

INTRODUCTION

SMEs in aerospace industry require specific technological talents. Technical expertise is crucial for achieving organizational goals in this industry (Delobbe et al., 2014). Space industry in Luxembourg is growing and promising sector of the economy that consist of mainly SMEs and microbusinesses covering space, ground and service segments (Space, n.d.). Aerospace as any cyclical industry has several Human Resource Management (HRM) challenges. Depending on the phase of a cycle, increase of activity or decline, workforce needs respectively grow or decrease. Transition from one project to another, fluctuation in skills' need and no clear career path lead to the dissatisfaction and burnout of the talents (Ensley, 2017). Thus, HRM should be adopted to the specificity of the sector (GIFAS & Métallurgie, 2012). The question of how to identify, recruit, select, develop and retain talents in such competitive and highly technological sector as aerospace industry is of great importance.

The research on Talent Management (TM) in SMEs is crucial for several reasons. Firstly, scholars state that TM was studied mainly in the multinational corporations (MNCs) (Thunnissen & Gallardo-Gallardo, 2017). There are just a few researches on TM in SMEs (Valverde et al., 2013; Krishnan & Scullion, 2017; Chung & D'Annunzio-Green, 2018). Secondly, TM is shown from the conceptual perspective, and there are just a little of empirical views on TM (Thunnissen, Boselie, & Fruytier, 2013). Thirdly, scholars emphasize that the study of TM in the under researched countries and new contexts should be encouraged (Thunnissen et al., 2013; Xu & Meyer, 2013). Regarding all these literature gaps, we introduce empirical research based on the interviews with HR-managers and executives of SMEs in technologically innovative sector - space industry.

METHODOLOGY

As managing human capital is a social phenomenon, we have used qualitative research in order to shed light on the main question. We interviewed 20 owners and HR-managers of space companies Luxembourg¹. We prepared grid interview in advance in accordance to the literature on TM and HRM in space industry. The interview grid consists of 10 blocks of questions, where each one includes from 3 to 8 sub-questions. The questions are dedicated to observe following topics definition of talent; goals and boundaries of TM; recruiting, identifying, selecting,

¹ Luxembourgish government is intensively focusing on development of space cluster in the Grand Duchy since 2008, thus, startups are launched in this sector rapidly. In September 2018 special Luxembourg Space Agency was created and new Master program was announced at the University of Luxembourg to reinforce space industry in the country.

developing and retaining talents; project-management and TM; today HRM challenges and others. We applied grounded theory to our research (Glaser & Strauss, 1967). We coded every interview one by one after fully transcribing of each. For creating “codes” we identified words, sentences and whole paragraphs. The sample of our research consisted of 18 space companies in Luxembourg. SMEs and microbusinesses have from 4 to 150 employees. In addition, we interviewed large company in order to have comprehensive comparison of TM in all sizes of the space companies.

FINDINGS

In order to see main TM activities in space SMEs with the need for special technological talents, we refer to Meyers’s and van Woerkom’s (2014) definition of TM. According to the scholars, TM it is Human Resource Management activities: identifying, selecting, recruiting, developing and retaining talents. Hence, each of this TM activity was investigated in depth in our study.

WHO IS THE TALENT?

According to the interviewees, talent is an expert with the technical skills that bring value to the company’s future: *“What we consider a talent is a person who helps us to give the company the value technically and to the future”*. This finding correlates to the literature that notice talent as individual who has technical skills (Gallardo-Gallardo et al., 2013). At the same time, talent from space the interviewees from SMEs mentioned that talent is a person not only with the expertise and knowledge in a specific area, but also with social skills, in terms of behavior and character. *“First and the most important is character. I mean, someone can come from an Elite university and have great talents but if they are not good character, we will not hire them”*. Technical skills and social skills are equally important, so companies even will not hire a good expert if he does not fit into the culture: *“This is one of our lessons learned. Do not hire somebody that the person is not convincing the personality or the expectations, or we have the feeling the mindset does not fit to our company. It means do not hire rather than hire wrong people”*.

Interestingly, that the majority of the respondents mentioned that their whole workforce considers as talents. This view leads to the inclusive TM (Lepak & Snell, 2002; Stahl et al., 2012; Gallardo-Gallardo et al., 2013; Malik & Singh, 2014; Cappelli and Keller, 2014), which correlates to the hypothesis made by Krishnan and Scullion (2017) that SMEs should see TM mainly in inclusive way.

In addition to the characteristics mentioned above, willingness to grow and move further as well as be passionate about the space were seen as crucial traits of being identifying as talent, what was not mentioned in the previous studies as significant.

RECRUITING

Larger SMEs start with the precise job description and have special positions responsible for recruiting. There are usually three levels of interviews: with line-manager, HR-manager and owner or executive. In contrast, smaller SMEs have less formal recruiting that can vary in the number of interviews spent, people involved and questions are asked.

Finding necessary talents is challenge in aerospace industry in Luxembourg: *“I think it is not easy to find a well-qualified talent in Luxembourg. When you are looking for very technical experts”*. It was also mentioned in the American study by Keith Ensley (2017). In addition to the reason that there is no education for space cluster mentioned by K. Ensley, three more issues for this shortage of technically skilled talents were noticed by the interviewees in Luxembourg: the employer brand awareness is low, Luxembourg is expensive area to move and the understanding of future talent is still unclear, thus it is hard to recruit talents.

Talent attraction is mainly done in SMEs through networking, correlating with the literature on HRM in SMEs (Agarwal & Jha, 2015). However, the new findings regarding criteria are: university degree is not important in order to get a job offer in space company in Luxembourg, whereas experience is crucial factor, thus, SMEs look more for experienced talents than for young talents that just graduated from the school.

IDENTIFICATION AND SELECTION

In order to identify and select talents inside the company, SMEs refer to the previous performance of talents as well as its potential at the same time. This understanding oblige us to review the input and output views on talent (Thunnissen and Van Arensbergen, 2015) that state that there are two ways of identifying talent by its past achievements (output view) or motivations and personal interest (input view).

Regarding selection process, some SMEs have well-structured process, some of them — informal. The larger companies refer to annual performance reviews, whereas smaller ones with the smaller teams see their employees every day and evaluate them on a daily basis.

DEVELOPMENT

Development differs among SMEs. Just a few mention that they have specific TM program that refers to the promoting specific people for the positions with more responsibilities that require further learning and development. If new manager or project leaders is needed, company sends the potential talent to the outside course, for example, to learn PRINCE. Informal practices consist of delegating higher profiles and giving more responsibility.

As talents are both leaders and technical experts, trainings for technical excel is part of the development. As well as other TM activities, development has more structural form in larger SMEs and less formal in smaller ones. Technical skills are excelled by trainings. Some companies have ongoing program, the majority provide trainings due to the talent's request or to the project needs. Informal practices represent with giving challenging tasks, share new information from the conferences by the executive, choosing technology that allow talent to learn. Furthermore, SMEs do regular meetings on general topics about the space. Even though, all respondent indicate that all of their workforce is talent, for the larger SMEs leadership development is quite selective and can be named as exclusive approach.

RETENTION

Regarding retention, SMEs have practices that they do unconsciously. Hence, they represent informal way of retaining talents. These are giving interesting and challenging tasks, ensuring transparent and open communication between top-management and the team, offering responsibility, providing with learning opportunities and giving recognition - correlates with the literature (Lyons, Schweitzer & Ng, 2015).

However, some new retention practices are uncovered. Some respondents mention meaningful projects that have explicit positive impact to the society and human being: *"And these are project that are very inspiring to their work. because they know that they work: I do have an impact on many-many lives when there is an Earthquake. This is something you would do today to retain people"*. Interestingly, that the space goal itself< for example, "mission to the Moon", was also mentioned as a retention factor. Furthermore, balance between challenging tasks and risk of burning out is the responsibility of the manager or executive that was noticed in the space cluster of Luxembourg.

Some of the larger SMEs understand TM retention in well-organized way. Work-life-balance in some medium enterprises is well-defined. Talents can work from home one day per week or even more. For one medium space company unlimited vacations can be taken. Another medium company starts developing the canteen and tries to

find best solutions for working at home, the problem is that sometimes the need for particular technical expert (electrical expert or engineer) in sampling process might appear, thus, talent absence will be a break for continuing work. Salary is another retention practice that is significant to smaller organizations. Pensions plans and complementary insurance are also well-structured retention practices in order to retain talents. In some companies the culture is reinforced by written Code of conduct.

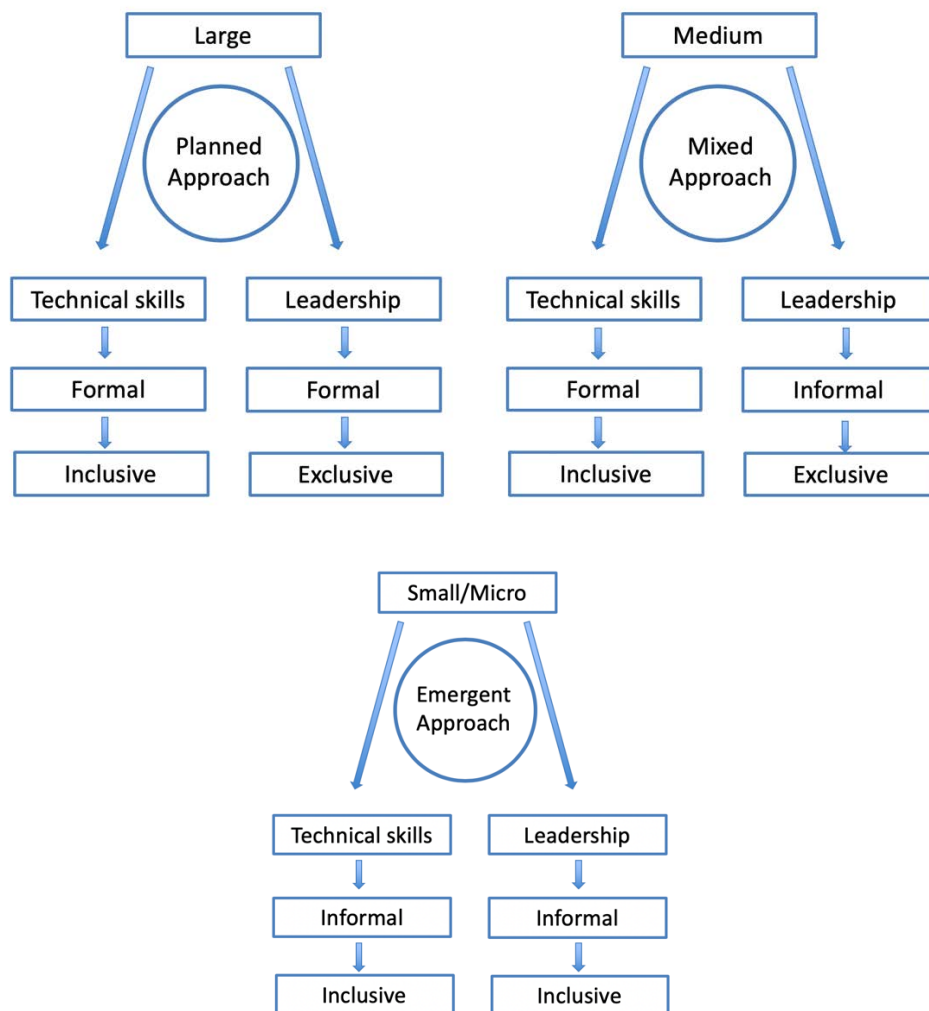
IMPLICATION FOR THE THEORY AND PRACTICE

In the line with Timming (2011) SMEs cannot be seen as homogeneous group in terms of HRM. By in depth study of each TM activity, we found out that formality level of TM differs in accordance to the size of SMEs. Thus, we developed three TM models: formal, informal and hybrid. We have grouped these by emergent and deliberate criteria, referring to Mintzberg and Waters' (1985) framework (Fig.1). SMEs and micro have inclusive TM. However, medium companies have specific leadership development which is exclusive and move these companies closer to TM model of large company.

In addition, our observation of how TM works in SMEs has contributed to the comprehensive understanding of each TM activity. We figure out that talent is not only technical expert, but also person with a good character and social skills. It is important to have willingness to grow and be passionate about space. Recruiting is a challenge not only because of the university absence on this topic, but also because the talent definition is unclear. University degree does not important for space companies, but experience is crucial. The identification of talents is ad-hoc because SMEs' need for new leaders is not systematic. New findings on talent retention are giving projects with social impacted have individual approach to keep best employees in the company. The research covers several current gaps in TM studies (Thunnusen & Gallardo-Gallardo, 2017), including: empirical knowledge, a dynamic view on TM, and new contexts.

The results positively impact the professional and policy areas of TM. Business leaders in space industry are provided with TM models and now can choose the one that suits the most. Furthermore, new technics that are used by SMEs in Luxembourg can be adopted in space companies of other countries. For example, as mission itself was mentioned as retention factor, thus more emphasize on communicating the mission to the Moon or Mars can be introduced. On the recruiting phase tools to measure behavior and social skills can be implemented.

Fig.1 Talent management in space companies: Planned vs emergent



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