

Extended Abstract

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Stream: Organizing and social relationships in non-traditional contexts

Identifying Talent Management Practices in Early Stages of Enterprises

1. Introduction

Talent management (TM) is a part of HRM and organizational behavior that does not gain a firm position in the literature because of the general and unsettled definition. One of the reasons behind the argumentation is that a wide variety of contextual factors strongly influence TM's interpretation, implementation, and effects. While it indicates the continuance adjustment between TM's theory and practice, a large tranche of publications shows an unbalanced number of TM studies based on company size. Most of the TM studies took the context of multinational enterprises (MNEs) or companies that are considered as significant and scalable (ex: [1] [3]) rather than smaller and new enterprises.

Only a lesser number of researchers (ex: [2] [5]) put their interest in studying the TM process in small-medium enterprises (SMEs). This fact attenuates the idea that TM plays a vital role in helping companies gain competitive advantages, including SMEs. Understanding how managing HR influences SMEs is essential, as these firms are a significant source of radical innovation and economic growth [4], including through cooperation with MNE to achieve sustainable development [8]. While a considerable amount of research tries to build a firm foundation for TM practices in large companies, the approaches from these studies might not fit well with the small business context for various reasons.

This study underlines the evolving stages of enterprises to differentiate the approaches used in SMEs to larger companies. Companies still in the early stages of growth, such as SMEs, focus differently on each growth stage. However, in the early stages, the company's main objective is to build a strategic foundation for surviving the transition process to a growing company. To support that objective, identifying how enterprises conduct the TM practice in each growth stage might provide an insightful contribution. Thus, this study will answer the following question:

RQ. How is talent management carried out in the early stages of enterprises?

2. Brief Literature Review and Method

The emphasis of TM is on identifying and maintaining key positions, which means that the company needs to simultaneously address leadership issues and other critical technical positions [6][11]. In SMEs, especially in the early stages of growth, identifying key strategic positions could be a less focal issue since SMEs' HR practices are still evolving [5]. However, compared to large companies, a high degree of informality in their general and specific HR practices in SMEs and new businesses has been identified as a source of competitive advantage for this type of enterprise [5].

Picken (2017) proposed four stages in the life cycle of an entrepreneurial firm [7]. The cycle starts from startup, emphasizing a new business's necessity to define and validate the business concept. After a new enterprise successfully defines its business concept, it will move to the transition stage. The entrepreneur's challenge in this stage is to complete the offering, establish a solid foundation, and position the organization for rapid scaling. The scaling phase demands the company to add significant resources, leverage processes, and consider partnerships in sustaining the business. Finally, a sustainable business will lead to consistent profitability that makes the business ready to enter the exit stage, a phase when companies decide to do a merger or acquisition to harvest the value accumulated by the venture for the benefit of the entrepreneur and investors.

Each stage mentioned above shows that SMEs need to pay continuous attention to their management process to become scalable businesses. For example, suppose the business's initial management does not have a good capital management plan, especially intellectual capital, including people and talent. In that case, the business can fail to pass through the stages, especially the transition stage, which is considered the most challenging. Thus, an early stages business needs to identify the capabilities most suited to its existing conditions.

This study proposes qualitative research that delves into participants' meaning and the relationships between constructing a conceptual framework and theoretical contribution. This study plans to deploy a grounded theory as a research strategy, which purpose is to describe and explain the social world of the subject [10]. The reason is due to the strong contextual nature of TM, which makes the inductive and interpretative approach more suitable.

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