity for our talents/high potentials. The system is also used to improve company performance and ensure our clients success.

## Appendix 2: Semi-structured Interview Guide of Organization 2

### Interview Guide Research Paper

#### General

**1. What does the term "talent management" mean for you?**

Talent management to me means investing in the employee. This in turn, will position the company positively in the future and allows for short and long term planning.

**2. What is for you a "talent" or rather a "high potential"?**

Someone who enjoys the work they are in, want to become part of the corporate team, has the intellect and ability to do so, and also the drive and determination.

**What qualities and skills should a talent bring along for your company and in general?**

Similar as the answer above and experience in the area of work is greater value as there is a smaller learning curve in assimilating from their previous employment to working in our work culture.

**3. We read more and more about it in the media. Is talent management important for your company? If so, why?**

Talent management is important because companies invest a lot into employees with their training and certification courses. If not properly managed, once the employee reaches enough work experience, they will start looking elsewhere for job opportunities. This in turn, requires the company to start all over by advertising and locating a replacement which they will repeat the training and certification work, and they also lose the experience that was gained by the departing employee.

#### HR Department

**4. Do you have a formal HR department?**

Yes.

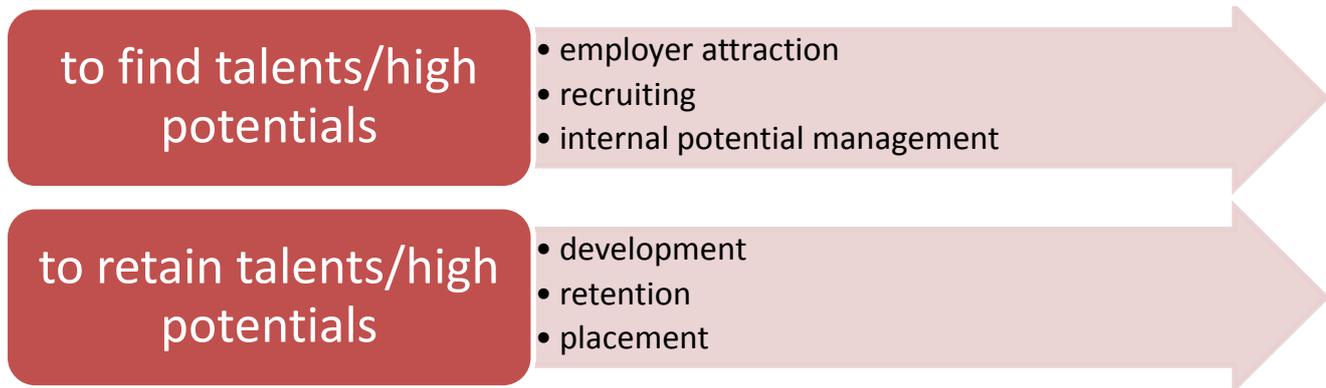
**If so, where in the organizational structure is it located? Who does it report to?**

We have 10 offices located throughout the State of New York. The HR department is centrally located in the Canton branch and covers all the offices. The HR personnel report to the HR Manager, who in turn reports to the President of the company.

**5. How many employees do you have in your HR department?**

The HR department consists of the HR Manager, Recruiting Coordinator, Benefits Coordinator, and an administrative assistant. We also use an HRIS that helps in managing inquiries and processing employee information.

## Talent Management System



### To find talents/high potentials

#### Employer attraction

**6. How do you try to be an attractive company to potential employees? What special feature, which "unique selling proposition" does your company have?**

We pride ourselves in the reputation of being a quality firm. We find employees respect companies that have high work ethics. This also brings repeat clients and those we work with recommend us which builds our reputation. We also pride ourselves in the “family business” approach we take. We do a lot of family friendly things that helps build loyalty and value, such as providing time off(or flex time) to attend family or school events, gifts for new born/marriages, and cards/gifts for employees/family members hospitalized.

#### Recruiting

**7. How and where do you find your talents outside the company?**

- Active Sourcing
- Online Assessments
- Career websites
- Career fair
- Web 2.0 (Facebook, Twitter, Youtube, Linked In)
- Universities, colleges
- Word of mouth
- Other: Ask our employees for referrals

**8. What does your recruiting process look like? How does this process work?**

**Do you use a list of characteristics or qualities a high potential applicant should have?**

We advertise through various vehicles which direct the applicant to an online website application. Once they apply, they are screened by HR and supervisors for candidates to interview. The candidate interviews are set up with the division's manager. If the interview goes well, a written offer is made.

We do not have a written list of characteristics/qualities, however our division managers are experienced and by having them do all the interviews for their division adds consistency in the process and allows for better applicant comparison of their experiences.

**9. What assessment methods do you use?**

- Structured and standardized interview
- Personality test
- Assessment Center
- Knowledge test
- Intelligence test
- Unstructured interview
- Other:

**Internal potential management**

**10. How does your company identify talents/high potentials? Is there a standardized nomination and selection process within the company?**

As employees "grow" with the company and their strengths and weaknesses are recognized, employees are guided into areas that best utilize their talents and allow them to grow. By increasing their level of responsibility, you can determine strengths and weaknesses. Having a standardized annual evaluation also allows the manager to evaluate and compare his staff.

There is not a standardized nomination/selection process.

**To retain talents/high potentials**

**Development**

**11. Do you have a program or system to develop the identified talents/high potentials? (Competency management, learning management, leadership development program)**

We do have identified career paths and evaluations to help our employees have the tools they need to grow and demonstrate their strengths. At some positions they are also identified to continue on the technical career path or a managerial one.

## Retention

**12. How do you try to keep talents in your company? Is there a performance culture? Do you try to retain talents with extrinsic incentives, like fast advancement opportunities and monetary benefits or with soft factors, where the need of the employees is in the foreground?**

We do have a performance culture. Those that do well and go above and beyond receive merit bonuses for their efforts. We also “soft factors are important for family oriented employees. I mentioned some in Question 6 above.

**13. Do you offer incentives / commissions for your employees in order to maintain motivation?  
If so, which?**

We do offer incentives such as merit bonuses, profit sharing bonuses, matching to retirement plans, etc.

**14. Are talents/high potentials generally paid better in your company than "non talents" / "non high potentials"?**

**15. Does your company measure the satisfaction of your talents/high potentials to be sure that they are still happy to work for you?  
If so, how often and to what extend?**

There is a lot of variance in this area as the number of supervisors management styles varies. There is a lot of various verbal and field work mentoring that is continually occurring which allows for the employee to voice their opinions and concerns. Our corporate culture promotes the approachability of the employee to his supervisor. They are also given at least a formal annual review that covers how they are feeling they are doing.

## Placement

**16. Does your company offer specific positions or use specific career paths for talents/high potentials?**

Yes.

## Closure/Future development analysis

### **17. What changes occurred after your company's implementation of a talent management system, positive or negative?**

A talent management system allows the employee to see there is a future in growing with the company. It allows them to see what needs to be done to achieve the level they are looking for.

It also benefits the company as the employee strives to gain more training, certifications, and experience.

### **18. Why do you have a talent management system implemented in your company?**

The answer would be similar to Question 3.

### **19. What are the arguments for and against a talent management focus?**

There are many arguments for it. A lot are mentioned in the questions above. As a “for profit” company, having talented employees allows for higher revenues/profits with lower overall expenses.

### **20. What is your prognosis for the future of talent management?**

Talent management is here to stay. Look at a sports team who is looking to win a championship. The players and management do this for several reasons. By recruiting the best players, they get the fans to show up (revenue) and the sponsors to invest and advertise (revenue). This in turn means a bigger pay date for the successful players and the organization as a whole. It helps other players by setting the bar they need to achieve in order for them to receive similar rewards.

## Appendix 3: Semi-structured Interview Guide of Organization 3

### Interviewleitfaden

#### Allgemein

##### 1. Was verstehen Sie unter dem Begriff "Talent Management"?

Gute Mitarbeiter kommen nicht von alleine darum braucht es ein TM um wertvolle Mitarbeiter zu bekommen. Es gehört auch dazu bestehenden Mitarbeitern die Möglichkeit zu bieten ihre Talente im Betrieb „anzuwenden“ -> Berufliche Weiterbildung.

##### 2. Was genau ist für Sie ein "Talent"?

**Welche Eigenschaften und Fähigkeiten sollte ein Talent für Ihr Unternehmen und generell mitbringen?**

Im Unternehmen gibt es eine Vielzahl von Aufgaben und Herausforderungen für die es unterschiedlichste Anforderungsprofile gibt. In den letzten Jahren wurde es immer wichtiger Personal einzustellen welches mehrere dieser Anforderungsprofile abdecken kann. Das bedeutet, dass Flexibilität eine entscheidende Qualifikation darstellt

##### 3. Man liest immer mehr davon in den Medien. Ist Talent Management für Ihr Unternehmen wichtig? Wenn ja, warum?

TM wird nicht als „Methode“ sondern vielmehr als Leitgedanken im Personalwesen gesehen. Gute Mitarbeiter sind entscheidend für den Unternehmenserfolg und somit ist es auch selbstverständlich das TM beginnend bei der Lehrlingsausbildung bis hin zur Ausbildung von jungen Führungskräften eine rolle spielt.

#### HR Abteilung

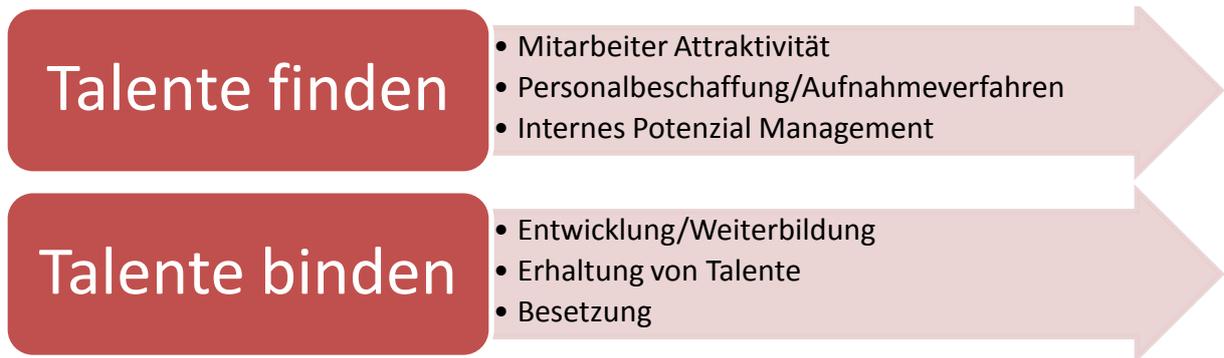
##### 4. Haben Sie eine offizielle HR Abteilung? Wenn ja, wo ist in Ihrem Unternehmen die HR Abteilung angesiedelt?

Ja es gibt eine eigene HR Abteilung

##### 5. Wie viele Mitarbeiter sind bei Ihnen in der HR Abteilung angestellt?

3

## Talent Management System



### Talente finden

#### Mitarbeiter Attraktivität

- 6. Wie versuchen Sie als Unternehmen attraktiv zu sein bzw. zu bleiben? Welche Besonderheit, welches "Alleinstellungsmerkmal" hat Ihr Unternehmen?**

Flexible Arbeitszeiten, Angebote zur Gesundheitsvorsorge, angemessene und faire Bezahlung von Arbeit. Um uns von anderen Unternehmen zu unterscheiden versuchen wir trotz der Unternehmensgröße ein familiäres und einfaches Verhältnis mit den Mitarbeitern zu führen.

#### Personalbeschaffung/Aufnahmeverfahren

- 7. Wie und wo finden Sie Ihre Talente außerhalb des Unternehmens?**

- Active Sourcing
- Online Assessments
- Karriere Websites
- Karrieremessen
- Web 2.0 (Facebook, Xing, Twitter, Youtube)
- an Universitäten, Hochschulen
- Mund zu Mund Propaganda
- Sonstiges:

**8. Wie schaut Ihr Aufnahmeverfahren aus? Wie läuft dieser Prozess ab?**

**Verwenden Sie eine Liste mit Qualitätskriterien oder Eigenschaften, die ein Talent mit sich bringen soll? Bestehen klare Anforderungsprofile, die die Identifizierung möglicher Talente bereits im Auswahlprozess ermöglichen?**

Die Bewerber werden vorsortiert – Kriterium Mindestqualifikation. Die Qualifikationen werden in Zusammenarbeit mit der verantwortlichen Abteilung erstellt. Eine Endauswahl der Bewerber erfolgt nach einem Bewerbungsgespräch. Dies ermöglicht es pot. Talente im persönlichen Gespräch bereits kennen zu lernen.

**9. Welche Methoden verwenden Sie?**

- Strukturiertes und standardisiertes Interview
- Persönlichkeitstest
- Assessment Center
- Fachwissentest
- Intelligenztest
- Unstrukturiertes Interview
- Sonstiges: Teilstrukturiertes Interview, angepasst an die Stelle

**Internes Potenzial Management**

**10. Wie werden Talente in Ihrem Unternehmen identifiziert? Gibt es einen genormten Nominierungs- und Auswahlprozess innerhalb des Unternehmens?**

Nein gibt es nicht, Mitarbeiter mit großem Potential (Talente) werden meistens durch die Vorgesetzten identifiziert

**Talente binden**

**Entwicklung/Weiterbildung**

**11. Verfügen Sie über ein Programm bzw. System, um identifizierte Talente weiterzuentwickeln? (Kompetenzmanagement, Learning Management, Programme zur Weiterentwicklung von Führungskräften)**

Es gibt keine dezidierten Systeme. Die Weiterentwicklung von Führungskräften erfolgt immer in Abstimmung mit dem Angestellten selbst und dem jeweiligen Vorgesetzten. Dabei werden die Möglichkeiten und Maßnahmen zur Entwicklung abgestimmt.

## **Erhaltung von Talenten**

### **12. Wie werden die Talente im Unternehmen gehalten? Existiert eine Leistungskultur?**

**Versuchen Sie die Talente mit extrinsischen Anreizen, wie schnelle Aufstiegsmöglichkeiten und monetären Leistungen zu überzeugen oder mit weichen Faktoren, wo das Bedürfnis der Mitarbeiter im Vordergrund steht.**

Es gibt keine dezidierten Maßnahmen um Talente an das Unternehmen zu binden, da sich in der Vergangenheit keine Notwendigkeit dafür abzeichnete. Die Bedürfnisse der Mitarbeiter (Fortbildungen, Arbeitszeiten, usw.) werden natürlich sofern aus Arbeitgebersicht möglich beachtet.

### **13. Bieten Sie Ihren Mitarbeitern Incentives / Provisionen an? Wenn ja, welche?**

Führungskräfte werden leistungsorientiert bezahlt. Sie bekommen Provisionen welche sich am Unternehmenserfolg orientieren.

### **14. Erhalten Talente in Ihrem Unternehmen eine bessere Bezahlung als "Nicht Talente"?**

Es ist beinahe unmöglich eine Talent von einem guten Mitarbeiter zu unterscheiden somit ist auch eine besser Bezahlung nicht gerechtfertigt. Als Talente sehn wir auch Mitarbeiter die derzeit noch nicht ihre volle Leistungsfähigkeit bieten aber in Zukunft mit hoher Wahrscheinlichkeit werden. Die Bezahlung richtet sich immer nach der aktuellen Leistung bzw. den Dienstjahren.

### **15. Gibt es in Ihrem Unternehmen Treffen oder Meetings, wo die Zufriedenheit Ihrer Talente kontrolliert wird? Wenn ja wie oft und in welchem Ausmaße?**

Nein so etwas gibt es nicht.

## **Besetzung**

### **16. Wie ist die Besetzungspolitik des Unternehmens? Bietet Ihr Unternehmen spezielle Stellen oder Karrierewege für Talente an?**

Für jede Position wird immer der am besten geeignete Kandidat ausgewählt. Es gibt jedoch keine extra Positionen auf den Talente „geparkt“ werden bis es eine geeignete Position für sie gibt.

## **Abschluss / Zukunftsausblick**

### **17. Gab es positive als auch negative Veränderungen durch die Einführung eines Talent Management Systems?**

Es ist mir leider nicht möglich eine Veränderung festzustellen da die Förderung von Talenten nicht mit einem expliziten TM-System geschieht sondern aus Tradition die Förderung der Mitarbeiter im Allgemeinen einen hohen Stellenwert hat.

**18. Warum haben Sie ein Talent Management System in Ihrem Unternehmen implementiert?**

**19. Was sind Ihre Argumente für und gegen ein Talent Management Focus?**

Die Herausforderung ist es die „besten“ Mitarbeiter zu finden. Dabei ist die Definition von „besten“ der Knackpunkt bei einem TM-System. Es gibt eigentlich keine negativen Argumente für ein TM-System, sofern man nicht vergisst auf die soziale Verantwortung eines Unternehmens zu denken. Dies beinhaltet auch die Förderung von Mitarbeitern mit weniger „Talent“.

**20. Was ist Ihre Prognose für die Zukunft von Talent Management?**

In Zukunft wird es nicht nur darauf ankommen die besten Talente zu fördern sondern alle Mitarbeiter (die es auch wollen). Dies hat den Hintergrund das die absoluten Spitzentalente nicht mehr so leicht zu kriegen sind als vor einigen Jahren. Talent Management fängt bei den Bildungssystemen an, somit ist es auch denkbar, dass es auch in Österreich in wenigen Jahren unternehmenseigene Bildungseinrichtungen gibt.

## Appendix 4: Semi-structured Interview Guide of Organization 4

### Interviewleitfaden

#### Allgemein

##### 1. Was verstehen Sie unter dem Begriff "Talent Management"?

Praktisch heißt das für mich Aktivitäten zu setzen und Systeme aufzubauen, mit deren Hilfe wir dafür sorgen, dass sich die Mitarbeiter in unserem Unternehmen ihren Talenten entsprechend bestmöglich entwickeln können (Berufliche Laufbahn, Ausbildung, etc.) und diese Mitarbeiter auch im Unternehmen zu halten.

##### 2. Was genau ist für Sie ein "Talent"?

**Welche Eigenschaften und Fähigkeiten sollte ein Talent für Ihr Unternehmen und generell mitbringen?**

Jeder Mensch hat gewisse Talente – Tätigkeiten, in denen man richtig gut ist, die einem Spaß machen, und für die dann auch entsprechende intrinsische Motivation vorhanden sind.

Bestimmte Talente sind für bestimmte Jobs, die es in unserem Haus gibt, besonders wichtig. Das macht Mitarbeiter, die für ihre Jobs passende Talente besitzen zu „Talents“ für unser Haus.

Welche Eigenschaften und Fähigkeiten ein Talent für unser Unternehmen mitbringen soll, hängt ganz von der Tätigkeit ab. Mitarbeiter im Entwicklungsbereich müssen z.B. Begeisterung für Technik, Fachwissen und Kreativität mitbringen. Führungskräfte brauchen immer ein großes Maß an Zielorientierung, Entschlossenheit, Durchhaltevermögen, persönliche Ausgeglichenheit, Kommunikationsfähigkeit, etc.

##### 3. Man liest immer mehr davon in den Medien. Ist Talent Management für Ihr Unternehmen wichtig? Wenn ja, warum?

Ja, es ist für Unternehmen sehr wichtig. Betrachtet man die demographische Entwicklung, wird klar, dass in Zukunft immer weniger gut ausgebildete Fachkräfte in allen Bereichen zur Verfügung stehen werden – in der Fachsprache spricht man von einem „War for Talents“. Die Mitarbeiter werden auch anspruchsvoller. Arbeitsinhalte müssen zunehmend dein eigenen Interessen entsprechen. Für die Personalabteilung gilt es daher die Talente / Interessen der Mitarbeiter zu eruieren und sie diesen entsprechend zu fördern bzw. in eine entsprechende Position im Unternehmen zu entwickeln.

## HR Abteilung

### 4. Haben Sie eine offizielle HR Abteilung? Wenn ja, wo ist in Ihrem Unternehmen die HR Abteilung angesiedelt?

Ja, wir haben eine HR-Abteilung. Diese besteht aus 2 Teams – die Personaladministration und die Personalentwicklung. Die HR Abteilung untersteht einem der Bereichsleiter, der Mitglied des Top-Managementteams ist.

### 5. Wie viele Mitarbeiter sind bei Ihnen in der HR Abteilung angestellt?

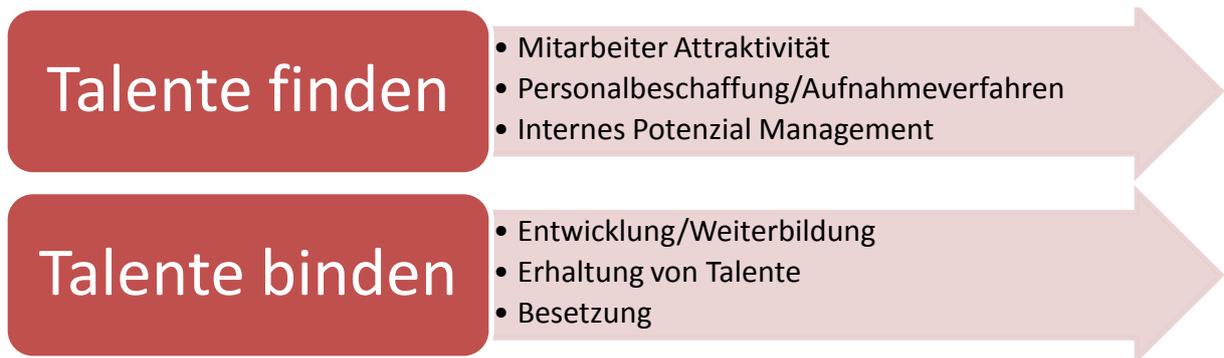
Personalleiter: 1 Person

Personalabrechnung: 5 Personen (2 Teilzeit)

Personalentwicklung 3 Personen (1 Teilzeit)

Gesamt 9 Personen

## Talent Management System



## Talente finden

### Mitarbeiter Attraktivität

### 6. Wie versuchen Sie als Unternehmen attraktiv zu sein bzw. zu bleiben? Welche Besonderheit, welches "Alleinstellungsmerkmal" hat Ihr Unternehmen?

Unser Unternehmen ist ein Familienunternehmen, es herrscht daher ein besonders gutes Betriebsklima und wir sind ein Betrieb „in dem die Mitarbeiter gerne arbeiten“ (Auszug aus dem Unternehmensleitbild). Wir bieten unseren Mitarbeitern größtmögliche Arbeitszeitflexibilität, haben eine sehr gute betriebliche Gesundheitsförderung, bieten viele Sozialleistungen und gute Bezahlung.

## Personalbeschaffung/Aufnahmeverfahren

### 7. Wie und wo finden Sie Ihre Talente außerhalb des Unternehmens?

- Active Sourcing
- Online Assessments
- Karriere Websites
- Karrieremessen
- Web 2.0 (Facebook, Xing, Twitter, Youtube)
- an Universitäten, Hochschulen
- Mund zu Mund Propaganda
- Sonstiges:

### 8. Wie schaut Ihr Aufnahmeverfahren aus? Wie läuft dieser Prozess ab?

**Verwenden Sie eine Liste mit Qualitätskriterien oder Eigenschaften, die ein Talent mit sich bringen soll? Bestehen klare Anforderungsprofile, die die Identifizierung möglicher Talente bereits im Auswahlprozess ermöglichen?**

Bewerbungen werden erst durch Sichtung der Bewerbungsunterlagen vorausgewählt. Eine kleine Anzahl an ausgewählten Kandidaten wird zum Vorstellungsgespräch (mit Personalentwicklerin, Führungskraft) eingeladen. Die Interviews führt in erster Linie die Personalentwicklerin, sie verwendet dazu einen Interviewleitfaden. Danach werden ein oder zwei Kandidaten ausgewählt, die zum Zweitgespräch (mit Personalleiter, Führungskraft, Bereichsleiter) eingeladen werden. Hier erfolgt oft schon die Dienstvertragsunterzeichnung.

Wir achten bei der Bewerberauswahl besonders auf die Persönlichkeit – Bewerber müssen den „Pöttinger Spirit“ mitbringen. Fachlich ist das Anforderungsprofil je Stelle klar bzw. gibt es vielleicht eine Bandbreite. Bezüglich der Persönlichkeit obliegt die Einschätzung der Recruiterin. Wir haben hier keine Kriterienliste, etc.

### 9. Welche Methoden verwenden Sie?

- Strukturiertes und standardisiertes Interview
- Persönlichkeitstest
- Assessment Center
- Fachwissentest
- Intelligenztest
- Unstrukturiertes Interview
- Sonstiges: Teilstrukturiertes Interview, angepasst an die Stelle

## Internes Potenzial Management

### **10. Wie werden Talente in Ihrem Unternehmen identifiziert? Gibt es einen genormten Nominierungs- und Auswahlprozess innerhalb des Unternehmens?**

Unser Unternehmen ist von der Größe noch überschaubar - besonders im Angestelltenbereich kann noch „fast jeder jeden“. Talente tun sich durch besondere Leistungen hervor und sind in der Führungsebene bekannt. Es gibt noch keinen genormten Nominierungs- und Auswahlprozess, wir arbeiten aber gerade an einem Skillsmanagementsystem, das hier Hilfestellung geben sollte. Es gibt im Haus ein Kompetenzmodell für Führungskräfte, das aber nur fallweise für 360° Feedbacks verwendet wird.

## Talente binden

### Entwicklung/Weiterbildung

### **11. Verfügen Sie über ein Programm bzw. System, um identifizierte Talente weiterzuentwickeln? (Kompetenzmanagement, Learning Management, Programme zur Weiterentwicklung von Führungskräften)**

Wir versuchen alle unsere Führungskräfte gleich auszubilden – es gibt ein Training zu dem wir alle Teamleiter schicken, eines zu dem wir alle Abteilungsleiter schicken, etc.

Außerdem gibt es seit letztem Jahr ein spezielles 2-jähriges Entwicklungsprogramm für „junge Talente“. Sie wurden einzeln nominiert und dann in der TopManagementrunde ausgewählt.

### Erhaltung von Talenten

### **12. Wie werden die Talente im Unternehmen gehalten? Existiert eine Leistungskultur? Versuchen Sie die Talente mit extrinsischen Anreizen, wie schnelle Aufstiegsmöglichkeiten und monetären Leistungen zu überzeugen oder mit weichen Faktoren, wo das Bedürfnis der Mitarbeiter im Vordergrund steht.**

Wir versuchen vor allem die Erwartungen und Bedürfnisse im persönlichen Gespräch (Mitarbeitergespräch mit Führungskraft oder Gespräche mit Personalentwicklung bzw. Personalleiter) abzufragen und ihnen entsprechende Entwicklungsmöglichkeiten zu bieten bzw. in Aussicht zu stellen. Wie diese Entwicklungsmöglichkeiten aussehen sind von Person zu Person unterschiedlich (Ausweitung des Fachwissens und anspruchsvolle Projekte / Führungsposition mit Ausbildung im Führungsbereich, etc.). Bei unserer Unternehmensgröße funktioniert diese individuelle Behandlung noch sehr gut.

### **13. Bieten Sie Ihren Mitarbeitern Incentives / Provisionen an? Wenn ja, welche?**

Beinahe jeder Mitarbeiter hat einen variablen Lohn- oder Gehaltsanteil. Im Arbeiterbereich gibt es ein Akkordlohnsystem. Im Angestelltenbereich werden am Anfang des Wirtschaftsjahres Ziele zwischen Mitarbeiter und Führungskraft vereinbart – je nachdem wie diese Ziele erreicht wurden, wird ein gewisser %-Satz des variablen Lohn- oder Gehaltsbestandteils ausbezahlt.

### **14. Erhalten Talente in Ihrem Unternehmen eine bessere Bezahlung als "Nicht Talente"?**

Wie hoch die Bezahlung unserer Mitarbeiter ist, ist abhängig von der Tätigkeit die sie machen und wie gut sie diese machen, nicht davon ob sie als Talent identifiziert sind oder nicht.

Ich denke nicht, dass man das so generalisieren kann wie in der Frage oben.

### **15. Gibt es in Ihrem Unternehmen Treffen oder Meetings, wo die Zufriedenheit Ihrer Talente kontrolliert wird?**

**Wenn ja wie oft und in welchem Ausmaße?**

Es gibt für alle Mitarbeiter mindestens 1x im Jahr Mitarbeitergespräche und alle 3 Jahre eine Mitarbeiterbefragung – nicht nur für Talente.

### **Besetzung**

### **16. Wie ist die Besetzungspolitik des Unternehmens? Bietet Ihr Unternehmen spezielle Stellen oder Karrierewege für Talente an?**

Standardisierte Karrierewege gibt es noch nicht, wir arbeiten aber gerade daran. Wir versuchen unseren Mitarbeitern wirklich auf sie abgestimmte Entwicklungsmöglichkeiten zu bieten und Veränderungen erfolgen sehr individuell.

### **Abschluss / Zukunftsausblick**

### **17. Gab es positive als auch negative Veränderungen durch die Einführung eines Talent Management Systems?**

Wir haben noch kein standardisiertes Talentmanagement eingeführt.

Mit dem Start unseres Ausbildungsprogrammes für „junge Talente“ (läuft noch 9 Monate) werden aber sicher gewisse Erwartungen bei den Absolventen entstehen.

Was sicher auch nicht zu vernachlässigen ist, ist die Tatsache, dass sich durch das nicht-nominiertwerden zu solchen Programmen bestimmt auch Mitarbeiter benachteiligt fühlen. Ein konkretes Beispiel kann ich da aber noch nicht nennen.

**18. Warum haben Sie ein Talent Management System in Ihrem Unternehmen implementiert?**

Das Ausbildungsprogramm für junge Talente wurde organisiert, um jungen Mitarbeitern Entwicklungsmöglichkeiten zu bieten. Das soll einerseits der Mitarbeiterbindung dienen, andererseits der Qualifikation und der Vernetzung untereinander.

**19. Was sind Ihre Argumente für und gegen ein Talent Management Focus?**

Wie schon bei Frage 17 beschrieben, ist es wichtig Mitarbeiter ihren Talenten entsprechend zu fördern -meiner Meinung nach möglichst individuell.

Wenn man aber bestimmten Mitarbeitern den Status „Talent“ gibt, werden sich andere Mitarbeiter, die sicher auch gute Arbeit leisten, übersehen oder benachteiligt fühlen.

Bei den Talenten selbst schafft man auch eine gewisse Erwartungshaltung – nach der Absolvierung eines Ausbildungsprogramms muss für sie auch wirkliche ein Veränderung / ein weiterer Karriereschritt geboten werden, ansonsten entsteht Enttäuschung.

**20. Was ist Ihre Prognose für die Zukunft von Talent Management?**

Ein one-size-fits-all System mit objektiven Kriterien, die einem verraten wer ein Talent ist und wer nicht wird schwer umzusetzen sein. Mitarbeiter müssen so individuell wie möglich gefördert werden, um sie zufrieden bzw. im Unternehmen zu halten. Man merkt aber jetzt schon, dass es in bestimmten Bereichen schwierig ist, gute Mitarbeiter zu finden. Es wird also in Zukunft immer wichtiger einem Bewerber bzw. Mitarbeiter auf ihre/seine Bedürfnisse abgestimmtes, attraktives „Gesamtpaket“ bieten zu können.