

The Evolving Potential of Talent Management in Poland

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ABSTRACT

Objective: The objective of this article is to identify and assess recent progress in talent management (TM) among Poland's MNEs. This article focuses on establishing a better understanding of TM practices in Poland at a time when its economy is becoming increasingly global and its young workforce is ready to move beyond the cultural constraints of its Communist past.

Research Design & Methods: The authors used a quantitative research design through an on-line survey. It was supplemented by post-survey interviews designed to help interpret the survey findings. A total of 83 MNEs in Poland responded to the survey.

Findings: The analysis presented here contrasted the 31 MNEs that rated TM as 'high' in strategic importance vs. the 22 companies that rated it 'low' in strategic importance. Six variables differentiated the 'high' vs. 'low' TM importance companies at the 0.05 level of confidence or beyond.

Implications & Recommendations: The discussion focuses on the continued need to improve TM/HRM practices among MNEs in Poland, the need to develop a Polish approach to TM, and reasons for optimism regarding TM in Poland in the decades ahead. The paper concludes with a recommendation to adopt learning organization practices to improve TM and to provide an enhanced competitive advantage for Polish MNEs in the global economy.

Contribution & Value Added: The paper offers insights into the national policies, research agendas, and workplace practices needed to move Poland forward in its quest to meet the talent requirements of its emergent global economy.

Article type: research paper

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INTRODUCTION

This research addressed major components of an earlier survey study of talent management in Poland by Skuza, Scullion and McDonnell (2013), retaining its applied focus and conceptual framework, in order to assess progress in this important component of national competitiveness for MNEs. Competitive strategies can be complex but at their basic level they involve competent personnel to execute the plans in place to reach national and organizational objectives. Competency is not a random or chance occurrence; rather it involves identifying, enhancing, and utilizing the talent of the workforce available to perform the organization's primary functions. Talent management (TM) is defined simply as 'the need to identify, select, and develop the right people' (Scullion, Collings, & Caligiuri, 2010, p. 106) and more completely in a global context as 'the systematic utilization of HRM activities on a global scale to identify, attract, develop, and retain high-potential strategic employees who are consistent with the strategic directions of the multinational enterprise in a dynamic, highly competitive global environment' (Ruel & Lake, 2014, p. 157). TM is a strategic intervention that, in turn, requires a sound strategy for its implementation.

The objective of this article is to identify and assess recent progress in talent management (TM) among Poland's MNEs. This article focuses on establishing a better understanding of TM practices in Poland at a time when its economy is becoming increasingly global and its young workforce is ready to move beyond the cultural constraints of its Communist past.

LITERATURE REVIEW ON TALENT MANAGEMENT IN POLAND

As background for the report of our survey results presented later in this paper, we briefly review the connection between TM and strategy in the context of closely related areas of inquiry: The learning organization and knowledge management. Next we present information about Poland's evolving economy and its increasing globalization; and finally, we conclude with a summary of theory and research relevant to TM in Poland.

Talent Management and Competitive Advantage

Today, talent management is not just a source of competitive advantage for organizations; it is a strategic imperative. With globalization and its effect on the labor market, the 21st century is set to have the toughest employment market in history, not for employees, but for employers (Fernandez-Araoz, 2014). There is rising demand for talent, an intensifying shortage of talent available, and recruiting and retaining talent is increasingly difficult (Ashton & Morton, 2005; Collings, McDonnell, & Scullion, 2009; Nilsson & Ellström, 2012; Ruel & Lake, 2014; Scullion & Collings, 2011; Stahl *et al.*, 2012; Zupan, Dziewanowska, & Pearce, 2017). Furthermore, due to globalization and lower barriers to immigration, workers are more mobile than ever before (Nilsson & Ellström, 2012; Scullion & Collings, 2006, 2011; Somaya & Williamson, 2011; Vaiman, Scullion, & Collings, 2012). This is especially true among high-skilled workers and professionals who are in high demand and showing increasingly little loyalty to their native country as they often move between countries for work (Vaiman, Scullion, & Collings, 2012). Organizational structures are also changing at a rapid pace, shifting from traditional hierarchical to more horizontal or matrix structures.

Combining all this with the major shift in workforce characteristics and preferences associated with managing millennials, organizations have no choice but to adjust and adapt their methods for attracting, developing and retaining top talent. In short, organizations need to implement talent management successfully and strategically to stay competitive, and emerging economies need to ensure TM is socioeconomically embraced and adopted if they want to become a global player in today's economy.

For competitive advantage, talent management must be viewed with a global perspective. Global talent management has become a top priority for MNEs as participating in a global economy means facing a competitive global labor market and the need for international leadership talent that can manage increasingly diverse staffs. Today's labor market is now composed of international employees and cosmopolitans who are comfortable crossing borders, working in various countries, and feel few ties to their native country (Vaiman, Scullion, & Collings, 2012). Such employees often have a multi-cultural awareness and international experience that is increasingly valuable today. This phenomenon has created a global workforce and brought the competition for labor to a global level rather than country level (Scullion & Collings, 2011).

Today, TM benefits from advances in theory and research in two closely related areas of inquiry: The learning organization and knowledge management. As Edmondson (2008, p. 62) noted: 'With the rise of knowledge-based organizations in the information age, the old model no longer works...'. In her words, learning is a *competitive imperative*. When organization members acquire unique tacit knowledge that enhances their performance, they achieve a competitive advantage that competitors find difficult to replicate (Nonaka, 1994; Raelin, 1997).

The learning organization focuses on 'execution-as-learning' rather than 'execution-as-efficiency'. This shift in focus from the manufacturing-dominated era to today's knowledge-based organizations starts with leaders setting direction and articulating mission and with employees, usually in teams, discovering answers and solving problems rather than the hierarchical, top-down management practices of the past (Edmondson, 2008). Earlier, Rowden (2001, p. 15) described the learning organization as actively engaged in identifying and solving problems by increasing its capacity to 'grow, learn, and achieve its purpose.' The success of the learning organization relies not only on a new approach to leading and managing people but also on increased sophistication in knowledge generation and application (Grant, 2002).

In brief, TM today finds itself as an important resource to help develop competitive advantage, and it has become more pertinent than ever for organizations to promote learning, to acquire, analyze, and apply knowledge to help the organization perform more effectively. As the organization experiments and problem-solves, its members acquire strategically-relevant expertise in the form of tacit knowledge not easily co-opted by competitors (Hatch & Dyer, 2004). While informed leadership promotes the learning organization, knowledge management, and talent management, these activities in themselves help identify the talented organization members who will help lead the organization forward. As Ashby and Miles (2002, p. 213) pointed out, the key attribute in spotting leadership talent to be developed is *continuous learning*. 'One of the most important attributes of all leaders is their ability to learn continuously throughout their careers'.

With the various definitions and approaches to talent management, there is more than one way for organizations to introduce talent management into their business. Implementing effective talent management requires choosing the right type of activities and practices for the company and its employees. However, some basic requirements and key guidelines have emerged in the literature that can help ensure organizations put in place a successful talent management system. For example, integrating talent management with corporate strategy ensures that an organization will gain great returns on its investment in talent management, as the system will then be able to provide the organization with the right talent in the right positions at the right time, fully integrating itself with the business planning process (Ashton & Morton, 2005; Powell & Lubitsh, 2007; Stahl *et al.*, 2012). Having the full support of senior management, establishing the importance and relevance of talent management, ensures that TM is committed to, rather than simply complied with, thereby generating long term results. Differentiating between high and low impact employees and positions, rather than applying talent management practices equally to all allows the organization to make the most efficient use of its resources and better meet the needs of pivotal employees (Ashton & Morton, 2005; Collings, McDonnell, & Scullion, 2009). And lastly, by allowing for flexibility and creativity in how an organization engages its employees, an organization will be able to retain its key employees, can adjust to evolving demands, and can build a strong and competitive reputation as an employer.

Poland's Evolving Economy

Poland, a member of the centrally planned European Emerging Market Economies (EEMEs), has experienced tremendous economic, social, and political change since 1990. Its transformation was both difficult and painful due to the lack of, or underdeveloped, market institutions (Acemoglu & Johnson, 2005; Campos & Coricelli, 2002). The market reforms implemented in Poland in 1990 resulted in a liberalization of foreign trade opening its economy to flows of goods, services, and capital. Blessed with natural resources, an adequate supply of affordable labor, and compatible commodity and geographic structures, Poland attracted foreign direct investment (FDI) and experienced an unprecedented rate of globalization. Table 1 shows the pace of change from 1990-2015 as the business sector in Poland, and thus the whole economy, became interconnected with foreign partners.

Table 1. Foreign direct investment, exports and GDP in Poland in 1990-2015

Category	1990	1995	2000	2005	2010	2015
FDI net inflows as % of GDP	0.14	2.62	5.43	3.63	3.84	1.55
Inward FDI stock as % of GDP	0.17	5.52	19.48	28.36	39.15	45.46
Total exports of goods and services as % of GDP	26.31	23.30	27.21	34.92	40.03	49.36
GDP per capita (constant 2010 USD)	5.953	6.543	8.595	9.973	12.597	14.581

Source: The World Bank (2016).

For countries such as Poland, the global environment was both a threat and an opportunity. For the business community, globalization, along with privatization, brought the challenge of hyper competition as well as the opportunity to join the emerging global value chains (GVCs). As Poland deepened its trade integration within the GVC, it step-by-step reduced the role of its domestic conditions for trade (natural resources, inexpensive labor, geography) and called for reallocating its human capital to more productive use.

Its European Union (EU) membership furthered its involvement in the global economy and facilitated the flow of foreign capital needed to modernize old industries and pave the way for new exports. With more workers involved in the competitive environment of the GVC, greater attention is being focused on the cost and value of labor. The more the business sector and individual companies become integrated by trade and capital links, the more the entire system becomes reliant on state-of-the-art HRM and TM as they directly impact the cost and value of labor today.

The Challenge of TM in Poland

Situated at the heart of Europe and currently considered one of the top outsourcing hubs in the world (Tholons, 2014), Poland is a prime example of a country whose economic future is intertwined with its ability to embrace and implement TM effectively. There are a number of factors that place Poland in a uniquely challenging situation with regards to its workforce. As a member of the European Union its borders are open, making its workforce extremely mobile with neighboring Germany offering wages that are up to four times higher than in Poland (Orenstein, 2014). Poland's workforce is also known for being well educated, knowledgeable and skilled (Zupan, Dziewanowska, & Pearce, 2017, p. 68). Unfortunately, Poland also faces a demographic decline as it has one of the lowest birth rates in Europe with the fertility rate set at 1.32 in 2015, while the EU average was 1.58 (Eurostat, 2015) If the fertility rate were to stay at this rate, combined with emigration, Poland's population would shrink by 13.5 percent by 2060 (Strzelecki & Sladowska, 2016). Simultaneously, Poland has become one of the top outsourcing hubs in the world, which has made the demand for leadership talent, and more specifically international leadership talent, even greater. These combined factors of a highly educated and mobile workforce that is also shrinking while facing growing demand for leadership talent, makes effective talent management critical for Poland. However, the talent management landscape in Poland is especially challenging due to Poland's complex cultural, geopolitical and institutional features (Vaiman & Holden, 2011, p. 180). This significant importance of talent management in Poland, combined with its unique challenges in implementing effective TM, make Poland an interesting case.

The low labor wages in Poland are what drove Poland into becoming such a major hub for outsourcing and subcontracting in Europe. With wages that are approximately three to four times cheaper than in Poland's neighboring western countries along with its quality workforce, Poland has become one of the top outsourcing destinations in the world (Orenstein, 2014; Tholons, 2014). While this provides Poland with a great competitive advantage, the advantage is unfortunately short-term as wages are eventually bound to rise and will then be less attractive to investors. Therefore, in order for Poland to avoid falling into the 'middle-income trap', organizations must work to create strong leadership talent that can drive innovation and success that will make the Polish subsidiaries invaluable, even after wages rise. If Polish employees can become the top talent and highly skilled international managers that are so desperately sought after, taking on international assignments and leading virtual teams, then the current influx in FDI will have a long term positive effect on making Poland internationally competitive. Of course, to develop such talent, there needs to be effective talent management.

As of now, there has only been one comprehensive study on talent management specifically in Poland, conducted by Agnieszka Skuza, Hugh Scullion and Anthony McDonnell, published in 2013. Their study gathered data from 58 organizations across Poland in 2009

and 2010 and ultimately found that management practices in Poland are still far from converging with Western models and that talent management faces many challenges in Poland (Skuzza, Scullion, & McDonnell, 2013). Poland began its transition to a free-market economy in 1989 after the fall of communism. However, it was an arduous, painful and unjust one for many and some even argue that Poland and the CEE region still have not completed the transition to a market economy when considering the management systems still present in this region (Vaiman & Holden, 2011, p.179). Prior to 1989, under communism, managers had to adopt a very bureaucratic and authoritarian management style. There was a lack of transparency so employees often had to blindly follow rules and regulations, and creativity, original thinking, innovation and taking initiative were not valued (Skuzza, Scullion, & McDonnell, 2013, p. 456). Unfortunately, all of these behaviors are truly the exact opposite of what is sought after and expected of employees and managers today, especially when taking into consideration talent management.

The fall of communism brought freedom in the decision-making process and allowed managers to influence the direction of their organization's development. However, due to the harsh circumstances of those times, the skills necessary in a free-market economy, such as willingness to participate in changes, to engage in strategic thinking and long-term planning and to manage teams, were rare and often rejected among Polish managers (Skuzza, Scullion, & McDonnell, 2013, p. 456). Unfortunately this behavior and mentality, shaped by Poland's history, still exist in parts of Polish society today, and most visibly in the workplace, making communication and management especially challenging and difficult to change (Skuzza, Scullion, & McDonnell, 2013; Vaiman & Holden, 2011; Zupan, Dziewanowska, & Pearce, 2017). The idea of leadership in Poland is largely about 'exercise of power and little to do with delegation or coaching and team-building' (Vaiman & Holden, 2011, p. 182). As a result, the power differential between managers and employees is high and there is an absence of attention to soft-skills in management. Therefore, implementing western management concepts, such as talent management, is a significantly challenging task in Poland.

Another especially unique characteristic among Poles, which creates a significant challenge to talent management programs, is their aversion to the success of an individual. In the words of one of the low level managers surveyed by Skuzza, Scullion and McDonnell, 'Poles try to diminish their own successes, because they are afraid of disapproval of others. People do not like those who are successful' (Skuzza, Scullion, & McDonnell, 2013, p. 461). Naturally, this makes the process of identifying, engaging and developing top talent within the workplace, much more complicated, as it requires having to avoid such negative reactions and implications.

The findings from Skuzza, Scullion and McDonnell's study show just how different the Polish context is for implementing talent management, and the necessity for talent management in Poland to take on more innovative, sensitive, and customized practices in order to be effective and to meet such an increasing demand for talent. Considering just how rapidly the world is changing, especially with the effects of globalization, the authors conducted a follow-up study of talent management in Poland to determine how much Poland has changed, or potentially even improved, in its approach to talent management since Skuzza, Scullion and McDonnell's original study. The hypothesis being,

that while talent management continues to be uniquely challenging in the Polish context, the increase in foreign exposure and investment will have advanced the adoption of talent management among MNEs in Poland today.

MATERIAL AND METHODS

To determine the state of talent management in Poland today, an online survey was created using surveymonkey.com which was distributed to managers at MNEs throughout Poland. The survey was anonymous and consisted of 27 questions designed to assemble a comprehensive understanding of the extent to which TM is embraced among MNEs in Poland today, how effectively it is practiced and any challenges that may be inhibiting the effectiveness of TM. The survey data was collected in two phases. The initial survey in 2014 received forty-three responses from MNEs in Poland and was followed by three focused interviews in 2015 to better understand the statistical findings. However, in this first phase there was a serious under-representation of Polish-owned companies. Therefore, in an attempt to improve their representation, the second survey in 2016 targeted more predominantly Polish-owned MNEs thereby creating a more-balanced total respondent group on the ownership variable. This was considered essential to the planned analyses given Skuza *et al.*'s (2013) findings that Polish-owned MNEs approached TM differently. The analysis presented here is based upon the total respondent group, 83 companies; 43 from the Phase 1 data collection and 40 from Phase 2.

From the authors' perspective, the first step in improving talent management is for the organization to see it as having strategic importance. Absent that perception, there is no reason to allocate the resources needed to develop employees to improve their capacity to add value to the GVC thereby improving the organization's competitive advantage in the global market place. Using the survey data collected, we explored the differences between Polish MNEs ascribing 'high' strategic importance to TM versus those perceiving it as having 'low' strategic importance. The methods involved in our analysis are described here along with the results.

Defining the Comparison Groups

The survey instrument contained two items pertaining to the strategic importance ascribed to TM by the respondent company:

- Item 19. 'Talent management' focuses on 'identifying top talent (the best employees) within a company and developing them. Have you observed a talent management strategy at your company? Yes () No ()
- Item 20. What role does talent management play in your company?
 - 'Talent management' is part of the company's strategy.
 - 'Talent management' has been discussed but there is not much focus on it.
 - 'Talent management' has not been discussed directly.

To group our respondents for purposes of this analysis, we defined 'High' vs. 'Low' TM Importance as follows:

- **‘High’ TM importance:** A ‘Yes’ response to Item 19 plus a response indicating ‘Talent management’ is part of the company’s strategy on Item 20.
- **‘Low’ TM importance:** A ‘No’ response to Item 19 plus a response to Item 20 indicating ‘Discussed but not much focus on it’ or ‘not discussed directly’.

Using this method to define TM importance, we obtained the following comparison groups for our analysis of the survey data:

- ‘High’ TM importance: N = 31 companies.
- ‘Low’ TM importance: N = 22 companies.

The 30 responding companies with mixed responses to Items 19 and 20 were not included in the present analysis.

Use of Survey Items

Not all of the 32 survey items were relevant to our analysis and not all of the relevant items were amenable to statistical analyses designed to determine whether or not differences between the ‘high’ vs. ‘low’ TM importance groups of organizations were significant with Alpha set at the 0.05 level of confidence. The use of the survey items is described in Table 2.

Table 2. Use of Survey Items

General Purpose	Number Relevant to Present Study	Number Analyzed Statistically
Describe person responding to the survey:	8	4
- No differences between ‘high’ vs. ‘low’ respondent groups in terms of gender, age, position level, or number of subordinates - What nationality? Polish: 52/53 (98.1%)		
Describe the organization:	6	6
- Two items used to form ‘High’ vs. ‘Low’ TM Importance groups for analyses		
Describe HRM practices:	12	8
Other (N=4):	0	0

* Three narrative items could not be analyzed statistically. Example: ‘What 3-5 words describe your company culture?’

** Others were not relevant to the present analyses. Example: ‘Yes/No’ response to: ‘I understand that the responses to this survey are strictly confidential and...’

Source: own study.

As shown in Table 2, there were no meaningful differences among the persons responding to the survey thereby suggesting that the differences reported in our next section are not due to the responding individuals but rather to the companies themselves as classified for our comparison.

RESULTS AND DISCUSSION

Empirical Findings

The results are presented here in three ways: First, we review the survey items that differentiated the ‘high’ vs. ‘low’ TM importance respondents statistically at or beyond the 0.05

level of confidence. Next we explore items that had similar responses from both comparison groups; and finally we add to our analyses by presenting relevant interview data.

As shown in Table 3, six survey items, out of 14 statistical comparisons, differentiated the companies in the 'High' vs. 'Low' TM Importance comparison groups. Similar to the earlier findings by Skuza *et al.* (2013), Polish-owned and headquartered companies appeared more frequently in the 'low' TM importance group.

Table 3. Survey Variables Differentiating 'High' vs. 'Low' TM Importance Organizations

Survey Item	'High' Importance N = 31	'Low' Importance N = 22	Degrees of Freedom	Chi Square	p Value
Headquarters located in:					
- Poland	10 (32.3%)	14 (63.6%)	2	8.01	0.018
- Europe (not Poland)	14 (45.2%)	8 (36.4%)	–	–	–
- Overseas	7 (22.5%)	0 (0.00%)	–	–	–
Company ownership:					
- Fully controlled by foreign entities	18 (58.1%)	5 (22.7%)	2	10.21	0.006
- Partly controlled by foreign entities	9 (29.0%)	5 (22.7%)	–	–	–
- Solely a Polish company	4 (12.9%)	11 (50.0%)*	–	–	–
Organizational structure:					
- Hierarchical	22 (71.0%)	9 (41.0%)	1	4.79	0.029
- Flat	9 (29.0%)	13 (59.1%)	–	–	–
Typical career path:					
- Yes	18 (58.1%)	3 (13.6%)	1	10.62	0.001
- No	13 (41.9%)	19 (86.4%)	–	–	–
Leadership/management positions:					
- Most filled internally	27 (87.1%)	12 (54.5%)	1	4.96	0.026
- Most filled externally	4 (12.9%)	8 (36.4%)*	–	–	–
Development opportunities for employees:					
- Yes, formal/organized	24 (77.4%)	11 (50.0%)	2	13.28	0.001
- Yes, informal	7 (22.6%)	3 (13.6%)	–	–	–
- No	0 (0.0%)	8 (36.4%)	–	–	–

* Missing response(s)

Source: own study.

The next finding presents an interesting dilemma. Hierarchically-structured organizations were more prominent in the 'high' TM importance group with flat organizations disproportionately in the 'low' group. It is true that hierarchical structure needs more leaders and managers due to its top-down communication and command-and-control systems so developing talent to fit those positions makes sense. However, leadership development approaches often see flat organizations as the preferred environment for the experiences needed to develop such skills.

The last three differentiating variables in Table 3 have to do with specific HRM practices germane to talent management: Career paths, promotion from within, and providing formal/organized development opportunities. These three significant variables present a useful road map for companies that decide to pursue an active TM strategy.

Several survey items present useful information even though there were no significant differences between the 'High' vs. 'Low' TM Importance organizations:

- Both groups of organizations operated in similar business sectors. Only three organizations (6.8%) were in the agriculture sector. The other 50 respondent organizations in our analysis were in the services (36.4%) and manufacturing (27.3%) sectors or both (29.5%).
- Thirty-four of the responding organizations (64.2%) had 250 or more employees; only 6 (11.3%) had 49 or fewer. These larger organizations typically structure themselves in a more hierarchical manner.
- Forty-three of the responding organizations (81.1%) had their employees working in virtual teams connected with colleagues in distant locations by e-mail and/or telephone: Frequently (56.6%); sometimes (24.5%). Such teamwork is commonplace and essential in the global business environment.
- Forty-eight responding organizations (92.3%) reported experiencing 'challenges to hiring, developing, or retaining employees.' Clearly showing that the vast majority of MNEs in Poland continue to have TM and HRM issues to address.
- Thirty-seven responding organizations (69.8%) reported that it was 'challenging to find leadership talent within the company.'

Insights from the Follow-up Interviews

After analyzing the survey results and identifying specific trends, perceptions and practices, the first author met face-to-face with three different managers from multinational companies that had not participated in the survey. The companies involved in the interviews were from different industries and areas of Poland. The interviews focused on the three major research questions with the relevant inputs/findings summarized after each topic.

1. The extent to which talent management is embraced in Poland.
 - Each manager reported that her/his company recognized talent management as necessary and important.
 - All three managers emphasized that their talent management initiatives were driven from abroad but well received. One manager explained this push from abroad saying that foreign capital dictates the policies and structure of the company. Therefore, accepting foreign capital means accepting western policies and flatter or matrix organizational structure.
 - The demand for leadership talent in Poland continues to grow and talent management is seen as necessary to identify and develop such talent.
2. The effectiveness of talent management in Poland.
 - Talent management in Poland among MNEs is not an initiative actively sought out by Polish employees. Rather, it is viewed as a foreign directive dutifully followed and fulfilled.
 - There is an opportunity/need for talent management leadership in Poland to actually create practices and policies to embrace and exploit the unique characteristics of the Polish workforce.
 - The talent management initiatives regress when local leadership has the authority to over-ride the foreign directive. Although TM is now generally recognized as

a critical success factor among MNEs in Poland, it seems to require a strong directive from abroad to be successful.

- Ultimately, foreign directives for TM are not only well received but seem to maintain an international standard that helps circumnavigate some of the more restrictive Polish HRM habits.

3. Challenges that inhibit talent management in Poland.

- Two of the three managers interviewed said a clash of western talent management practices with Polish habits was a problem. An example given was that promotions are still based on who you know more than on merit, potential or leadership skills.
- Millennials pose a special challenge: They are eager for development opportunities, are easily frustrated when their expectations are not met, and as they lack loyalty to the company, they often seek employment opportunities elsewhere.
- Competition for talented employees is strong. Large, bureaucratic MNEs lack the flexibility to respond quickly when a key employee gets an attractive job offer from a competitor.

Perhaps the key observation from the interviews is just how influential foreign management and directive is in the embracement of talent management in Poland.

DISCUSSION

The results from the survey and interview data suggest that talent management is rapidly gaining popularity among MNEs in Poland. While Skuza, Scullion and McDonnell's study (2013) found that talent management was being adopted with an 'ad hoc' approach in Poland, five years later it is already beginning to be recognized as a corporate strategy by more than half of respondents. What is not apparent, however, is an awareness of how talent management can best be practiced in Poland considering its unique workplace culture. Socially embedded behaviors and a Polish mentality connected to its soviet legacy continue to thwart the effectiveness of talent management in Poland, even today. Specifically, hierarchical communication channels, lack of initiative and skepticism continue to haunt the Polish workplace if it is not countered by a dominant foreign influence. Corresponding with the findings of Skuza, Scullion and McDonnell (2013), foreign-owned enterprises continue to be 'more equipped to effectively implement talent management systems' (Skuza, Scullion, & McDonnell, 2013, p. 464). However, with the drive and ambition of millennials entering the workforce today, training and development opportunities are already being perceived as much more valuable than in 2010, and as the older members of the workplace retire and the newer members replace them, the workplace in Poland becomes more and more ready for serious talent management initiatives. Analysis of the data and the following observations lead us to recommend a proactive, multifaceted strategy to improve TM in Poland. Each is discussed briefly here.

The Need for Improved TM/HRM Practices

The findings from the survey analyses and follow-up interviews suggest that MNEs in Poland continue to struggle to hire, develop, and retain the talented personnel needed to continue the high level of involvement in the GVC activities associated with long-term success in the global business environment. Globalization has been a godsend to Poland

as it emerged from the centrally-planned economics imposed upon it for decades and transformed its economy and workforce post-1990. Geographic location, skilled but inexpensive labor, and natural resources were leveraged to begin its transformation but play a diminishing role in its present and future status in the global market place. Foreign direct investment, major market reforms, a liberalization of foreign trade, and membership in the European Union gave Poland a business connectedness that quickly shifted its domestic economy to the global marketplace.

To continue its participation in the global market place, Poland needs personnel practices that insure an adequate supply of talented workers. But as Skuza, Scullion and McDonnell (2013) found five years earlier, there are historical and cultural factors at play that make these seemingly commonplace personnel practices difficult. While it appears as though MNEs are increasingly acknowledging the need to invest in talent management, MNEs have done so more in compliance with foreign investors than in terms of motivated self-interest. In fact, a significantly larger percentage of Polish-owned MNEs seem to discount the importance of TM and the HRM practices that support it. Yet they too report staffing difficulties and a scarcity of leadership talent within their companies.

The Need for a Polish Approach to Talent Management

The mostly compliance behavior of foreign-owned MNEs in Poland to talent management and the continued passive resistance to TM by a substantial proportion of Polish-owned MNEs present a causal mystery. Skuza *et al.* (2013) attributed much of this compliance and resistance behavior to Polish culture and the lingering effects of recent Communist control. The complex cause(s) will likely never be known, but we do know that a Polish approach to TM would be preferable to the current situation. 'Preferable vs. possible?' may be the relevant question.

Let's start by looking at the values said to underpin the USA approach to strategic human resource management:

...US/American HRM features are at least partly rooted in a unique combination of cultural values, including strong individualism, self-assertiveness, a strong achievement orientation, low power distance, and a high acceptance of openly discussed different interests between various actors (Festing, 2012, p. 40).

This seems to be quite different from Polish workplace culture as described by Skuza *et al.* (2013) and could very well be a cause of some of the resistance behaviour.

Can economic entities doing business in the global marketplace develop their own culture-specific strategic HRM practices? 'Yes', and Germany is offered as an example: Germany has developed 'a distinct German SHRM model in a European context' with the following underlying key features: 'Long-termism, management-employee cooperation, and developmental orientation' (Festing, 2012, p. 49). Among its typical HRM practices are two closely related to talent management:

- Intensive training with emphasis on general qualification.
- Sophisticated long-term career planning with focus on internal labor market, job security.

This distinctive German model is explained per Festing's research stating that 'long-termism' results from the German perspective that labor is a more fixed factor of produc-

tion and worthy of investment: 'In summary, German companies are characterized by extensive staff development and long-term career planning, and include technical competence and functional expertise as core values.' (2012, p. 45).

Returning to our question re. 'Preferable vs. Possible?': As we see it, developing a Polish culture SHRM model and talent management approach is a research challenge worthy of support by the business, educational, and government communities.

An Optimistic View of the TM in Poland in the Future

The older members of Poland's workforce, including those in management positions secondary to the tendency to use seniority as a basis for promotion, are the ones most likely to bear any residual scars from the communist past. This cadre of aging workers is retiring and being replaced by a younger workforce born after the reforms of 1990. These younger workers were described in our interview data as eager for development opportunities. They are likely to be quite different from the workers Skuza *et al.* (2013) described as success averse: 'Poles try to diminish their own successes, because they are afraid of disapproval of others. People do not like those who are successful' (Skuza, Scullion, & McDonnell, 2013, p. 461). These success averse workers are also likely among the ones who saw training as having low value, the development of skills as a waste of time, and new skills and knowledge as rarely of use in the workplace. These perceptions are clearly different from those of the young workers waiting to replace Poland's senior employees.

CONCLUSIONS AND PROACTIVE RECOMMENDATIONS FOR CHANGE

As indicated earlier, the government of Poland implemented substantive market reforms in the 1990s facilitating foreign direct investment that led to the rapid globalization of its industries. It is a responsibility of the government to continue refining its policies and leveraging its resources and political capital to advance the success of its MNEs, foreign-owned and domestic. And as indicated earlier, the younger individuals entering the workforce in Poland are seeking opportunities to learn and advance. So we will conclude this paper by focusing on the responsibility of the MNEs in Poland to improve their TM/HRM practices to help ensure a system that meets shareholder needs in the future.

We conclude this paper by recommending that MNEs in Poland get ahead of the competition by following the advice of Edmondson (2008) and others to become learning organizations: 'Today's central managerial challenge is to inspire and enable knowledge workers to solve, day in and day out, problems that cannot be anticipated' (p. 60). Learning organizations, not only improve competitive advantage through action learning, they do so by continually growing their human resources. Talent management becomes the essential strategy that keeps the learning organization in the 'constant state of readiness' needed to succeed (Rowden, 2001). Therefore, adjusting Talent Management practices in Poland so that they resonate and adapt to the unique characteristics of the country's culture and workplace mentality can provide MNEs with a competitive advantage, keeping Poland active in the global economy and creating global leadership talent.

Advancing talent management while acquiring knowledge that can be leveraged for competitive advantage is admittedly an ideal approach, but one that MNEs in Poland serious about the future should consider.

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