



**Attracting Future Talent
through
Graduate Trainee Programs**

Preliminary Empirical Findings from Six Finnish and Swedish Multinationals

Master's Thesis

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“I think a trainee program is an excellent introduction to a company, it’s really really excellent, it’s something you don’t get otherwise.”

(Interviewee 5)

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Abstract: <p>The main objective of this master's thesis is to research how Finnish and Swedish multinational companies (MNCs) are tackling the "war for talent". The study will be conducted from a talent management and development perspective, studying MNCs' international graduate trainee programs that were launched recently. This study illustrates multinationals' activities in the field of talent management describing the characteristics and aims of trainee programs, as well as exploring the rationalities behind their development. In addition to these descriptive and exploratory findings, this study inducts new talent management theories that illustrate circumstances under which trainee programs are generally launched in companies.</p> <p>The frame of reference is based on talent management and development theories, literature and previous research - focusing on management of today's young, talented employees. In addition to multinationals' diverse talent management activities, the literature review illustrates general information on possible labor shortages, shifts in business conditions, and changes occurred in the expectations of employees.</p> <p>The research was implemented using a qualitative, and more specifically inductive research method, which was chosen in order to be able to conduct a multiple case study that draws from in-depth interviewees and develops new theories by generalizing the findings so that they can be applied to a bigger setting of companies (in this case all Finnish and Swedish MNCs). The data was gathered by interviewing seven HR professionals who have been involved in launching or managing of the trainee program in their company.</p> <p>The results indicate that international graduate trainee programs of Finnish and Swedish multinationals are rather similar, even when provided at very diverse companies. Trainee programs are used to attract a versatile crowd; most of the studied programs were launched in order to attract recent, inexperienced, yet, talented graduates while others aim at hiring experienced, top talent. Trainee programs seem to be a trend that many companies are following to keep up with other MNCs, and to enhance their employer brand. Some companies use trainee programs also for knowledge transfer, acquiring of international know-how, and engaging of young employees who have a strong drive and industry comprehension.</p>	
Keywords: trainee program, young talent, young employee, talent management, talent development, war for talent	

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1 INTRODUCTION

The concept “war for talent” describes a problem that many multinational companies and organizations are facing today when trying to find, attract, develop and retain talented employees (Chambers, Foulon, Handfield-Jones, Hankin and Michaels 1998). The problem of acquiring and engaging best managerial employees does not seem to be slackening in the Western countries in the near future as the so-called “baby boomers” are about to retire, and due to demographic changes there is not enough younger workforce to fill all the open positions (Stahl, Björkman, Farndale, Morris, Paauwe, Stiles, Trevor and Wright 2007; Dychtwald, Erickson and Morison 2006).

The ordinary profile of an employee has changed; today’s young - recently graduated - employees are a lot more demanding, have higher expectations towards the job and employer, and job-hop a lot - staying generally only maximum three years at a job (Dychtwald et al. 2006). To win the challenge - and to attract, engage and retain young talented and high potential employees - many multinationals have recently launched trainee programs that last approximately two years, and aim at finding, training and developing university graduates into future managers (e.g. Universum 2007). The studied programs train trainees to match the company’s future needs at expert and management level, for instance, by rotating them in diverse jobs within the corporation. These programs are supposed to create a win-win situation; they can provide graduates know-how of the company and industry, and possibilities to reach international managerial positions faster than generally through a “normal” progress channel, while producing multinationals qualified, motivated and possibly long-term employees that are developed and trained to match the company needs precisely. My thesis studies this newish phenomenon in six Finnish and Swedish multinationals in order to acquire more information and develop theories of this still rather unfamiliar field of talent management. The focus of the study will be on explaining and describing the need and rationale for trainee programs in

multinationals, as well as inducting new theories that illustrate the nature of these programs.

The research problem of this thesis, therefore, is to study the phenomenon of international graduate trainee programs by researching the rationalities behind the development and launching of such programs in six Finnish and Swedish multinationals. Another problem is to find out whom they are intended for and why, as well as, what multinationals wish to achieve through these programs. As there is still a lack of knowledge concerning the necessity, purpose and aim of graduate trainee programs that multinational companies have started to provide for university and college graduates, all new information and knowledge is needed. The gathered data will be both primary and secondary, focusing on development of new theories that describe the reasons for launching of trainee programs.

1.1 Aim of the Study

This study aims at finding in-depth information on international trainee programs that Finnish and Swedish multinational companies have developed to attract recently graduated, usually young and talented people. The aim is to discover why international graduate trainee programs exist, and what and who are they designed for. Trainee programs seem to be a rather new trend in multinational companies based in Finland and Sweden, yet, they are becoming a popular recruitment method in many multinationals (e.g. Universum 2007 and 2008), which I find to be an interesting research area. The topic of the study is also seen to be appealing due to its novelty among academic research, and due to lack of profound discussion of trainee programs in general in the existing literature.

The theoretical framework - and hence also the empirical research - is based to some extent on talent management and development theories, highlighting the management of young talented people. The empirical research focuses on the companies' perspective of the trainee programs, enlightening the reasons and rationalities behind the derivation, existence

and necessity of the program for the company's future. Therefore the data was gathered by interviewing HR professionals who have been engaged in managing the trainee programs in the studied case companies. The selection of companies was done focusing on companies that were originally Finnish or Swedish, and still nowadays at least partly Finnish owned. All the headquarters of the studied companies are located either in Finland or Sweden. However, all the case companies are multinational - many operate even globally - and they all provide international trainee programs during which trainees are rotated in different countries, in diverse departments within the corporation. The focus of this study will be on these international trainee programs, and possible additional national programs are excluded from the research.

The aim of the thesis is to study how multinationals are tackling the war for talent from a talent management and development perspective by studying Finnish and Swedish multinationals' graduate trainee programs. The findings will provide information on the phenomenon by a) *describing* multinationals activities in this field in terms of trainee programs, b) *exploring* purposes and aims of such programs and c) *creating theory* on circumstances under which multinationals in general tend to launch graduate trainee programs. The results will indicate what kind of graduate trainee programs Finnish and Swedish multinationals are providing, what for and for whom.

1.2 Delimitations of the Study

The study is based on qualitative, inductive research in a relatively small number of companies from a specific geographical area. Thus generalizations to other contexts can be done only with caution. There is also a risk that the selected case companies are not representative in relation to the entire population of multinational companies based in Finland and Sweden that provide international trainee programs. Therefore all generalizations might be uncertain.

In addition, it is important to note that the main focus of the study is not on financial aspects of the trainee programs, and the research does not take a stand on their profitability.

1.3 Definitions

Trainee programs are referred to in this paper only when discussing graduate trainee programs that are aimed at college and university graduates for a full-time job. These graduate trainee programs typically last for from one-and-a-half-year to two years and train top graduates towards becoming future leaders or experts in multinational companies. All of the studied trainee programs are international; i.e. the training is conducted in different countries rotating trainees in different units.

Young talent is a term that is referred to when discussing highly educated recent university or college graduates with ambition, motivation and skills to attain a successful international career in a multinational company. This term is also used to describe the labor force that companies are already fighting for to fulfill the gap that retiring knowledgeable and skilled “baby-boomers” are about to leave companies to struggle with.

Talent management is a concept that was created in the end of 1990s to portray the importance of HR functions that stress managing the talent of each employee (Michaels, Handfield-Jones and Axelrod 2001). The term talent management is often used as a synonym (or at least similarly) to such terms as *succession management*, *talent strategy* or *human resource planning* (Lewis and Heckman 2006). In this thesis the talent management concept is used to describe the phenomenon of concentrating on people/employee management to secure the company’s own talent pool – access to variety of skills - and future need of labor. This theory is discussed more in depth in the next chapter.

The war for talent is a concept that was created by McKinsey in the end of the 1990s. In this study it is used to illustrate the competition that companies are in, while trying to attract and retain their most important competitive advantage – their talented employees. (Axelrod, Handfield-Jones and Welsh 2001; Michaels, Handfield-Jones and Axelrod 2001) This concept is presented more in detail in the next chapter.

1.4 Outline of the Thesis

This thesis will proceed in a structural manner starting from general background information on relevant theories and knowledge (Frame of reference), and leading to more specific and essential information for this study. After that, the used research methods (Methodology) and finally the findings and new information gathered in this research (Empirical findings) are presented.

The following chapter presents a frame of reference for the topic. It illustrates the main theories and previous knowledge that are relevant to this study. The frame of reference draws from secondary data, i.e. existing literature (books, e-journals and business articles) as well as previous research done on international human resource management, talent management and development of human resources. The main focus of the next chapter will, however, be on the management of young talent and the challenges related to that.

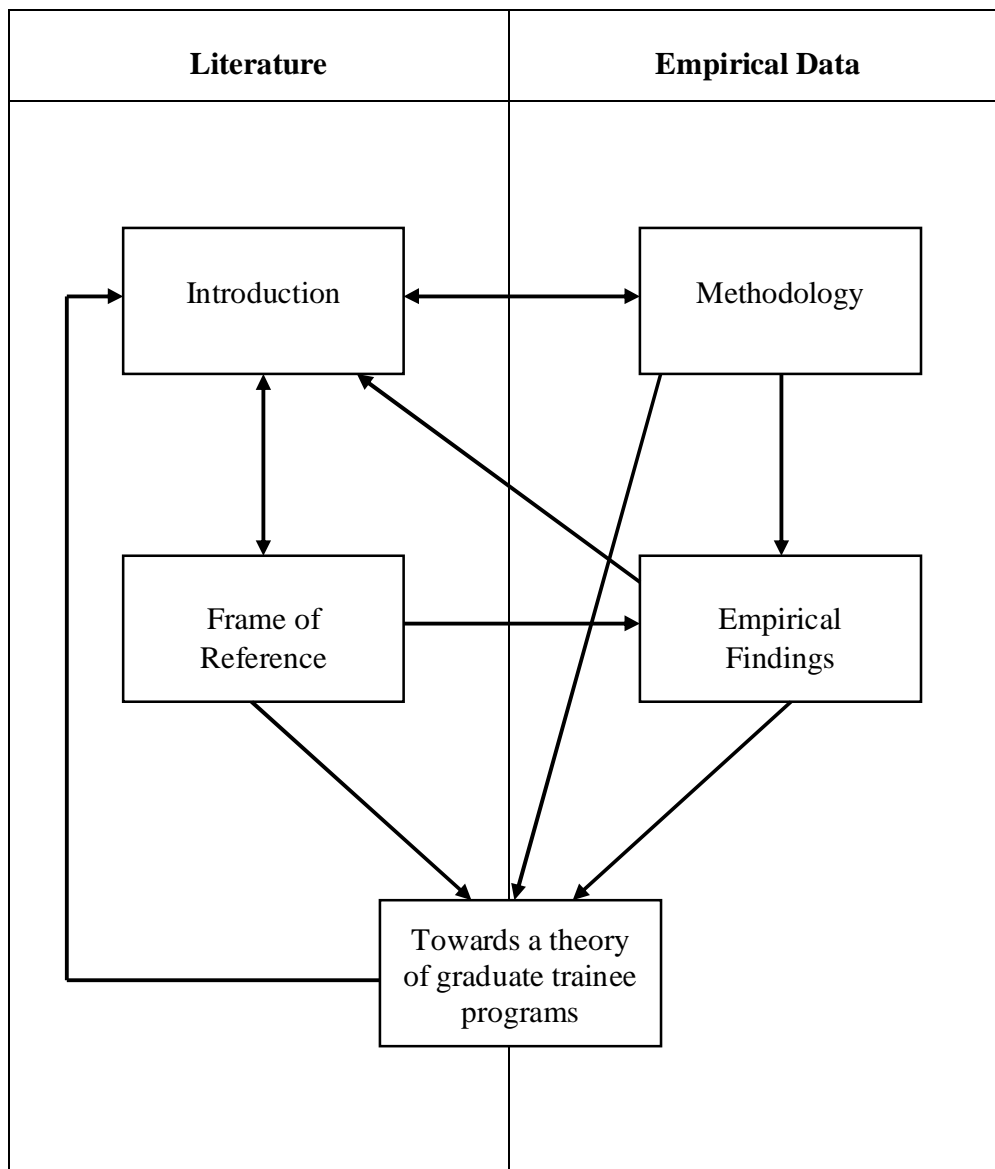
The third chapter (Methodology) explains and describes the research methods used to conduct this study as well as the reasons, criteria and necessity for using such methods, selecting the case companies, and gathering the empirical data. This is followed by a chapter presenting the empirical findings of this research (Empirical findings) as well as brief case company and case trainee program descriptions. The “Empirical findings” chapter presents all the new information attained and theories developed, and hence answers the set research problems. The findings will be presented first by reflecting them to the frame of reference, and then presenting the new information attained and theories developed of it. Most findings will be presented also in graphs to illustrate the results concretely, and to enable easy access to comparison of results between the case trainee programs.

The last chapter (Towards a theory of graduate trainee programs) concludes and discusses the results of this research. In the end critical points of view, limitations of the study and results are also discussed, and suggestions for further research given. The intention of these

suggestions is to provide interesting, new viewpoints to the topic that were not discussed/studied in this thesis.

Table 1 presents connections between different chapters of the study.

TABLE 1. Outline of the thesis



2 FRAME OF REFERENCE

“Although most top executives have not yet diagnosed the problem, industry’s greatest challenge by far is to rectify the underdevelopment, underutilization, and ineffective management and use of its most valuable resource - its young managerial and professional talent” (J. Sterling Livingston 1988, p.129).

The frame of reference chapter presents the main academic knowledge available that is relevant when discussing the existence of graduate trainee programs. The chapter begins with presenting in brief some insights of future work life and labor shortage that have formed a basis for the development of trainee programs. After that the concepts of talent management and talent development will be portrayed, followed by information on today’s and future’s young workforce, as well as on training and managing of young talent. In the end of the chapter the main conclusions of the theoretical framework are drawn.

Despite large layoffs that companies are forced to put in action due to the current economical downturn that is affecting markets in most developed countries, multinationals have to be well prepared for the upturn the will eventually come. Companies will have to continue to attract future employees and provide good development possibilities for current employees they want to keep, to ensure attraction of as good recruits as possible. Many companies operating in the developed countries – and especially in the Nordic countries - are at the same time facing big outflows of skills, knowledge and experience due to the demographic shifts (Stahl et al. 2007), globalization and the rise of the knowledge workers that have occurred during the last decades (Guthridge, Komm and Lawson 2008). In order to sustain acquired expertise, knowledge and efficiency companies will have to be able to attract, engage and retain their younger employees. Constant training, guiding and leveraging of their talent is also vital as there will be a bigger labor shortage of skills than number of employees potentially available. The shortage of skills will precede the shortage of employees in most industries due to many continuously changing and improving

variables that have an effect on the nature, extent and timing of the deficits. (Dychtwald et al. 2006, p.9-12) This phenomenon will become even more accurate in the future as the economical downturn – partly even recession - is forcing companies to fire employees and retain only the most talented ones who possess important tacit knowledge.

The ever declining birthrates in many developed countries enhance a deficit of younger employees which will become a problem when the “baby-boomers” retire and companies need more skills and workforce than available. (Dychtwald et al. 2006, p. 1-10; Ministry of Employment and the Economy of Finland 2008) In addition, business conditions have changed - and are constantly changing - due to globalization of workforce and a significant growth in unfamiliar markets, such as China and India, making leadership development that much more important (Frank and Taylor 2006; Ready and Conger 2007). The challenges related to changing demographics and labor shortages are not global, though. While developed countries are struggling with falling birthrates and rising retirement rates, emerging markets are, in fact, producing a surplus of young talent; more than double the number of university students are graduating there than in the developed countries (Guthridge et al. 2008). Development of new recruitment and employee attraction methods is thus essential in many developed countries.

2.1 Shifts in Business Conditions affect Labor Markets

All the talk about competition between companies to attract potential employees seems somewhat surreal as getting a good job is never easy – not even with a great degree and working history. In fact, Cappelli (2005) argues that the situation of the future labor markets depends heavily on growth and productivity prospects of the economy and thus a good background does not guarantee anything. For instance, recessions reduce the demand for workforce, as do also better automation and information flow, which allow companies to do more with fewer employees. (Dychtwald et al. 2006, p.9-12) However, recessions are always short-term problems and companies’ HR planning tends to be in a long-term scope.

The challenges that HR functions are facing are, thus, more due to changes in employment relationships - and extended study periods, as in Finland (Ministry of Employment and the Economy of Finland 2008) - than a shortage of employees due to demographic shifts (Cappelli 2005).

A factor that can decrease the demand of employees is the net export of jobs. Many of today's information based jobs can be performed anywhere in the world and thus outsourcing of jobs from developed countries to low-cost countries has become more common. However, so far the number of jobs offshored is a small percentage of all jobs. (Dychtwald et al. 2006, p.9-12) The labor market situation also varies quite a bit – even among developed countries. In many developed countries the aboriginal population is aging, but due to high surplus of immigration there are all the time lots of new employees available in some countries (e.g. Statistics Sweden 2009a). For instance, in the United States the shortage of skilled labor can be avoided largely also due to their immigration policies which allow the entry of talented employees and thus the growth of workforce. (Dychtwald et al. 2006, p.9-12) However, in the European Union the immigration is tightly controlled and at the same time birthrates are also declining in many countries (e.g. Statistics Finland 2009). At least one of these phenomena must be changed to secure the economy. (Dychtwald et al. 2006, p.9-12)

Educational factors also play big roles in the future labor market as the demand for labor is not equal in all fields of business and industries. Professional and technical fields are already experiencing labor shortages, and the situation will amplify in such industries that require constant training, education, independent thinking and action that, for instance, business services is. Workforce participation affects largely the shortage of labor as well; the more people choose to work, the smaller the deficit will be. Therefore women's participation in work life is essential, as is also longer retention of older employees who are about to retire - seeing that in the future there will be too few young entrants to replace the labor, skills and talent of retirees. (Dychtwald et al. 2006, p.9-12) Although, nowadays it is more common to hire to all job levels from the outside which makes the size of the entry-

level cohort less relevant, whereas earlier companies mainly hired only school-leavers who were promoted within the company. This kind of lifetime employment system has already started to weaken even in Japan and South Korea where it has traditionally been strongly embedded to the business culture (Chen 2004, p.159 & 192-193).

In Finland and Sweden the labor force and employment has been increasing during the last years (Ministry of Employment and the Economy of Finland 2008; Statistics Sweden 2009b) that is, until recently when the economical downturn has started to impact the employment in Finland and Sweden as well. However, the increasing unemployment rates are short-term as after the current economical slowdown the employment situation will most likely recover back to same numbers, as due to changes in demographics the populations are aging and labor needed. The Finnish and Swedish populations, though, still continue to increase due to increased birthrate and higher immigration surplus, especially in Sweden. Even so, labor shortages will keep on growing, as the number of people aged 64 and over increases much more than other age groups (Statistics Finland 2009; Statistics Sweden 2009a). In the Finnish employment report 2007 (Ministry of Employment and the Economy) it was reported that the employment trend in Finland had been exceptionally positive, as had also the increase in the number of job openings reported to employment offices. Most new vacancies were reported in commercial, administrative and office work in the fields of technology, natural sciences, construction, mining and quarrying. All in all, the demand for labor had been biggest in business and insurance activities, as well as in financial sector. In the Nordic countries women have already been active in working life; in the middle-aged and young employee cohorts women's employment percentage is now even bigger than men's. (Ministry of Employment and the Economy of Finland 2008) Therefore women's bigger participation might not be adequate to fill the needs of future labor market.

Even though, there are lots of highly educated people in Finland and Sweden, the employment of recent graduates has continued to increase during the recent years. For instance, at the end of 2006 as many as 90 percent of university graduates were employed,

whereas only 71 percent of lower educated graduates were working at that time in Finland. However, employment rate increased by one percentage point in all educational levels. (Statistic Finland 2008) Also the Ministry of Employment and the Economy (2008) noted that a major part of unemployed people looking for a job have a basic education whereas the employment situation of university graduates has been increasing during the past years. These statistics support the statement presented by Dychtwald et al. (2006) that there will be a bigger shortage of talent than workers in Finland as well.

2.2 The “War for Talent”

“The War for Talent never ended. Executives must constantly rethink the way their companies plan to attract, motivate, and retain employees.” (Guthridge et al. 2008, p. 49)

McKinsey & Company invented the term *the war for talent* in 1997 (Chambers 1998). It was designed to describe the phenomenon that many companies had been experiencing but no one had a name for. The term expresses the phenomenon that first took place in the late 1990s when the economy of many developed countries was blooming and companies were struggling to hire and retain the people they needed. Due to the high demand of certain key employees, some of them were able to demand big salaries and rises after only a few months employment at a company. (Michaels, Handfield-Jones and Axelrod 2001, p.1-3)

Michael, Handfield-Jones and Axelrod stated in their book *The War for Talent* (2001) that the war for talent is far from over. They believe that it will continue at least for another two decades, which denotes till the 2020s. Also according to Guthridge et al. (2008) the struggle of attracting and engaging talent has not been improved during the recent years and multinationals continue to share a small international talent pool. Another challenge that companies are facing is the retention of talented employees - especially at managerial level

– which would be important to gain a competitive advantage that talented employees can construct (Chambers et al. 1998; Michaels et al. 2001, p.1-3).

Also many other academics have argued that human capital investments made in organizations are one of their most important investments possible, as people create companies. For instance, Fishman (1998) and Wooldridge (2006) believe that especially companies that operate in high-technology and knowledge-intensive industries are facing competition for talent, while trying to develop more aggressive and imaginative ways to recruit and retain their best people. Becker (in Evans et al. 2002) differentiates investments between general-purpose and firm-specific human capital. Companies are seen to be forced to focus on investing in general skills and development of employees in order to increase their market value, and in that way also to increase the level of commitment of the workforce of the company. (Evans, Pucik and Barsoux 2002)

So-called talent pools – employee and talent records – are often held in companies to match right employees with right assignments easily when necessary, and also to further educate talented people who cannot be positioned at the moment. By creating an own talent pool a company can secure their access to variety of skills when top talent is needed, and develop the specific skills they might in the future. Also, global integration drives multinationals into similar talent recruitment, development and management practices, which the idea of best practices (that a few companies are believed to own) in talent management emphasizes, making the pressure that much bigger for others. A talent pool is created by recruiting people that are believed to be the best talent for the company when they are accessible, and placing them to a suitable position when possible, instead of hiring for job openings only. (Stahl et al. 2007) Talent pools are, thus, all about acquiring all the talented people that suit the company's interest, values and culture, and engaging them to the company by developing them a position that brings out the best of them. Once a talent pool is constructed multinational companies often aim at building and sustaining a strong talent pipeline (Stahl et al. 2007). Today's older workforce, current talent pipeline, is formed of experienced and expensive workers. To cut costs, many companies have been forced to get rid of senior, costly workers and to replace them with younger, inexpensive ones.

Nowadays, nevertheless, companies are increasingly moving toward models of contingent work; many employees are contracted independently and arrangements and deals are done and negotiated separately every time (Cappelli 2005), to avoid such situations in the future.

2.3 A Rationale for Talent Management

“Three external factors – demographic change, globalization, and the rise of the knowledge worker – are forcing organizations to take talent more seriously.”
(Guthridge et al. 2008, p. 50).

Talent management is still a rather new concept in business. It gained recognition after the recession in the 90s when many companies were growing fast and competing over the same employees in various developed countries. The term *talent management* is often associated with competency-based HRM practices. (Stahl et al. 2007) It is often also used as a synonym - or at least similarly to such terms as *succession management*, *talent strategy* or *human resource planning* (Lewis and Heckman 2006). It stands for companies being strategic and deliberate when attracting, selecting, promoting and moving employees within the organization (Stahl et al. 2007). The competitive value of talented people is getting apparent to companies, and they have started to invest lots of time and money in finding and recruiting the top talent they need. In today's business environment, employees' talents - skills and abilities - are believed to create the highest value, and possibly a competitive advantage for the company. (Bryan, Joyce and Weiss 2006; Guthridge et al. 2008)

Companies look for the best talent available to create a pool of talent for future needs, and to build and boost their image (Sadler 1993). Wooldridge (2006) even argues that one of the biggest future battles between organizations will be battle for talent. Effective talent management processes are required in order for multinationals to be able to compete internationally for the best talent that fits their organization – and especially to attract graduates of international business schools and universities (Stahl et al 2007). Talent

management has become part of organizations' strategy while the modern technology has enabled an easy access to employment information, making application processes easier and faster. Employers have thus become more vulnerable for costly turnovers (Frank and Taylor 2006) and forced to focus on attraction and retention of their employees more than before at all levels of employees – not just the top performing managers (Guthridge et al. 2008).

FIGURE 1. Talent Management: Principles, Practices and Processes
(Stahl et al. 2007, p.8)

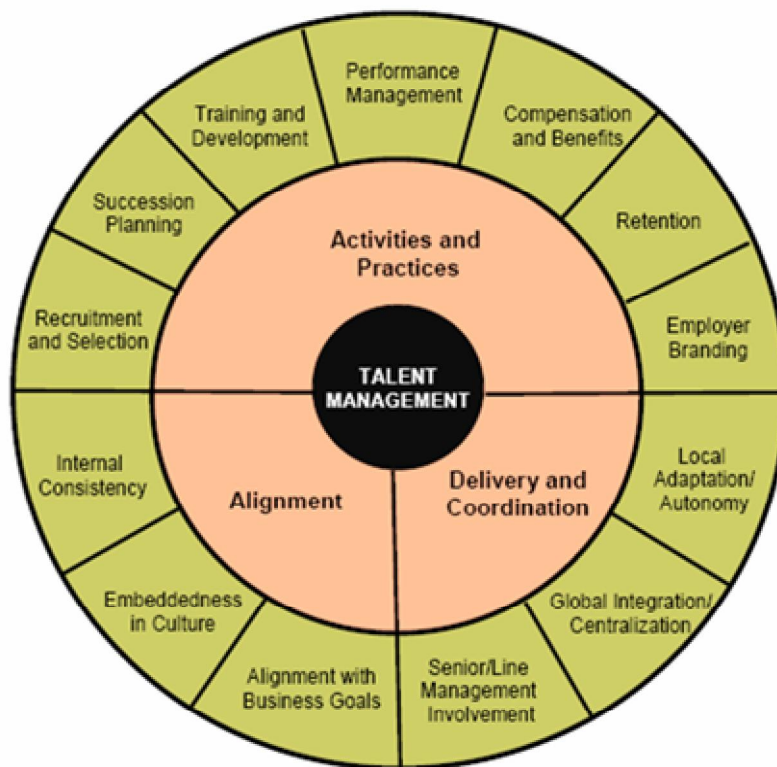


Figure 1 indicates the most important features of successful talent management. According to Stahl et al. (2007) involvement of management at all levels is necessary – not only at the senior management level - in talent management processes, in which talent recruitment, succession planning and leadership development are seen priorities. (Stahl et al. 2007)

Talent management theories have not yet focused on discussing the role of graduate trainee programs, but mostly training and development of all employees in general. However, trainee programs are part of talent management centering attention on attracting potential future talent; experts and managers. Within talent management trainee programs would fit into the section *Activities and Practices*, part *Training and Development* of Figure 1 and, thus, from now on the focus of the frame of reference will be placed on that. Also, other sections of talent management's core activities and practices are discussed that are relevant for this study. These are: *Succession Planning*, *Employer Branding* and *Recruitment and Selection*.

2.4 Activities and Practices of Talent Management

“What could be more vital to a company’s long-term health than the choice and cultivation of its future leaders? (Conger and Fulmer 2003, p. 76)

Multinationals are globally becoming more alike – also so in their talent management activities where training and development of talent has become important (Stahl et al. 2007). Talent management theories, though, still focus mostly on older, senior managers, and their development and career progress, leaving young talented entrants – or at least their development and career planning aside. Based on review of various leading management journals (such as *Human Resource Planning Review*) published in 2003-2008, it was found that there has not been published any academic research regarding the training and development of recent graduates - not to mention the newish trend of international graduate trainee programs. Such information is necessary, though, due to the fact that nowadays high performing employees are met at all levels of organizational hierarchy – not only at the top management (Guthridge et al. 2008). Multinationals are also competing over the same talent – and especially graduates of international business schools and top universities (Stahl et al. 2007) whom companies are trying to attract with their trainee programs. While aiming at that, many companies have started to act, and established state-

of-art training centers or learning campuses that train and develop talented students and graduates in cooperation with top universities (Stahl et al. 20007). The value of talented employees has already been realized among recruiters, yet, the maintenance and further development of internal talent is often forgotten. Once obtained, talent is left untouched and rarely used in a competitively advantageous way. (Bryan, Joyce and Weiss 2006)

The subsequent section is structured according to the headings in Figure 1 that I found to be relevant for this study. These are Training and Development, Succession Planning, and Employer Branding. In addition, literature on a concept called *Global Mindset* will be presented as it is often considered to be the goal in international talent management (e.g. Evans et al. 2002).

The following chapter “Today’s Young Employees” presents literature regarding today’s young employees, their training, development and management, as well as recruitment, selection and retention. The information available on graduate trainee programs will be presented in the end of the chapter, as it is related to the information illustrated in relation to today’s young employees and their training. Furthermore, current literature has not included trainee programs to talent management, and therefore the small amount of academic information available on such programs will be given last.

2.4.1 Training and Development

Development and training of employees is a very complex, yet, important task. One of the most effective ways to develop people is to challenge them - to give them *challenging assignments* they either have not done before or have little experience of, and to take them out of their comfort zone. (McCall 1998; Ready 2004; Sadler 1993) Examples of good challenges are, for example, cross-functional assignments (moving to new jobs and learning from more experienced people), international assignments, starting from scratch, change projects (fixing or stabilizing a failing operation), and entrepreneurial projects. (McCall 1998) Besides the previously mentioned, cross-functional projects and job rotation are other

useful tools. Even so, job rotation between functions or units is still a somewhat unexploited development method due to the fact managers are often more concerned about their own unit's interest than that of the whole corporation - which hinders the benefits of talent mobility. (Stahl et al. 2007) To minimize risks and achieve long-term development in short-term performance *risk-management* is vital. This can be attained through coaching, feedback, mentoring, training, expectation setting, assessment, exposure of role models and access to people with experience, all of which at the same time also boost the confidence needed in the job. The third basic element of development management is *hardship training* which aims at preparing employees to face tough situations, such as mistakes and failures, and to stand on their own feet. Hardship training intends to teach how to bounce back from emotional traumas and how to deal with unfamiliar situations while working with challenging, yet, risky tasks. (McCall 1998)

DeNisi and Kluger (2000) argue that feedback does not always improve job performance and provide positive results. In fact, a poorly implemented feedback program can harm the performance and distract worker's attention from the task. Many times feedback interventions, however, have the effect they are supposed to have; help employees to improve their job performance. But when this is not the case, there is often a gap between the set expectations, goals and feedback. Usually given feedback produces changes in action to reduce the gap, but if the received feedback is negative the gap might be seen too wide and the employer might prefer giving up. Negative feedback does not usually provide any means for improvement - or it is personalized to focus employee's attention on self-concept while distracting the attention from task improvement. (DeNisi and Kluger 2000)

Younger employees can also be trained and developed into talent pipeline. According to Lombardo and Eichinger (2000) high potential can be revealed in the manner a person demonstrates his/her abilities to learn from experience. High potential can be measured when something is done differently, in a new way. They also argue that what happens after a person has been hired has a lot more impact and importance on a long-term perspective, than already acquired skills and abilities. One way to improve talent pool is to look for

people who have the capacity and motivation to acquire new skills and handle change, but are currently engaged in less challenging roles. (Lombardo and Eichinger 2000)

2.4.2 Succession Planning

Especially many locally operating companies use succession planning when preparing people's career progress, which refers that they plan successors for future managerial and expert level openings on beforehand. This method is rather position and job logical, and thus not necessarily the best alternative for multinational companies which often use people planning or position planning when planning the development of their employees. In people planning logic the right people are recruited to the company for their talents or state-of-mind, and right positions are created around their competencies. (Evans et al. 2002) Many organizations have started to recruit people who fit well into the organizational culture instead of hiring based on skills, abilities and knowledge only. This implies that companies hire and evaluate people for the organization, not the job specifically. (Bowen, Ledford and Nathan 1991)

Conger and Fulmer (2003) argue that there are five rules for setting up a succession management system that creates a pipeline of leadership talent. The first rule is to focus on developing high-potential employees instead of making a list of all existing candidates for leadership positions. (Conger and Fulmer 2003) Although, the starting point in developing talent in a company is to define what "talent" and "leadership" signify for the company. In this way the company can create a clear picture of desired skills, know-how and characteristics, i.e. competencies, for selection and developing processes. (Evans et al. 2002) The second rule is to identify key positions at the middle management as well – instead of only at the top management - to start developing early, enabling long-term succession planning. The third rule is to make the process transparent so that employees are kept on track of their possibilities and are able to develop the skills needed. The fourth rule advises to measure progress regularly to recognize if the right people are moving at the

right pace to the right posts at the right time. This rule aims at guaranteeing that there are enough candidates for all the top jobs. The fifth rule is to keep succession planning flexible. This implies that the process should be under continuous improvement; systems should be refined and adjusted based on the feedback received. The constant development of succession management systems is necessary because it seems that leadership talent affects organizational performance directly. (Conger and Fulmer 2003)

The problem in developing talent is that often top talent, high potential, progress in their career too fast to a position with leadership responsibility without mastering in their earlier positions. Therefore they may face problems alone for the first time in their most demanding job. High managerial positions do not include a lot of coaching, training and mentoring and thus employees occupying them often have to face failures and mistakes alone, which can be emotionally too much to handle. (Evans et al. 2002) Most effective learning is achieved by working with the best in challenging assignments and learning from their example. When developing transnational leaders the logic of challenging assignments stands; leaders learn how to deliver results from people who are more experienced and have more expertise in certain areas than they do. There are three steps in becoming a transnational leader; transforming into a functional manager out of an individual contributor, project management and cross-functional, international mobility. Being positioned to a new, different kind of role of which one has no expertise of consolidates the leadership learning. (Evans et al. 2002)

2.4.3 Employer Branding

Company, or employer branding has become more important than ever; to fight against competition and demand for workforce companies have to place lots of attention on creating a great employer image (Stahl et al. 2007). The three most important attributes in doing so, and influencing company's ability to retain talent are identified as i) the reputation of the organization as an employer, ii) challenging assignments, and iii) career

opportunities (Sadler 1993). Talent management's influence in relation to the employer branding has grown during the last years. Earlier, only company's brand and image was seen essential to succeed, but today the employer image is far more important in terms of attracting talented people. Companies that focus on development of their employer brand tend to have higher employee commitment and retention, recommendations as a good place to work, and reduced recruitment costs. (Martin and Beaumont 2003)

According to many sources (e.g. Hieronimus, Schaefer and Schröder 2005; McKinsey 2001; Wooldridge 2006; Stahl et al. 2006) competition for talent is on the rise all the time. However, only few companies spend much time and effort in branding their employer image. To attract many potential recruits, companies should treat them as customers, and conduct market research to identify potential rival companies and positions. (Hieronimus, Schaefer and Schröder 2005) A survey conducted by McKinsey & Company (2001) demonstrated that 90 percent of the researched companies found it harder to attract and retain talent than only few years earlier. And, only seven percent of the researched companies thought that they had enough talented managers in all business functions (McKinsey 2001). To attract talented leaders, multinationals have to make talent a priority at all levels of their organization by creating reasons for top talent to choose their company, develop recruitment strategies, create possibilities for employee development, and learn to identify top talent and invest in them appropriately (McKinsey 2001). Company/employer branding can also refresh the image of a company, and possibly attract new people.

2.4.4 Towards Global Mindset

Global and multinational companies need managers with skills to manage diversity, i.e. managers with global mindset. Global mindset is a concept that is referred to when discussing the state-of-mind that global managers have in order to be able to manage diversity successfully. People are not born "global"; they acquire this mindset through many experiences, such as international transfers and assignments. Managers with global

mindset are people who can work effectively across national, cross-cultural and organizational boundaries. Often managers who possess a global mindset have international experience and therefore they can adapt and engage different cultures easier than others. There are two perspectives in global mindset; a psychological perspective and a strategic perspective. The first mentioned refers to ability to accept and work with cultural diversity, and the second one focuses on contradicts that multinational companies face and a way of thinking which reflects conflicting strategic orientations, global integration, local responsiveness and worldwide coordination being the main concepts. (Evans et al. 2002)

There can be found many competencies that distinguish managers who have successful international experience from managers who do not have any international experience. For instance transnational managers are often better at cross-border coaching and coordination, managing international teams, visioning the future and championing international strategy, and they can often act as cultural mediators or change agents while managing their time and stress more effectively. They often also take and accept risks, are curious to learn and able to step back when needed. Managers that possess global mindset can be recruited to companies from outside with ready global skills, but internal developed in necessary to attain global managers with business and industry knowledge. While developing global mindsets inside the company it is important to provide everyone equal opportunities - talents have to weigh more than nationalities or positions. The best mechanisms for developing global mindsets are international transfers and assignments. International tasks, for instance, foster interactive leadership skills, develop skills in handling cultural diversity, and develop cross-cultural communication and cooperation skills. (Evans et al. 2002)

Back in the days, international assignments and transfers were demand-driven, and expatriates were sent abroad as teachers to transfer knowledge and to maintain order. Nowadays many international assignments are learning-driven and expatriates are send abroad to learn about market and cultural differences while creating networks. International rotation is also more common within whole corporations, not just from the parent company to a subsidiary located abroad. The most effective time for learning-driven international

assignments is in the beginning of professional career as at that time the learning and developing impact is greatest. (Evans et al. 2002) This leads us to the training and development of today's young and talented employees.

2.5 Today's Young Employees

According to many sources, the need for young employees is intensifying globally (e.g. Dychtwald et al. 2006, p.97-98; Ministry of Employment and the Economy of Finland 2008). Currently young, under thirty-five-year-olds are poorly represented in organizations in developed countries, and there are not enough young applicants to fill all job openings. That was until the economical recession in most developed countries, though, but the current situation is probably only short-term. The competition of the most talented and best educated young workforce is strong, and therefore their attraction and retention is becoming essential. The tenure of today's young workforce is as little as three years, resulting that 80 percent of young workers change employer before they bring back to the organization the investment made. (Dychtwald et al. 2006, p.97-98) Many young employees tend to switch jobs if their high expectations are not met causing companies a risk of high attrition (Guthridge 2008). Even promising employees who have enjoyed training and career advancement quit too early. Surprisingly, young workers are often also unhappiest in organizations, being the less satisfied and engaged to the job. Many of these feelings draw from the struggle to combine professional and personal life (Dychtwald et al. 2006, p.97-98) and current trend seems to be going towards softer values diminishing time spent at work.

Today's young employees are the first big generation of so-called latchkey kids – they grew up in single-parent, or two-working-parent households, and spent a lot of time on their own from a young age. Therefore today's young employees are independent and accustomed to have a lot of responsibility and latitude themselves. They also tend to be libertarian with social values and appreciate individual freedom and decision-making power. Young

employees of today are highly networked, both personally and technologically, and they obey the rules and conventions when valuable or necessary for themselves. Young employees' different kind of background and values often also have a consequence in the working life as they tend to be less formal and structured, and more situational than older generations. Growing up with computer games many young employees also take digital tools for granted, not as occasional and additional tools. Several young employees have learned from their parents' disrupted careers and now hold bias against large corporations which have outsourced, downsized and automated the operations ruining many careers in developed countries. However, they realize that the opportunities and money is at the corporations and therefore are willing to give a try to work at them. (Dychtwald et al. 2006, p.101-104; Gerdes 2006)

Young employees are, however, useful and valuable in organizations because they learn fast and are independent, creative and adaptable thinkers. They are often also the most flexible in terms of schedule. Though, many are weak in dealing with people and services as they are used to doing things in their own way and lack interpersonal skills that are needed in workplace. Young employees are also inexperienced and thus lack the opportunity to learn from earlier mistakes and successes. (Dychtwald et al. 2006, p.101-104) Nonetheless, today's young employees represent tomorrow's older employees and managers and therefore it is vital that they are given the opportunity to first make mistakes and then learn from them.

2.5.1 Managing Young Talent

J. Sterling Livingston realized the importance of young talent already in 1969 when his article *Pygmalion in Management* was first published. In his article he highlights the significance of young person's first years in an organization, them being the critical time when young employees are strongly influenced by the company and managers, and the future performance, self-esteem and career are formed. There is a strong correlation

between the set expectations and contributions made. Meeting high company expectations during the first, most important years, lead to positive job attitudes and high standards which will enhance good performance and success later on in the career. Fulfilling high expectations also often results more demanding jobs in the future and thus even better performance. It is therefore crucial that young talent get to learn and gain knowledge from the best as the first manager is usually the most influential in young person's career. However, typically graduates tend to work with the least experienced and effective persons in organizations who lack the skills to develop their subordinates. Graduates, thus, often start their career under the worst possible circumstances and soon create negative feelings towards the company, job and career in general knowing that their skills and abilities are not developed. (Livingston 1988)

Human beings – employees - are the most essential part of organizations in today's economy and there is a lack of young talent which will most likely last for some time. Therefore, it is a competitive advantage to hold an image of an employer of choice among graduates and young talent. (Tulgan 2000) Organizations and companies try to attract the best talent for many reasons - most importantly for what they can do - but also to build and improve the company image of possessing talented employees. However, many companies prefer recruiting recently graduated young talented people instead of the most experienced and thus older. The reasons behind graduate recruiting are related to team-building, training, young proficiency and humble attitude. Even though the recruitment practices differ, graduate recruitment has become a competitive activity in the Western countries and the recruitment process relies to a large extent on cooperation with the best universities. (Sadler 1993)

It is as important to focus on developing young, entry level talent as senior and middle manager level. A strong pipeline of young talent in a company stimulates the system and operations for years to come. Young entrants absorb rather easily new knowledge, culture, values and skills of a new company. Highly talented young people form an important talent-building pool that companies should use. Trainee programs provide college and

university graduates a great opportunity to enter companies through extensive training and mentoring periods, which make the adoption of the company culture and values easier. By rotating trainees globally across different departments and units trainees also get to experience and learn from different functions, and get a broad understanding of the business. (Michaels et al. 2001, p.77-80)

It seems that today's young adults are eager to get responsibility and show what they are made of. Young workers, fresh graduates, wish to contribute to the organizations they work for, but they also want to ensure that they are at the same time developing their personal skills and career. If they do not believe that they are gaining something as well from the job, their performance will most likely show it. (Resto 2008) It is important for companies to hunt especially managerial talent all the time to capture them when they are available, instead of for openings only. There are three steps in hunting talent; i) identifying the type of talent needed in the future, ii) hiring talented people even if the right position is not available at the moment so that they get to know the organization in good time, and iii) creating intake jobs that are good for entering the company. (Michaels et al. 2001, p.77-80) Today's young workers expect and need to get a lot of feedback to get engaged to their job, if not, they lose interest and motivation to the job, and even the employer. Job-for-life expectations are long gone as many of today's young employees make only short-term commitments to work. Their expectations of the job are very different from the ones older workers have and therefore older workers should respect the differences and take those into account when recruiting young workforce. (Dychtwald et al. 2006, p.98-100)

2.5.2 Recruitment, Selection and Retention of Young Talent

In the past a decent salary and career advancement possibilities were all the necessary ingredients to attract college graduates. Today it is useful for companies to operate in a "sexy" industry, like media or technology, which fulfills the requirements set by today's students. Not only companies need to offer flextime and job-sharing, but they also have to

act responsibly and environment friendly to attract this “generation Y” (people born after 1980). Companies and brands must stand for something rather than just stand out. Today’s students and young adults are looking for meaningful jobs that allow their personal fulfillment, money is seen less important. (Gerdes 2006) This Generation Y cohort is seen to be harder to manage than their predecessors due to the fact that they also demand more flexibility, professional freedom, higher rewards and a better work-life balance than older workers. As frequent job switchers people of Generation Y often put more pressure on employers to meet their demands and expectations. (Guthridge 2008) Creating a good company/employer image is thus also crucial to attract as many candidates as possible.

To find and attract top talent companies will have to go beyond the old, traditional recruiting places, such as top universities and schools. Many companies have indeed started to hire professionals from different study fields and the talent pool has widened. Besides different study fields, companies ought to also center their attentions on diversity in employees recruiting more women and representatives of different minorities and ethnical backgrounds. People with different background, experience, education, ideas and problem solving styles strengthen the organization. (Michaels et al. 2001, p.81-82) Dee Hock, the founder and CEO emeritus of Visa stated his opinion in hiring for intrinsic rather than knowledge or experience. These are the aspects in his opinion that the focus should be placed on when hiring and promoting new people; i) integrity, ii) motivation, iii) capacity, iv) understanding, v) knowledge, and only finally vi) experience. (Dee Hock in Michaels et al. 2001, p.83; Michaels et al. 2001, p.81-86)

The best people of the company should be the ones recruiting as recruiters set the standard for talent in the company. They also represent and create images of the company on the front line to future’s possible employees. The company should be able to sell the job for applicants in order to attract the best talent; the hardest part in recruiting is to convince people to join the company and thus the selection process should be persuasive, delightful and artful, trying to make candidates feel valued. To acquire, attract the best talent, companies have to give their best as well. (Michaels et al. 2001, p.90-94)

In order to retain talented, young employees, organizations should be willing to downsize their expectations and to adjust to the ones hold by young employees. According to Dychtwald et al. (2006) *rapid incorporation*, *continuous retention* and *easy return* are solutions for better retention rates of young employees. By *rapid incorporation* they argue that the faster the new employee gets in speed, the more satisfied and committed s/he will become, and at the same time business productivity increases and retention prospects look better. *Continuous retention* is referred to as a way to keep young employees engaged and motivated since they remain loyal as long as the work, workplace and management engage and stimulate them. It should include individual monitoring of employee's engagement and preventing his/her possible departure. Then again *easy return* refers to friendly departure, contact and connection that should be perceived with former employees so that they can easily return to the company someday. The survey conducted by Dychtwald indicated that companies who have used these previous mentioned methods have, indeed, been able to raise young employees' tenure rates and productivity as well as retain key young talent for the managerial development pipeline. (Dychtwald et al. 2006, p.109-129)

2.5.3 Trainee Programs

“The single most important challenge in shifting to globally integrated enterprises – and the consideration driving most business decisions today – will be securing a supply of high-value skills. Nations and companies alike must invest in better basic educational and training programs.” (Sam Palmisano, President and CEO of IBM 2006, p.133)

There is still a lack of research done regarding graduate trainee programs; most academic journals regarding human resource management (e.g. Human Resource Planning) had not published any articles studying the phenomenon by the end of year 2008. Most academic research had focused on training and education in general within companies, leaving these newish programs out of studies. Training of young – or any - entrants is nothing new or

exceptional. Training has always been part of the orientation process of new employees, yet, trainings often tends to be very superficial, conducted under time constrains and limited resources. The problem with many training periods oriented for young employees is that they fail in engaging them. Trainings are often very long, consisting of lengthy theoretical classroom activities with slight “real work” experience which therefore leave little room for own contribution. Then again, many companies carry out too little training leaving the entrants on their own. (Dychtwald et al. 2006, p.98-100) Young employees are often expected to settle for the opportunities offered and to wait patiently for their big break as young employees have done before. Today’s young employees are, however, rather ambitious and change jobs whenever they believe it is necessary for their faster career progress. Their expectations are a lot higher than of the ones of young employees even a decade ago, they look for individual responsibility right in the beginning as well as contributing to decision-making processes and pay for performance. (Dychtwald et al. 2006, p.98-100)

Leaders’ development programs for graduates are big investments in companies and to achieve best of them companies should focus on training employees to take broad roles, instead of only focusing on leveraging particular skills, abilities and challenges (Ready 2004). The high turn-over-rate of young employees before the third year at a company, which is reality in many cases, not only leads to loss of investment put on training and mentoring but also results to lack of long-term employees who would keep on building the business in the organization. One reason for high turn-over-rates are twentysomethings who are often still experimenting in work life and job-hopping, even when recruited to highly desired fast-track development programs which naturally expect talented young employees to stay after an extensive training (Dychtwald et al. 2006, p.98-100). The attention must therefore be focused on how to improve retention of young employees.

I believe that these described talent management theories form a solid basis for this research of graduate trainee programs. Such programs have become necessary as the current labor market situation in many developed countries has changed, and lead to

shortage of employees, and especially talented ones. While many markets are facing labor and skill deficits (e.g. Stahl et al. 2007; Guthridge et al. 2008), it has become essential to start to train, commit and engage future managers already at the very beginning of their careers. Traditional HR practices, or succession planning, have mostly only focused on training middle level managers to their following posts, as well as recruitment of new employees, leaving further development of young talent outside (e.g. Livingston 1988). Often many HR practices have been based on hierarchical actions and provided the most challenging assignments for older employees, instead of allowing newcomers to learn from scratch (e.g. Resto 2008; McCall 1998).

As times and management styles change, management theories will also have to develop, and there is a need for new theories that explain the necessity of continuous development of talented employees at all levels of expertise and organizations. Talent management is necessary in order to focus companies' attention on employees' characteristic and suitability for the company culture and values, instead of just competencies. Talent management aims at companies' long-term interest by matching right people, right attitudes and right positions to reach committed employees and employers. Academic research always follows rather slowly new trends and changes in business life as it takes time to conduct a profound academic research. Therefore it is quite logical that talent management and development theories still lack in describing and illustrating the role of trainee programs, and recruitment of talented university graduates as an essential part of talent management. Therefore this study aims at developing new, supporting theories to talent management in terms of young employees, and trainee programs in particular.

Despite the current economical recession that most developed countries are struggling with at the moment, the retirement of "baby boomers" in the near future will leave a big gap to the workforce. Multinationals globally have therefore started to invent new strategies and methods to attract the most talented top employees from a global talent pool. According to, for instance, Guthridge et al. (2008) the concept "War for talent" created by McKinsey in the late 1990s is still valid, in fact even intensifying, forcing companies to center their

attention on the main activities (training and development of talent, selection and recruitment, retention, employer branding etc.) of talent management, instead of only on traditional HR practices. Especially the competition of recent top university graduates has been strong (Stahl et al. 2007), and multinationals have started to cooperate more with top universities to attract potential talent already at the beginning of their careers. Companies have now realized the importance of training, development and engaging of young employees to gain committed, loyal employees and results in a long-term. Graduate trainee programs have thus become a trend in multinationals, recently also in Finnish and Swedish ones, which this thesis is now studying.

The following chapter illustrates the research methods used as well as the conduction and gathering of the data in this study, where after the empirical findings and conclusions of graduate trainee programs are presented.

3 METHODOLOGY

The methodology chapter discusses and presents the methodological terms and concepts that are relevant for this thesis. This chapter will hence focus on illustrating the research strategies and techniques used in collecting empirical data and in analyzing it, as well as rationalizing and reasoning the motives for using such methods. Information elaborating the selection criteria of the case companies is also provided on top of brief case company presentations. In addition, this chapter presents the limitations of the methods used and discusses the credibility of the methodology and the empirical study. The purpose of this methods chapter is to make the conduction of this study as transparent as possible. All of the steps that took place during the empirical data collection, analysis and drawing conclusions are described in this chapter and therefore the research methods used are visible for everyone for their own judgment.

First, the empirical aims of the study are briefly portrayed, and then the research approach and methods used in the data collection and analysis will be described. In the end, the limitations and credibility of the research and used methods will be discussed.

As already mentioned in the introduction, this study aims at finding in-depth information on international trainee programs that Finnish and Swedish multinational companies have developed to attract recently graduated, young talented people. The trainee programs seem to be a rather new trend in Finnish and Swedish companies, yet, they are becoming more popular (e.g. Universum 2007 and 2008) and thus information on their aims and nature is needed. As stated, the empirical research focuses completely on the companies' perspective of the trainee programs, enlightening the reasons and rationalities behind the existence and necessity of the programs for the company's future. Therefore the data was collected by interviewing HR professionals who have been engaged in managing the trainee programs in the studied case companies. The findings of the thesis are both descriptive and exploratory, informing the ultimate purpose and aim of the programs from the long-term company

perspective. In addition, new theories will be developed based on the results of the research.

As all social science studies, this research also aims at drawing generalizations, universal applicability from the empirical data. Generalization does, however, have many different meanings depending on the context and mode of inference. (Danermark, Ekström, Jakobsen and Karlsson 1997) In this study the term generalization is used when describing the applicability of the findings to a bigger setting of Finnish and Swedish multinational companies - such that provide international graduate trainee programs. In this research the sample was rather small, but even so, the observations and conclusions made were applied also to non-studied cases (Danermark et al. 1997) and therefore the inductive study design was seen as the guideline for this study. The findings of the study will be generalized to apply all international graduate trainee programs that multinational companies based in Finland and Sweden offer. As the research is based to a small geographical area, the findings can be applied to other contexts only with caution. The research approach will be discussed in next.

3.1 Research Approach

This study was implemented using qualitative study methods, and more specifically inductive design. An inductive approach was chosen due to its characteristics that fulfill best the aim and object set for the empirical research as the choice of the method used in a study has to be based on consideration of the object that knowledge is acquired from (Danermark, Ekström, Jakobsen and Karlsson 1997). Inductive method is usually used in case studies, especially when studying a new topic area and the resultant theory is often novel (Eisenhardt 1989) as is the case in my research. A study implemented using an inductive approach often starts in rather unprejudiced observation of reality without being based on a specific theory (Danermark et al. 1997) which was the case in my study as it aimed at finding new information on a subject that is not fully bound to any theory.

This study is inductive because the conclusions made in the data analysis and findings section do not follow completely the premise information of the theoretical framework, but also present new knowledge that reaches beyond the existing knowledge. Inductive study method also suits the purpose of this research as it draws general conclusions based on a few observations of individual phenomena and then generalizes the observations to apply to a larger number of phenomena. Inductive design can assume generalizations to be true over time as well as over a larger population (Danermark et al. 1997), which is the case in this study as the findings will be assumed to apply over time and over all Nordic multinational companies that provide graduates trainee programs.

The empirical part of this research will be based to some extent on Eisenhardt's (1989) model for building theory from case study research. The model is present in the data collection, analysis and empirical findings section as it aims at making the empirical research as transparent as possible, creating at the same time a new theory that portrays the aims and purpose of trainee programs from the company point of view. It is also very well fitting in new topic areas. (Eisenhardt 1989) As it was mentioned earlier, inductive approach aims at creating new knowledge and therefore I believe this model for theory building from case study research by Eisenhardt is useful and functional in my study. All of the eight steps (*getting started, selecting cases, crafting instruments and protocols, entering the field, analyzing data, shaping hypotheses, enfolding literature and reaching closure*) will be presented and explained later on at this and the following chapters (see Table 2 below). However, this study was implemented on the terms that best fit this research and topic, thus Eisenhardt's model is used as only an inspiration, a guideline in the methodology towards building new theories of the findings, and thus all the criteria of the model is not met. In addition, Eisenhardt (1989) explains her model for building theories to be a process that is highly iterative and firmly linked to data which was not possible in all steps of my research (e.g. see steps *crafting instruments and protocols* and *reaching closure*).

TABLE 2. The eight steps of Eisenhardt's (1989) model for building theories

Step	Description	Place in this study
Getting started	Defining research questions and aims	Methodology
Selecting cases	Selection of specified research population, not random	Methodology
Crafting instruments and protocols	Multiple data collection methods and multiple investigators used	Not included
Entering the field	Collecting and analyzing data based on field notes, observations and audios	Methodology
Analyzing data	Within-case analysis and cross-case pattern search; analysis started already during interviews, and later compared among data	Methodology
Shaping hypotheses	Iterative tabulation and replication of evidence to construct definitions and validity Search evidence for "why" behind variables	Empirical findings
Enfolding literature	Comparison to conflicting and similar, comparable literature	Empirical findings
Reaching closure	Aims at reaching theoretical saturation of data	Towards a theory of TPs in MNCs

3.1.1 Multiple Case Study Approach

A case study is a research that studies a phenomenon or an event in a single setting. Then again, multiple case study focuses on multiple cases within one research (Eisenhardt 1989), which is the setting in my thesis. The multiple case study method was a solid method to be used in this study due to the fact that it permits replications and extension of different cases (Eisenhardt 1991). I observed six case companies that fulfilled the requirements set (see below) from the same study perspective and level of analysis. However, one of the case companies provides several different graduate trainee programs and as a result altogether seven trainee programs were studied. The empirical research of this thesis will be based on inductive multiple case study method and the empirical data were hence gathered from six different case companies. I wanted to implement this study as a multiple case study to get a sample of Finnish and Swedish big multinationals that provide trainee programs and to get a broader understanding of their purpose than what would have been possible by studying only a single case.

3.1.2 Critical Overview of the Approach

As all of the other research methods and approaches inductive approach also includes many limitations and weaknesses. For instance, it is often characterized to be an uncertain study method due to its nature of providing new information that goes beyond the premises and obvious observations. On the other hand, these limitations can also be seen as strengths as new knowledge is always needed in science. Yet, inductive design can never be either empirically or analytically totally certain due to its small sample size. A crucial question is therefore whether the selected case companies are in fact representative in relation to the entire population of companies that provide trainee programs. (Danermark et al. 1997)

There are two different kinds of characteristic limitations in inductive mode of inference; internal and external limitations. The internal limitations are related to the uncertainty of the method; there is always a risk of drawing wrong conclusions even though the gathered information would be true and accurate. One can never be certain that the observed cases can also represent the unobserved cases and therefore the generalizations are uncertain and sometimes even inaccurate. However, as the conclusions are drawn from a somewhat stable reality, the risk of false generalizations is fairly small. The external limitations are in relation to unattainable knowledge; there is always more information than one can find and thus there are always conclusions that we are not able to draw. Inductive method does not give any guidance of how to reach knowledge of underlying structures and mechanisms but focuses mainly on drawing conclusions and generalizations. (Danermark et al. 1997) In this study these limitations are ignored to a large extent due to the fact that the topic is rather straightforward and thus risk of misunderstandings is fairly small. It has been also clearly stated that the sample represents only a small number of multinationals which originally represented Finland and Sweden and thus the reader can make his/her own estimation regarding the accuracy of the information in terms of applicability to all multinationals.

Inductive approach has also been criticized and there seem to exist many different opinions and perceptions of the content of the concept. As my study is based to a large extent on the *Process of Building Theory from Case Study Research* (Eisenhardt 1989) I have identified the concept similarly as Eisenhardt has in her paper. However, Eisenhardt also has received a lot of criticism towards her perceptions of inductive approach and her previously mentioned paper that is used in this study. For instance, Dyer and Wilkins (1991) criticized Eisenhardt's *Process of Building Theory from Case Study Research* (1989) for being too guiding, hence leading to lack of new and better theoretical insights. They also argued that multiple case studies are too generic as the study loses individuality focusing on many cases and making comparisons across organizations. They also emphasized that classically the strength of a case study has been a profound research of one case that can create new theoretical relationships and question the old ones. Dyer and Wilkins (1991) argued as well that by using a multiple case method described by Eisenhardt will inevitably have to deal with thinner, more superficial data and thus are likely to provide a rather distorted picture of the dynamics of the case. Another problem that the authors have noticed in Eisenhardt's method is that it highlights the importance of clear constructs and testable propositions instead of good storytelling, as the classic case study approach. (Dyer and Wilkins 1991)

As far as it comes to this research, multiple case study approach was seen as a must to accomplish the aim of the whole study; it seems that in order to gain general knowledge on international trainee programs as a phenomenon one should actually study multiple companies. Due to the lack of previous research and existing literature most of the gathered information is in fact new information and thus cannot be seen too generic. This study will, indeed, provide rather superficial data but it is needed at this point when there is not an adequate amount data available to start with. As mentioned, this is a pioneer research in its field and aims at finding answers to basic problems, however, suggestions for further – more in depth – studies will be provided in the end of the paper.

3.2 Data Collection

Before the data collection and the whole study process was started the research question and aim was defined and the theoretical framework was constructed based on prior knowledge and information on the research topic and relevant theories. This *getting started* step defined by Eisenhardt (1989) was done in order to create a clear focus and good ground for construct measures for the study.

3.2.1 Getting Started

The data collection and analysis were conducted using qualitative research methods in order to be able to gather in-depth material of a rather small sample of companies that fulfill the criteria set (described below). The study was carried out using an inductive approach, in which case studies are often used. The empirical data of the research was gathered using purely primary data that drew from seven in-depth interviews. The interviewees represented six different companies that fit the above described criteria. Nevertheless, secondary data (company websites) were used when describing the studied trainee programs.

3.2.2 Selecting Cases

Selecting cases was the second step in building a theory from case study research. The case selection is a crucial step as the population studied will define the entities from which new knowledge and conclusions are drawn later on in the research. A well selected research population also excludes irrelevant and unrelated variation and thus creates limits for the generalizations. Diversity of the case companies is also important in order to enable building a model, theory that is applicable across organizational borders. (Eisenhardt 1989) The case companies were selected based on specified criteria that are described in the following. The case company selection did not bound from any specific theory or

hypotheses but represents some of the most known, successful and international Finnish and Swedish companies that provide graduate trainee programs.

The case companies that were selected to be part of the research are all originally, and still at least partly Finnish or Swedish owned. All of the headquarters of the case companies are located in either Finland or Sweden, yet, they operations multinational – in some cases even global. The selected companies were chosen to be either Finnish or Swedish due to the Nordic cooperation and Nordic ownership that many companies boast. The case companies represent different field of industries on purpose with the intention that conclusions drawn from diverse organizations are more applicable for generalizations (Eisenhardt 1989). As the aim of this thesis was to provide descriptive and exploratory findings of international graduate trainee programs within the previously mentioned companies as well as develop new theories to describe circumstances under which such programs are often launched in multinationals, there were not too many case company options for the selection left. Many multinational Finnish and Swedish companies provide trainee or internship programs but those are usually targeted to students for a few months experience. Many companies also provide national trainee programs but this study focuses solely on international graduate trainee programs. All of the selected companies provide graduates international trainee programs that last around two years and prepare trainees for a future career in the company. The trainee programs are targeted to graduates globally and also conducted in different countries. Most of the companies that fulfilled the selection criteria were approached resulting to eight interviews of trainee programs in six companies. I believe that most of the Finnish companies that fit the criteria are represented in the sample.

3.2.3 The Case Study Companies

All the case companies represent different fields of industries (see Table 3 below), and many of them are world leaders in their own segment. The companies were not chosen to represent such industries in purpose, they were the outcome when selecting Finnish and

Swedish companies that fulfill the above described criteria set for the study and case companies. The following will introduce the case companies in brief, informing mainly the field of business that the company operates in.

Hartwall is a leading brewer operating in Finland. It is part of global Heineken N.V. corporation that is the most international brewer in the world. Hartwall employs around 1,000 people while the whole corporation employs 54,000 people in more than 65 countries. In 2007 the corporation's revenue was EUR 12.6 billion. The corporate headquarters are located in Amsterdam, Netherlands, but the headquarters of Hartwall in Helsinki, Finland. (Hartwall 2008) The interview with Hartwall was conducted soon after the acquisition of Scottish&Newcastle corporation, which Hartwall used to be part of before Heineken N.V. acquired it, and thus the collected data refers to the already finished International Graduate Programme that Scottish&Newcastle corporation provided. Nonetheless, the collected data was seen important and informing because Scottish&Newcastle had years of experience of the program.

Nokia was originally a Finnish owned company but nowadays it is a global world leader in the mobility and communications industries. Nokia operates in more than 150 countries and it has a strong R&D presence in 10 countries. In 2007 the company employed around 112,200 people (including Nokia Siemens). In 2007 Nokia's net sales were EUR 51.1 billion. The Nokia headquarters are located in Espoo, Finland. (Nokia 2008)

Outokumpu was as well earlier a fully Finnish owned company, but today it is an international stainless steel company operating in some 30 countries. It employs approximately 8,000 people, and in 2007 the group sales were EUR 6.9 billion. The group headquarters are located in Espoo, Finland. (Outokumpu 2008)

Skanska takes roots to Sweden but today it is a leading international project development and construction company. In 2007 the company revenue was EUR 15 billion and it employed around 56,000 people. Skanska has operations in more than 25 countries in

Europe and the Americas. The Skanska headquarters are located in Stockholm, Sweden. (Skanska 2008)

TeliaSonera has Finnish and Swedish roots. At the moment the company headquarters are located in Stockholm, Sweden. TeliaSonera provides telecommunication services in the Nordic and Baltic countries, in Spain and the emerging markets of Eurasia, such as Russia and Turkey. In 2007 the company employed 31,200 people and the net sales were EUR 10.5 million. (TeliaSonera 2008)

Wärtsilä, originally a Finnish owned company, operates nowadays in nearly 70 countries providing lifecycle power solutions. In 2007 the company employed 16,300 people and the net sales were EUR 3.7 billion. The company headquarters are located in Helsinki, Finland. (Wärtsilä 2008)

TABLE 3. Case company information

Company	Industry	HQ location	Operation Area	Employees in 2007	Net sales in 2007
Hartwall (part of Heineken corp.)	Brewery	Helsinki, Finland & Corp. Amsterdam, Netherlands	Finland, worldwide	1,000 in Finland, 54,000 globally	Corp. EUR 12.6 billion
Nokia	Mobility and communication	Espoo, Finland	Worldwide, 150 countries	112,200	EUR 51.1 billion
Outokumpu	Stainless steel	Espoo, Finland	Worldwide, 30 countries	8,000	EUR 6.9 billion
Skanska	Construction	Stockholm, Sweden	Europe, Americas	56,000	EUR 15 billion
TeliaSonera	Tele-communications	Stockholm, Sweden	Nordic and Baltic countries, Eurasia	31,200	EUR 10.5 billion
Wärtsilä	Ship power and power plants	Helsinki, Finland	Worldwide, 70 countries	16,300	EUR 3.7 billion

(Information based on the company Websites)

3.2.4 Entering the Field

The empirical data was gathered through seven in-depth interviews. In-depth interview technique was chosen as the data collection method due to its flexible and adaptable characteristics; while listening and observing the interviewee it was possible to make observations of behavior as well to get direct answers to the questions hoped for. Interviews also facilitated observation of non-verbal cues that made it easier to understand and analyze the responses. (Robson 2002) Altogether seven interviews were conducted in six different companies that fulfilled the requirements and limitations set by me as the researcher. Two interviewees represented the same company, but they both were in charge of different trainee programs within the company, and thus the data gathered from them was unique as well. All, except two of the interviews were carried out in person, facilitating observation of body language while answering the questions. One of the interviews was conducted via telephone due to geographical distance. However, the person was the one in charge of the trainee program in the company and her contribution was seen essential. One interview was conducted through e-mails due to a busy schedule.

All of the interviews were semi-structured; the researcher had a list of predominant subjects that were discussed during the interviews. The order and flow of the questions were, however, modified according to the situations in hand. (Robson 2002) Nevertheless, the interviews were tried to perform as conversations, leaving a much room as possible for the interviewee to state his/her knowledge and opinions. The semi-structured questions, subject themes were brought up only when necessary due to the flow of discussion and silent moments. There were also some readymade questions regarding important information that was needed from all of the interviewees, but those were presented only if necessary when the answer did not come up otherwise during the discussion. The interviews lasted from 40 minutes till 65 minutes, and all of them were conducted within two weeks of time.

To avoid any misunderstandings or misperceptions, all of the interviews were conducted in Finnish when possible since that was the native language of six of the interviewees as well

as of the interviewer. One of the interviewees was foreign and thus English was used as the common language. The foreign interviewee was not a native English speaker but she was fluent, and hence the language did not become an issue. All of the interviews, whether conducted in person or via telephone were recorded and handwritten notes were taken as well. The records, interviews were later on transcribed into texts for later analysis and coding. The interviews were transcribed exactly from words to words as said in the interviews to avoid any misunderstandings and taking words out of the context. The recording of interviews also enabled in-depth analysis of the tone of voice, emphasizes and hidden meanings later on in good time.

The above explained documentation during the interviews fulfills the requirements set by Eisenhardt (1989) in the fourth step in theory building, *entering the field*, as this step includes taking field notes to overlap data analysis and data collection. Field notes taken on scene enable observation and analysis already during the interviews and they are hence more effectively than analysis done only after the data collection. (Eisenhardt 1989)

3.2.5 Limitations of the data collection

The only one of Eisenhardt's eight steps for theory building that was not implemented in this thesis is the third step, *crafting instruments and protocols*, which refer to multiple data collection methods as well as multiple investigators (Eisenhardt 1989). This study was implemented by interviewing specialists, HR professionals of the case companies. Single data collection method was seen to be adequate because the purpose of the study was to develop theories, and to provide new knowledge and information on international trainee programs from the company perspective of Finnish and Swedish multinationals.

One of the HR-managers that I was supposed to interview had to cancel our meeting at the very last minute, and due to her hectic schedule I was forced to interview the HR assistant instead. The HR assistant was a rather new employee at the company and had not been

involved with the trainee program itself at the specific company, which naturally limited her knowledge of the subject. However, I gained a lot of new knowledge and information regarding that certain trainee program and I was able to get an answer by e-mail from the HR advisor for the unanswered or insecure subjects of the topic.

3.3 Analyzing Data

Once all the interviews were conducted and the records transcribed into texts they were categorized and sub-categorized according to their meanings and interpretations (Langley 1999). Then the fifth step for theory building which is *analyzing data* was put in action. It refers to the importance of data analysis in creating theories. The within-case analysis is driven by an overwhelming volume of data, which is in an important aspect due to the fact that research problems are often open-ended. (Eisenhardt 1989) In this study the within-case analysis was put in action placing a lot of focus on all of the interviews and starting the analysis already while interviewing and observing the interviewees. The observations and analysis made were written down to notes and all the gathered data was studied profoundly in order to avoid too early generalizations at the expense of unique patterns of the case companies. Another important part of the analysis of data was cross-case search for patterns. The phenomenon and gathered data were approached from different perspectives, in many divergent ways to see the big picture. (Eisenhardt 1989) The cross-case analysis enhances generalizability and deepens understanding as it studies multiple cases which enable the researcher to identify easier and faster negative cases that will strengthen the built theory. (Miles and Huberman 1994)

A grounded theory (Glaser and Strauss 1967) refers to induction of study of the phenomenon it represents. It draws from systematic data collection and analysis that are used to develop a theory, thus data collection, analysis and theory are interlinked. In grounded theory building the researcher does not begin with existing theory but starts from studying the research problem and allows it to emerge into new theories. (Strauss and

Corbin 1990) The data gathered from the in-depth interviews was analyzed using grounded theory data analysis method, which is a common data analysis method in inductive studies. My study fulfills the requirements of grounded theory strategy for analyzing data as there were small units of data which was put into categories and subcategories for gradual category construction, elaboration and further analysis. These created categories and dimensions were gradually compared, coded and examined in order to analyze and understand the data in-depth. Ultimately the analysis led to identifying the core categories which formed the ground when comparing with the theoretical framework. Multiple cases of this research enabled the comparison of incidents that facilitated in-depth analysis of the data. This data analysis was used also because it tends to be very accurate staying close to the original data. (Langley 1999)

The remaining last three steps of Eisenhardt's (1989) model for building theories are *shaping hypotheses, enfolding literature* and *reaching closure*. These three steps will be further explained, and their execution in this study portrayed in the following two Chapters 4 and 5 in order to secure a coherent flow in the study. The three steps will be presented in their logical places in the research, reflecting Eisenhardt's (1989) model throughout the study, while placing the main focus on the data gathered, conclusions drawn, and theories built.

Next, the empirical findings will be presented.

4 EMPIRICAL FINDINGS

This chapter discusses the findings that this research discovered studying seven international trainee programs provided by six Finnish and Swedish multinational companies. In the beginning, the international trainee programs of the studied case companies will be presented briefly, followed by an analysis of the gathered data. After that, first, the data will be analyzed by comparing it to already existing information (Enfolding literature) that was presented in the frame of reference section, and to the created hypotheses to identify relationships between different variables in order to induct a theory that fits closely the data. The data will also be analyzed using a cross-case pattern search - comparing the collected data between the trainee programs. (Eisenhardt 1989) Second, new information will be illustrated and conclusions drawn. The main purpose of this chapter - as well as the entire study - is to provide an answer to the research problem and questions. In the beginning when general, public information is given on the companies their names are revealed. However, later on when discussing data that was gathered during the research interviews the interviewed people and the companies they represent are kept anonymous, and, thus, the companies are referred to as letters and employees as interviewee 1, 2, 3 and so forth. These letters and numbers are not in any order but were selected randomly.

4.1 The Case Study Trainee Programs

All the studied trainee programs last around 18 to 24 months, and as mentioned earlier, they all are aimed at graduate students with some, little or no previous working experience. All the programs are international, signifying that the studied companies are multinational, some even global, and trainees are rotated around the corporation in different countries and functions. All the programs are thus conducted in English, in which accordingly written and oral fluency is the first and most essential requirement for the applicants. Even though many of these programs have been conducted and planned to carry out continuously, and the companies have launched a new program once a year, the current slowdown - or partly

even recession - has naturally had an impact on the programs as well. Therefore many of the case companies have been forced to cut down recruitments which will also affect launching of new trainee programs in the near future. Some programs have been cancelled at least for year 2009, and some most likely recruit less trainees this year. However, there is always eventually an upturn after a downturn, and trainee programs are thus seen an important investment also during economical slowdowns.

All the studied trainee programs will be briefly presented in the following (also see Table 4 below).

Hartwall - International Graduate Programme

The program of Hartwall (Scottish&Newcastle) was first launched in 2003 and it was formed of four six-month periods, resulting altogether a two-year duration. According to the company, they have received over a thousand applications for 12 trainee positions during their trainee recruitment periods. All the trainees have been located around Europe within the corporation, all to a foreign country right from the very beginning of the program. All the trainees were required to have a university degree. (Hartwall 2008; Universum 2007)

Nokia – International Graduate Trainee Programme

Nokia recruits every year approximately 100 trainees. The recruitment is global and application time open all the time. The program was first launched around 2002-2003. It is formed of three six-month episodes which are implemented in different countries globally. Trainees are required to have a master's, MBA or PhD degree. (Nokia 2008)

Outokumpu – Stainless Pro Graduate Program

The international trainee program of Outokumpu is aimed at young technical and financial specialists who have a master's degree. Outokumpu launched its first international trainee

program in 2007 and received around 900 applications for eight open trainee positions. The purpose for such programs was to look for possible international leaders for the future. The duration of the program is two years of which some periods are spent in different units abroad. (Outokumpu 2008; Universum 2007)

Skanska – Global Trainee Program

The Skanska program is aimed at people who have recently graduated from college or university. The program lasts altogether two years which includes two working periods abroad. The first program started in 2007, and only five countries where Skanska operated were involved in the program. In 2008 the program was expanded to cover all Skanska countries. (Skanska 2008)

TeliaSonera – International Trainee Programme

TeliaSonera's trainee program was first launched in the beginning of 2008. It is a one-and-a-half-year program that includes minimum a three-month period of working abroad. TeliaSonera recruited 30 trainees for their first program and they were located around Europe. TeliaSonera trainees must have a college or university degree. (Universum 2007)

Wärtsilä – Future Business Leader Program

This program of Wärtsilä is aimed at young financial specialists. The program was first launched in 2007. It is global and all the 12 trainees are placed around the world within the corporation. The program lasts 18 months during which the trainees are rotated within the corporation in several countries. All applicants are required to have a business or technical university degree. (Universum 2007)

Wärtsilä – R&D Professionals Program

This Wärtsilä's R&D program is designed to attract young experts with a technical master's or PhD degree. The recruitment process of the program was first launched in 2008 and it started in the fall 2008. It is created for 12 specialists who rotate around the world within the corporation to develop their proficiency. The program lasts 18 months and is conducted globally. (Wärtsilä 2008)

TABLE 4. Case company trainee programs

Company	Trainee Program	First launched	How many trainees	Location	Degree required
Hartwall	International Graduate Programme	2003	12	Global	College or university degree
Nokia	International Graduate Trainee Programme	2002-2003	100	Global	University master's, MBA or PhD degree
Outokumpu	Stainless Pro Graduate Program	2007	8	Global	Technical or financial master's degree
Skanska	Global Trainee Program	2007	20	Europe, Americas	College or university degree
TeliaSonera	International Trainee Programme	2008	30	Europe	College or university degree
Wärtsilä FBL	Future Business Leader Program	2007	12	Global	Financial university degree
Wärtsilä R&D	R&D Professionals Program	2008	12	Global	Technical Master/PhD degree

(Information based on the interviews and Universum 2007)

4.2 Shaping Hypotheses

The sixth step of Eisenhardt's (1989) model for building theories from case study research is *shaping hypotheses*. This step is a highly iterative process that aims at sharpening construct definition, validity and measurability of the data gathered by illustrating the relationships between the research variables. One of the key aspects of this step is replication of information which will then confirm the theory built and create internal validity. (Eisenhardt 1989) First, general information that demonstrates different characteristics and rationalities behind the studied programs will be provided, followed by created hypotheses that reflect relationships between different variables of the study and help to create a theory that links closely with the data of all cases (Eisenhardt 1989).

Interestingly, the studied trainee programs seem to be quite similar (see Table 5 below), even though the companies are very different; they represent diverse industries, some are global and some quite local, and the company strategies are very dissimilar. The core idea of all the studied programs seems to be the same; to attract and acquire talented, promising and highly motivated recruits who they can then further develop to meet their labor/expertise demand. During the interviews trainee programs were often referred to as a new recruitment method that enables access to many talented graduates at once during the recruitment process while also gaining visibility to the company. Many companies stressed the importance of attracting people who match the company values rather than have explicit knowledge or skills that can be thought in the company.

4.2.1 Trainee Programs' Characteristics

All of the seven studied programs were designed to be mostly ready-made packages, however, leaving room for changes, customization and development according to individual needs. During the recruitment process, in most cases a designated manager/supervisor looks for a future employee to be located to his/her unit after the program. Thus, the characteristics vary quite a bit even within one company depending on

which manager and which unit is hiring. All the programs seem to be ready to relocate trainees later also to a different position, should it match the trainee's proficiency or company needs at that point better. All the recruitment processes of these trainee programs are global; anyone can apply and access the applications through the Internet, after all, the aim is to attract a diverse and international audience. Through the programs companies are looking for talented and promising graduates with no, little, or already some relevant working experience to be further trained and educated for the company needs. The level of expertise and experience looked for is, thus, diverse among companies which denotes that trainee programs are used to attract recruits to different levels at organizations. During the programs trainees are rotated in diverse departments within the company internationally, and they are trained mostly by engaging them to challenging, demanding tasks, as for instance as junior/assistant project managers. After the programs trainees are then in most cases placed directly to good positions with demanding assignments, and they often have a possibility to progress in their careers rather fast, which is at least partly due to the intensive programs that enable fast orientation to a company and industry.

TABLE 5. Characteristics of the Trainee Programs

Characteristics of the studied Programs	Company						
	A	B	C	D	E	F	G
International rotation	•	•	•	•	•	•	•
Mentoring	•	•	•	•	•	•	•
Global recruitment process	•	•	•	•	•	•	•
Training	•	•	•	•	•	•	•
Aimed at inexperienced graduates	•	•	•	•	•		•
Trainees placed to a permanent position after the program		•	•	•	•	•	•
Learning from the best (top managers involved in the process)						•	
First assignment located abroad	•						
Fix-term contract	•						

All the programs are mostly based on challenging assignments through which trainees learn different tasks at the companies, but all programs also include some in-class training. Training periods are often provided at the beginning of the programs for all new trainees in one location, and most companies organize also other get-togethers for all trainees where they are required to present their work and given feedback. These kinds of training periods usually take place only a few times a year as the feedback is received also at the job from direct manager and mentor. Some companies also name a manager for the entrant right in the beginning of the career, while in others managers change according to tasks, assignments, country, and department worked at. All of the studied programs provide every trainee with a personal mentor who is often been a trainee him/herself before as well. In some cases mentors, though, have nothing to do with the program, and have been assigned to support and guide a newcomer in the beginning of his/her career.

Only one of the studied companies hires trainees on a fixed-term contract basis. All the others stated that trainees are hired directly as “permanent” employees and treated equally to all other employees, and the employment laws and regulations thus apply also to them. In one of the programs trainees are sent directly to a foreign country for a post starting from the first assignment, while in others trainees start by working for a few months at the home base, which can be recruit’s home country. All the companies informed that employees of managerial level are highly involved in the training and guiding of trainees. Most managers involved are middle level managers, however, one interviewee stressed that in their program also the top managers are highly engaged to the program and training of trainees.

4.2.2 Rationale for Trainee Programs

“No mehän lähetään turvaamaan tällä meidän talon osaamispääomaa, me halutaan saada hyviä, vastavalmistuneita nuoria henkilöitä meille palvelukseen globaalisti, joita me voidaan sitten kehittää niinku niiden meidän strategian ja tavoitteiden

mukaisesti ja sit taas edelleen kehittää nykyistä henkilökuntaa ottaen näitä entistä vaativimpiin positiioihin.” (Interviewee 4)

Many of the answers, explanations and reasons given for the rationale, existence and development of international trainee programs were rather similar between the interviews (see Table 6 below). Everyone stated in one way or another that such a program was necessary in order to compete for the best talent available, and to secure the company's need for future leaders and experts. As interviewee 4 said (see above) the intention of trainee programs is often also to add to the company's talent pool promising individuals, who can be further trained to match the strategy and aims. Thought, the studied programs have somewhat different goals in terms of the level of expertise and knowledge intended to acquire through trainees. As the definition of graduate trainee program itself expresses - the goal is to attract recently graduated, often rather young and inexperienced people. Also, most interviewees stated that trainees should have little or no relevant working experience. However, one of the case companies is clearly using this recruitment method to attract already experienced and highly performing individuals with concrete demonstration of expertise and abilities. As interviewee 6 (see below) illustrated the level of responsibilities, pace of career progress, and focus of trainee program can vary a lot among trainees depending on their backgrounds;

”Relevantista työkokemuksesta on hyötyä. Iät vähän vaihtelee, jossain maissa he on aika nuoria eikä ole paljon työkokemusta, sit taas osa ihmisistä on lähemmäs 30 ja voi olla perhettä ja vaikka 5 vuotta työkokemusta. Ja toki se sit heijastuu siinä rotaatiossa, koska toki ihmisille joilla on jo kokemusta voi antaa vastuullisempia tehtäviä.” (Interviewee 6)

It can, thus, be noted that international graduate trainee programs are valid in different kinds of companies and at different levels of professionals, or when attempting to attract people with different level of academic and professional knowledge and experience, and even goals in business life. Some companies seem to aim at finding

TABLE 6. Rationale for trainee programs

Company	Why was the program created?	What do they look for in trainees?
A	<ul style="list-style-type: none"> -to create future managers - to improve employer and company image -visibility in business life -collaboration with universities -to attain fresh ideas -diversity -future potential 	<ul style="list-style-type: none"> -future leader potential -university/college degree -international experience -independent, open attitude -highly motivated -passion for real work and learning -willingness for international challenges -English + other language skills
B	<ul style="list-style-type: none"> -to find future potential -to improve employer image -to attract people from different study fields -internationalize the company -attract recently graduated 	<ul style="list-style-type: none"> -leader potential -young, recently graduated -dynamic, flexible -international experience -forward striving -English skills -enthusiasm
C	<ul style="list-style-type: none"> -to create international experience possessing employees -to improve employer image -boost international company image -create own international talent pool -to develop the skills needed 	<ul style="list-style-type: none"> -college/university degree -language skills -some working and international experience -outgoing and social -potential for managerial positions -team player -flexible and efficient -constant development -willingness for challenges
D	<ul style="list-style-type: none"> -secure company's talent pool -to hire talent young people globally who can be developed according to company strategy -willingness to rotate around the world → knowledge transfer 	<ul style="list-style-type: none"> -young people with technical university degree (master/PhD) -specialists/experts in their own field of business -English skills
E	<ul style="list-style-type: none"> -to ensure potential future international leaders -to improve employer image 	<ul style="list-style-type: none"> -max three years of working experience -English skills -team player -managerial potential -fit the company culture -humbleness -strong drive
F	<ul style="list-style-type: none"> -tough competition for talented young people -one recruitment method -recruitment targeted to specific universities -collaboration with top universities -diversity (people who would not apply otherwise) -hiring talent, not filling openings 	<ul style="list-style-type: none"> -fit the company culture & values -international experience -willingness to move abroad during the program -English skills -graduated within about a year -lots of future potential -demonstration of abilities
G	<ul style="list-style-type: none"> -tough competition for workforce -cheaper to train many people at the same time -fresh, new ideas -boosting employer image 	<ul style="list-style-type: none"> -college/university degree -English skills -international experience -highly motivated -leader potential

talented young professionals who are ready to be located to managerial positions through trainee programs. Trainee programs can thus be seen as a “springboard” or a “crown-puller” for talented employees at more experienced levels as well. Thus a hypothesis that will be presented in the next section *Graduate trainee programs aim at attracting recently graduated, talented recruits* can be verified to be false already at this point without connecting it to existing theories as there are no previous theories to back up this new evidence, and the research evidence proves this statement to be inaccurate in some cases. The quotation below portrays another insight for launching an international program at the company.

“We are an international company and we thought that this is a great opportunity to ensure our potential future international leaders so in that sense we needed to make it international.” (Interviewee 5)

TABLE 7. Why companies have created trainee programs?

Reasons for the creation of the programs in studied companies	Company						
	A	B	C	D	E	F	G
To ensure pool for future managers	•	•	•	•	•	•	•
One recruitment method among others	•	•	•	•	•	•	•
Develop potential employees to match needs	•	•	•	•			•
Boost employer image	•	•	•	•	•		•
Fresh ideas	•						•
To gain diversity	•	•				•	
Hiring talent				•		•	
Collaboration with universities	•					•	
Acquire employees with international exp.		•	•				
Attract recently graduated	•	•					
Knowledge transfer				•			
Cost efficiency							•

Through trainee programs companies aim at attracting and engaging recently graduated recruits who have an international mindset, so that also their professional skills can be further developed to match current and future skill need within the corporation. Trainees tend to be young as it is often easier for younger people to adapt new cultures and environments, with perhaps fewer strings attached to a certain location. Willingness to travel and rotate around the world is naturally also a basic requirement that is required from trainees due to the nature of the program. Table 7 presented above summarizes other reasons for launching these programs, and they are elaborated in the following sections.

4.2.3 Hypotheses

The following hypotheses reflect relationships between variables of this research. These variables illustrate different characteristics of the studied trainee programs, as well as rationalities for their development in each case. The hypotheses will be tested in the following chapter (although the first hypothesis was already verified in the previous section) as the gathered data is compared to findings of cross-case analysis as well as to literature presented in Chapter 2. These hypotheses illustrate how well or poorly variables fit with the case data, and hence help to develop new theories of graduate trainee programs that fit closely to the data (Eisenhardt 1989).

- 1. Graduate trainee programs aim at attracting recently graduated, talented recruits.*
- 2. Trainee programs are customized to meet trainee's talents and proficiency.*
- 3. Trainee programs aim at attracting a specific talent pool.*
- 4. Trainee programs are believed to improve the employer image.*
- 5. Trainees are intended to be developed into future managers and leaders at the company.*
- 6. Trainees are developed through challenging assignments.*
- 7. Trainee programs include training periods after which feedback is provided.*
- 8. Trainees are treated equally in comparison to other permanent employees.*

4.3 Enfolding Literature

The seventh step in Eisenhardt's (1989) model for building theories is called *enfolding literature*. It refers to the comparison of the emergent concepts, theory built and hypotheses created with the existing literature that sharpens generalizability and constructed definitions (Eisenhardt 1989). In this chapter, I discuss the correspondence between the literature covered in Chapter 2 and the hypotheses – presented above – that were generated of the empirical study.

The data gathered through the seven expert interviews in this research was to a large extent corresponding to the data presented in the theoretical framework. The interviewees referred to many of the same characteristics and motives that were present in the theoretical framework, when explaining the rationale that drove their companies to create and launch trainee programs. This confirms both the accuracy of many of the earlier presented theories in business life, as well as at least fairly correct interpretation of the experts' responses. All the interviewed professionals acknowledged the problem of attracting talented people, as well as retaining and developing them into future managers and experts.

4.3.1 Versatile Target Group of the Programs

Graduate trainee programs naturally aim at attracting people who have recently graduated from university or college. According to the responses of the expert interviewees it seems that all university graduates with a good degree, fluent English, some international experience, strong drive and willingness to be placed to international positions are potential recruits as trainees. Many of the interviewees stressed that one of the core ideas of their program is to attract graduates from different backgrounds with diverse degrees. Trainee programs aim at attracting and acquiring versatility of experience in terms of academic background and mindset. Trainees will in the future operate in various functions, each in a position that meets best their proficiency, thus there is a need for various kinds of expertise and skills. The data thus verifies the hypothesis *Trainee programs are customized to meet*

trainee's talents and proficiency to be true. Cooperating directly with universities by organizing recruitment events et cetera, the interviewees believed that they can attract more potential recruits, and more importantly such graduates that would not have applied to the company otherwise as interviewee 6 described;

”Mä uskon et siinä on se et varsinkin siinä vaiheessa jos on yhteistyötä yliopiston kanssa, niin voi olla et me saadaan jopa sellasia kandeja, jotka ei hakis muuten ja saadaan siihen sitä, jopa enemmän sitten sitä diversiteettiä, plus siinä on se, et mikä tässä on ollu tässä graduaatio-ohjelmassa on se idea, että yleensähan rekrytoidaan jotain tiettyä positiota varten, et on paikka auki ja siihen haetaan ihmisiä. Meillä on tässä se idea, et me haetaan sitä, niitä lahjakkuuksia, eikä niinkään tiettyyn avoinna olevaan paikkaan.” (Interviewee 6)

Interviewee 4 (see below) also emphasized that personality, values, motivation and drive are often seen to be more important when recruiting trainees than explicit knowledge, which can be taught to anyone. Of course basic requirements need to be met first, but later on it is more about the person and the right attitude.

”Me haetaan nyt suoraan vastavalmistuneita, niin kyl me haetaan oikeaa tyyppiä. Koska heillä ei kuitenkaan voi olla sitä taitoa mitä tarvitaan täällä, niin kyl me haetaan oikeita tyyppejä, joka on valmiita hankkimaan itsellensä sen taidon. Heillä on hyvä teoreettinen koulutus taustalla, mut se se taito nimenomaa käyttää sitä ja hyödyntää, edelleen kehittää sitä taitoa täällä on meidän vastuulla. Oikea tyyppi oikealla asenteella.” (Interviewee 4)

The above presented responses also verified the idea presented in the literature review, for example by Stahl et al. (2007), according which companies are in fact already hiring talent when its available, instead of hiring only for openings. Attitude, drive and motivation in the job are seen to be more important attributes than experience. Though, all the companies look for trainees who have either a university or college degree. Most of the studied

programs are focused on financial and managerial fields (one is clearly aimed at experts in engineering etc.), thus most trainees and recruits have a business degree. Although, as interviewee 3 (see below) explained, they encourage graduates who have degrees in other fields to apply as diversity is welcome also in trainee programs.

”No jos puhutaan ihan taustalta, niin me haettiin ihan korkeakoulututkinnon suorittaneita, kaikki ei ollut maistereita ja loppuvaiheessa laskettiin suomenkin amk:t bachelor tasoiseksi. Mielellään, melkeen suuri osa on ollut kaupalliselta alalta, joko taloushallinto, markkinointi, myyntii, mut sit me ollaan siinäkin pidetty tosi auki se, koska sit me ollaan löydetty esim. valtsikasta ja muualta ihmisiä, et ei välttämättä haluta pysyä sit vaan siinä kauppa korkeakoulussa.” (Interviewee 3)

This, and other similar statements made during the interviews confirm Michaels et al. (2001) theory presented earlier according which many companies have started to hire their employees from different study fields, and thus their talent pool has widened. Talent from diverse background and groups of people is necessary to extent and strengthen company's knowledge, know-how and expertise in all areas (Michaels et al. 2001). As all this data illustrates, trainee programs aim at attracting a diverse pool of graduates and expertise. Thus the hypothesis *Trainee programs aim at attracting a specific talent pool* can be confirmed to be false, inaccurate to fit the evidence.

Naturally, in addition to a good university/college degree there are other characteristics that companies look for in trainees; ability to see outside the box, drive, outgoing and social personality, leadership potential and team work material just being a few mentioned by interviewee 3 as follows;

“Ja se mitä me haetaan on niinku henkilöitä, jotka niinku ensinnäkin pystyy näkemään sen oman alueensa ulkopuolelle, et on kiinnostunu siitä liiketoiminnasta kokonaisuudesta, ei vaan siitä et mun täytyy saada tehdä markkinointia. Ne on ulospäin suuntautuneita, sosiaalisia, ne osoittaa potentiaalia esimiestehtäviin, ja

tämmöset tiimityöskentely taidot on valttia, elikkä joustavuus, tehokkuus, jatkuva kehittäminen, semmonen oma-aloitteisuus, aktiivisuus ja semmonen et niinku hakeutuu uusiin tilanteisiin, uskaltaa kyseenalaistaa sen vallitsevan statuskulun, ja sillä tavalla on semmosia kuitenkin tekijöitä, et pitää olla pientä visionääriä.”
(Interviewee 3)

Companies, thus, seem to have launched trainee programs also to attract recent graduates with a strong drive, and determination to succeed and make progress in their careers. Trainee programs were designed and built around international mobility, challenging assignments and faster career progress in purpose, so that companies could maybe find more easily employees who have long-term interest for the company, and are willing to take responsibility. The design of trainee programs is thus inevitably in this sense based on the theories of McCall (1998), Ready (2004) and Sadler (1993) that were presented in the literature review of Chapter 2.

Although many companies use same recruiting processes and criteria for trainees as for any other new employees (as interviewee 6 responded below), the focus is a bit different in trainee programs, as the recruits tend to be young and inexperienced. The focus in selection processes is thus built around attitude and potential.

”Me käytetään periaatteessa ihan samoja perus rekrytointiprosessia ja -haastatteluja kuin mitä me käytetään muutenkin rekrytoinnissa” (Interviewee 6).

Therefore it was described that recruiters often ask trainee candidates to elaborate on their previous working experience in forms of different kinds of illustrative assignments and questions. During the interview and examination processes candidates are also asked to describe themselves and their potential actions in fictional situations, and to express themselves in ways that reveal the recruiters their values and how well they would fit the corporate culture. Table 8 summarizes the basic requirements set for trainee candidates.

TABLE 8. Requirements of recruits

Basic requirements for trainees	Company						
	A	B	C	D	E	F	G
English skills (+other language skills)	•	•	•	•	•	•	•
University/college degree	•	•	•	•	•	•	•
International experience	•	•	•	•	•	•	•
Willingness for int. challenges	•	•	•	•	•	•	•
Strong drive, enthusiasm	•	•	•	•	•	•	•
Mobility	•	•	•	•	•	•	•
Net-working, team-building abilities	•			•		•	
Humble attitude					•		
Previous relevant working experience						•	

4.3.2 Competition over Same Talent

Similarly to McKinsey & Company (e.g. Michaels et al. 2001), all of the interviewed professionals also believed that the “war for talent” is a reality and going to challenge multinationals in the near future. They all seemed to agree with one another, that it is very hard to attract qualified and potential leaders and experts, and thus companies in the future have to put even more effort on attracting graduates and other potential employees. When asked about the level of education in Finland, and whether too many Finns have an academic education, while there is a lack of blue-collar workers, everyone responded that in their opinion there are not too many highly educated people in Finland. According to one of the interviewees, people with PhDs often decide to stay in the academic world very long, instead of returning/joining business life - or at least collaborating with companies as a researcher - earlier which would make the transition easier later on, if necessary.

Many of the interviewees - and the companies they represent - believe that a graduate trainee program is one solution in the battle for the most talented and suitable employees.

Altogether six out of the seven respondents emphasized the need to improve and boost the company - and especially employer image - so that potential employees would find it an attracting, appealing and potential employer. Trainee programs are considered to have a positive effect on the company and employer image in the minds of recent graduates. As interviewee 3 (see below) stated, such programs create an image of a company as an international employer that provides international opportunities, something that many of the target group's potential recruits tend to find appealing. In fact, all the interviewees believed that an international trainee program will improve its image especially in the eyes of young and internationally oriented people.

”Ja tietenkin tällöinen trainee ohjelma on myös työnantajakuullisesti, niinku yritys imago mielessä tärkeä, niin sit siinä niinku kampattiin kaksi kärpästä yhdellä iskulla, et alettiin valmentaa itselle henkilöitä ja tälläistä kansainvälistä poolia, jotka olis tulevaisuudessa niitä kyvykkyksiä yhtä lailla, ja sit taas toisaalta ylläpidettäis ja kehitettäis meidän mainetta kansainvälisenä yrityksenä ja työnantajana.” (Interviewee 3)

Also interviewee 1 (see below) explained that the trainee program is also important for their company in order to improve the employer image and name in the public, and especially among university students. As described in the Frame of Reference chapter, employer branding is an important way to compete for talent (Stahl et al. 2007).

”Ja sit tietysti me halutaan parantaa meidän imagoa, tällöistä työnantaja brandiä, halutaan olla myöskin sillä lailla näkyvillä tän ohjelman kautta, ja sitte me tietysti halutaan tehdä yhteistyötä näiden opinahjojen kanssa.” (Interviewee 1)

Furthermore, graduates were believed to be attracted to employers that are up-to-date, active, visible in business life, and provide new entrants training and challenging assignments. Many of the studied companies possess an image of a traditional company that employs mostly older people, and trainee programs were believed to refresh employer

image in terms of allocating resources to attracting and advancing careers of younger employees. During the recent years many of the case companies have been aging, and younger people have struggled with picturing themselves working in such outdated environments. As it was mentioned in the frame of reference, many young people of Generation Y often prefer to work at “sexy” industries (Gerdes 2006; Guthridge et al. 2008), which some of these companies have not been categorized into. Besides a fresh image, a trainee program can also provide graduates - who are novice in working life – a profound introduction to business life and the industry. Only one company did not consider improving of company or employer image to be essential when designing its international trainee program. In its case it makes sense, though, as it has already achieved an employer image that is on a solid level and globally well valued without having to focus extra attention on it. The hypothesis *Trainee programs are believed to improve the employer image* can be verified to be true, accurate and fit the data closely even if one of the interviewees did not address the subject. As all of other six interviewees strongly believed in the connection between trainee programs and improvement of employer branding, and also the literature reviewed backs up this hypothesis, its importance in inducting new theories cannot be ignored. In addition, there is a possibility that the seventh interviewee would have agreed with the statement should the question have been presented.

4.3.3 Development of Attained Talent

Some interviewees stated that their trainee program is - among other elements - supposed to identify and create access to potential future talent by training and adding new people into their own talent pool – employee record. In the companies talent pools are used to relocate and further train employees’ talent, and to match the company labor need with variety of competences that people in the talent pool possess. The idea behind such a procedure is to recruit the most talented, best possible employees already at an early stage of their career to enable the desired further training, and mediation of company culture and values. These statements walk hand in hand with the theories by Stahl et al. (2007) and Michaels et al.

(2001) presented in the second chapter, thus, trainee programs can be seen to be one method for creating a talent pool. The hypothesis *Trainees are intended to be developed into future managers and leaders at the company* can thus be confirmed to be accurate.

The researched trainee programs fit very well into the theories portrayed in the frame of reference, at the chapter “A Rationale for Talent Management”. All, except for one of the studied programs, are designed for recently graduated people who have either no or little working experience. Basically all trainees thus start from scratch when entering the company. They all have their own mentor or manager all the time to support and guide them, and in addition line managers who guide them through projects and assignments, enabling learning from more experienced people, sometimes even the best. All of these trainee programs are formed of various functions, cross-functional assignments, and they all include periods of working abroad within the company at some point of the program. Moving to new jobs, international and challenging assignments, and job rotation are other tools that are used in trainee programs to develop trainees. All of these mentioned characteristics reflect the theories presented earlier in the literature review (e.g. by Stahl et al. 2007 & Evans et al. 2002).

Besides of just developing trainees’ talents, these described development methods are also used to commit, motivate and engage young employees. In the frame of reference a theory by Evans et al. (2002) was presented that explained the beginning of professional careers to be the most fruitful time for learning-driven international assignments. The reason behind such a statement is that younger, less experienced employees tend to develop and learn new skills easier than later during their careers (Evans et al. 2002; Dytchwald et al. 2002). Naturally, also these elements and rationalities have supported the ideas behind launching of trainee programs in the studied companies. This information and data verifies the hypothesis *Trainees are developed through challenging assignments* to be accurate, as all the interviewed professionals stated trainees’ assignments to be challenging, and the literature also supports the idea of training through challenging assignments.

In addition, through trainee programs Finnish and Swedish multinationals aim at developing independent, self-sufficient and responsible employees that are not afraid of taking risks and responsibility. Therefore, all the companies require that trainees are willing and able to move quickly from one job and task to another, often located in a different country as well. Educated people of generation Y (born after 1980) often fit the group of recent graduates, and they were the ones who were also described to be flexible by Dycthwald et al. (2002) in Chapter 2. Moving to new jobs was also one of the principle requirements set for applicants, thus, it can be expected from trainees. Trainees are also given lots of responsibility in their own learning process; support and help is always provided but trainees need to ask for that themselves and not just wait for everything to be handed to them, as the following response of interviewee 5 illustrates;

“We give them as little as possible; we want them to take responsibility, its very important.” (Interviewee 5)

All the studied programs are based to a large extent on learning from different jobs that are conducted in various countries and cultures within the company. This kind of international job rotation and mobility forms a core to the programs, and also partly limits selection of candidates among all applicants, as willingness to international mobility is one of the basic requirements set to be admitted to the programs. Job rotation, especially when conducted across borders can develop a broad understanding of business within and outside of the company, and the industry in general as explained by Michaels et al. (2001) in Chapter 2. Companies do not require a lifetime commitment to mobility and international tasks, but rather stress the learning opportunities that other cultures, perspectives and foreign functions can provide, as interviewee 6 explained:

”Mut se mitä me haetaan tässä on, että välttämättä ihmisen ei tarvi olla valmis tekemään globaalia uraa loppuelämänsä, mut se, että vaikka hän päätyis tekemään ihan lokaalia uraa niin meidän näkökulmasta siitä on kuitenkin hirveesti

hyötyä, jos hän on nähnyt sitä samaa työtä tai samaa organisaatiota sit vähän eri maista tai eri näkökulmista.” (Interviewee 6)

All of the studied programs require international mobility during the programs and most send trainees abroad many times, as explained below by interviewee 7;

”Ohjelman alussa on parin kuukauden perehdytysohjelma, jonka jälkeen kukin kiersi 6+6+3+3 kuukauden moduuleissa eri toimipaikoissa, jokaisella on vähintään kaks ulkomaanjaksoa.” (Interviewee 7)

International job rotation, diverse tasks and training boost trainees’ confidence in their personal and professional competences due to responsibility and challenges trainees are given right from the very beginning of their careers. Multiple and diverse tasks also enable receiving feedback, coaching, mentoring and assessment from various older employees and managers, and viewpoints, at the company. Career planning is also present right from the beginning due to the structure of programs, and expectations of trainees and employers are set and defined to ensure that both parties are on the same page of the future at the company. All these features that can boost employee’s confidence at the job, and enhance communication were also discussed in the literature review (McCall 1998), and thus trainee programs can be seen to be one means for successful careers. All the programs were described to be partly formed of in-class training periods, and feedback is essential part of the learning process. Thus the hypothesis *Trainee programs include training periods after which feedback is provided* can also be verified to be true and well fitting to the data.

4.3.4 Definitions of Leadership Talent

All the interviewed professionals talked about talented young graduates when describing recruits they are looking for the programs. When asked what does talent, expertise and a potential leader signify at the company, for instance the following responses were received;

“They [trainees] should be...have a very strong drive, a very strong drive, also be able to listen to others and also the humbleness is very important.” (Interviewee 5)

Traditional Nordic values and traits can be identified in the above presented description of potential leadership characteristics. Humbleness and listening to others are elements that are often combined with leadership in the Nordic countries, especially in Sweden, as overconfidence and individually made decisions are often considered to be negative characteristics. Swedes tend to make decisions collectively, discussing different ideas in groups to reach a shared agreement (Hofstede 2001). There are cultural differences already among the studied Nordic countries, Finland and Sweden – not to mention bigger geographical settings - therefore also the responses gathered in this study were quite diverse.

”Heidän pitää olla oman alansa erikoisasantuntijoita, me kehitetään siitä huippu, meidän yritys ei pärjää jos kaikki haluaa olla liidereitä. Ja me halutaan fokusoida tällä hetkellä erittäin paljon just tällaisten ekspertti henkilöitten kehittämistä, löytää heille urapolku, koska he kuitenkin tietotaidollaan tuovat sen millä tää yritys sit elää. Et hyvä johtajahan on se joka sit kokoomaan ja keräämään ja ohjaamaan tätä tiimiä, et se sit saavuttaa ne tavoitteet, ja pystyy ohjaamaan henkilöitä ja omaa yksikköään et saavutetaan tavoitteet. Mut sitä ei voida tavoittaa ellei meillä oo niitä meidän eksperttejä siinä mukana.” (Interviewee 4)

The description a good leadership of interviewee 4, then again, reflects traditional Finnish leadership features; a leader is believed to be a person who can take charge, delegate and lead employees (Hofstede 2001).

”Meillä on sellaset leadership arvot, jotka on erittäin tärkeitä ja niitä mitataan myöskin. Meillä tehdään kaikille henkilöille arviointi, joka peilataan näitä leadership arvoja vastaan, ja siinä jokainen saa sellasen tietyn mittarin tai luvun

millä tasolla ne on, ja meillä on tietyt tasot millä ne pitäisi olla, ja jos ne ei ole niin sitte tietysti pitää asialle jotain. Ja siis tällaisia henkilöitä me tietenkin nyt haetaan jotka olis niinku sopivia siihen. Ja oikeestaan nää kriteerit mitä täällä on, on et on korkeesti motivoitunut, ja tämmönen avoin, avarakatseisuus ja et on todella with passion for real work and learning, and willingness for international challenges.”

(Interviewee 1)

To sum up, most interviewees highlighted that drive, motivation, passion for the work, and learning and development, in addition to cooperation, delegation and networking abilities are characteristics that are highly valued at their company, and are thus important for trainees to possess as well. Some of the experts also stressed that managers, and accordingly trainees also, should be humble, down to earth, and able to listen to others in order to gain others' respect and trust in the corporation. These diverse characteristics and roles reflect that leadership, talent and expertise can be anything depending on who is asked. It should be safe to conclude, though, that in general trainees - future's talent, leaders and experts are expected to be a good combination of drive to succeed, enthusiasm and open-mindedness matched with the right attitude and basic competences looked for during the recruitment period. As in all recruitment processes, also in the case of trainee programs companies people are recruiting people, and thus personal chemistry and first impression might be the most important attributes in defining important characteristics in recruitment to trainee programs, at least during the first interview rounds.

4.3.5 Trainees' Future

All of the studied companies seem to invest a lot on their trainees, be that financially, time-wise, or labor resources that are engaged to the process. Trainee programs are clearly a serious recruitment channel through which companies aim at finding and attracting the best talent for their current and future needs. Trainees are in many cases treated more as expatriates and valuable assets, than recently graduated, inexperienced people. As the

quotation below demonstrates, multinationals hire trainees with a long-term perspective, developing their skills so that they progress in the company, paying eventually back the investments made.

“Ohjelma on kallis, joten ehkä taantuman tullessa traineet ei ole ensimmäisiä jotka saa lähteä” (Interviewee 2).

Six out of the seven studied programs hire their trainees directly to permanent jobs (see interviewee 6 below), which denotes that trainees have the same legal rights as all the other employees and a job after their “graduation” from the program. This, of course, makes sense, since training, mentoring, coaching and international rotation for even as long as two years is a big investment in money and resources. Therefore, naturally the goal of the company which hires trainees on a fixed-term contract is to employ them after the program.

”Me palkataan suoraan vakituiseksi, et henkilö on vakituksena jo tän ohjelman aikana ja mut sit sen jälkeen vaikka he on graduaatio ohjelmassa ja he saa siitä tietynlaisen edun tän rotaation suhteen mut silti he menee sit suoraan ihan oikeisiin projekteihin, eli he on ihan samalla viivalla muiden kanssa, et jos se homma ei sit syystä tai toisesta toimi, heillä on tulosvastuu ihan siinä samassa missä muillakin.”
(Interviewee 6)

“Kaikki sijoittuvat ohjelman loputtua yrityksen yksiköihin eri puolille maailmaa Finance-organisaatiomme eri tehtäviin.” (Interviewee 7)

Lombardo and Eichinger’s (2000) theory presented in the frame of reference backs up this statement as they argue that high potential can be revealed in the way a person demonstrates his/her abilities to learn from experience, leaving thus main responsibility of success for the trainee themselves. The above presented statement as well as the ones made by other interviewees also verifies the hypothesis *Trainees are treated equally in comparison to other permanent employees.*

4.4 Beyond Existing Literature and Theories

Whereas the previous section focused on describing the general information on the studied multinationals, trainee programs and their characteristics, as well as the correspondences between the existing literature, hypotheses and the new data, this chapter presents all the new information obtained through this research. Even though the studied companies, as well as the trainee programs operate in different fields of business, and are diverse in nature, the data gathered was mostly somewhat similar. Therefore general conclusions on the existence and nature of such programs can be drawn. The following presents new information that describes the rationale for creation of international trainee programs in multinationals.

4.4.1 New Elements

Almost every one of the interviewees stated at least one reason or advantage to back up the launch of trainee programs that was not discussed in the literature review or talent management theories in general. These are the topics that arose during the interviews:

- Knowledge transfer
- Internationalization process
- Visibility in business life
- Fresh ideas
- New recruitment method
- Savings as many new entrants can be trained at once

One interesting aspect that arose during one of the expert interviews is the role of trainees as knowledge transferors. While rotating within the company internationally, learning new functions, and acquiring tacit and explicit knowledge from managers, mentors and other older employees, trainees also often operate as means for knowledge transfer themselves.

Not only do they further educate themselves all the time, but they can then also forward the gained knowledge to other employees in different departments, units and countries. Trainees' rotation between diverse functions, departments and subsidiaries of a company enables internal information flow, and transfer of knowledge. At the same time trainees themselves also adapt different methods, cultures and approaches that are used or necessary to acknowledge while doing business in a company. Naturally, global rotation also increases networking opportunities and creation of relationships which will most likely benefit the trainee his/herself later during the career progress. Interviewee 4 explained the advantages of such a situation as followed:

”Ja toinen tarkoitus on [for creating a global trainee program], et jos me haetaan nyt heti globaalilla ulottuvuudella näitä henkilöitä ni, et he on sitte valmiita tietysti siirtymään paikasta toiseen ja tätä kautta pystyy tuomaan tätä osaamisen siirtämistä eri yksiköiden välillä ehkä luonnollisesti jokaiseen tilanteeseen.”

(Interviewee 4)

Using job rotation and, for instance, expatriates to transfer best knowledge within a company to is nothing new (e.g. Szulanski 1995). Yet, talent management theories have not yet addressed the possibility of transferring important knowledge through graduate trainee programs. Now that large numbers of so-called “baby-boomers” are retiring in many developed countries, trainee programs can be a good method to capture the tacit knowledge that older managers and other employees have gained by transferring it to the younger generation, trainees.

During the interviews with smaller, still rather local companies, the idea of trainees as actors also in the internationalization process of the company came up. As the following statement of interviewee 3 summarizes, some large companies still lack international market knowledge and cultural know-how when starting their internationalization. In such cases internationally oriented and mobile trainees are essential for the future success, as they can be used as agents in the internationalizing process.

”Niin se lähti siitä et kun yritys lähti kansainvälistymään silloin 2000-luvun vaihteessa, niin todettiin, et he halusi hirveesti ulkomaille, mut sit huomattiin myös samaan hengenvetoon että ei oo osaamista.” (Interviewee 3)

Many of the interviewees stated that visibility in business life, and among young talent and university graduates, is one reason behind the launching of the program. As these programs are international, and many trainees are looked for at once, the on-line campaigns, as well as other advertisement campaigns tend to be large and attract lots of attention. Trainee programs are big investments for companies, and therefore spending additional resources for their publicity seems not to be a problem. Through trainee program campaigns companies receive positive attention and visibility, as well as improve and refresh their employer image as explained earlier, and gain recognition in general within the industry, other companies, suppliers, investors and consumers.

In some companies young, recent university graduates are believed to bring to the companies fresh ideas and recent academic knowledge. This reflects that trainees are given lots of responsibility, but also challenges and opportunities to use their expertise. Especially companies that have had an image of an “aged” company, whose most employees are about to retire, stressed the importance of engaging the younger generation through their trainee program. Many interviewees, however, described the program to be just another recruitment method, and a new way to attract talents’ attention and interest. Many companies have surprisingly, though, launched their programs almost at the same time, which denotes that trainee programs might be another trend, something that everyone has started to develop just because everyone else is also doing so.

”Suomessa sit taas on ollu paljon mielekkäämpää tehdä trainee ohjelmia, koska Suomessa trainee ohjelmat ei ole vielä kärsinyt inflaatiota.” (Interviewee 3)

According to the above presented quotation trainee programs have, though, already lost some of their shine and freshness in countries where they have already for awhile been popular among companies. Interviewee 3 believes, however, that trainee programs have not yet reach this point in Finland due to their novelty here.

One of the interviewees explained that they have focused the recruitment of their trainee program to specific universities to match the need of certain competences. The need of skills, though, varies, and thus segmentation of recruitment also varies. Instead of focusing only on the top university graduates everyone is fighting for, they look for graduates that have the skills and abilities needed at their company at different times. Trainee programs are described to be a new, special recruitment method among others, and useful especially when recruiting young talent.

”Siinä on ihan ollu se, et koska on hirvee kilpailu niinku lahjakkaista nuorista, vastavalmistuneista ihmisistä niin tota tää on yksi rekryointitapa tietyllä lailla, ja siinä he haut kohdistetaan ihan tiettyihin yliopistoihin ja tota siinä haetaan oikeesti niitä maailman huippuosaajia. Mut se ei välttämättä niinku meidän kohdalla tarkota sitä, et me otettais niinku vaan ne kalleimmat ja hienoimmat ja parhaimmat koulut niinku maineeltansa ja kohdistettais meidän haut niihin, vaan me ollaan yritetty katsoa et mitkä ois ne koulut, jotka oikeesti sopis meille parhaiten, et mistä löytyy sitä osaamista mitä meillä tarvitaan, et se ei välttämättä oo et se ois vaan joku Harvard tai näitä tämmösii, eli vähän vaihtelee..” (Interviewee 6)

Other rationalities that lie behind the development and launching of trainee programs in Finnish and Swedish multinationals were described to be cost efficiency - savings as many people can be trained at once, and simply their novelty - something new the company wanted to try to attract young employees:

”Kyl se tietysti osaksi on se, et tarve on ollu aika suuri jo useamman vuoden, mutta markkinat, vapaana olevan työvoiman markkinatilanne on tiukka ja tietysti

halutaan sit yrittää löytää erilaisia vaihtoehtoja millä houkutella nuoria”
(Interviewee 4)

4.4.2 Trainee Programs’ Challenges

The data gathered attests that graduate trainee programs of Finnish and Swedish multinationals are quite fruitful, both for the companies and trainees. Companies are supposed to attain the talent and labor needed, while trainees gain important knowledge, which possibly enhances them a faster career progress - which is perhaps harder through other entry channels. As these programs are still a somewhat new trend or phenomenon, all the studied companies most likely have current employees who would fit the set criteria but graduated too early to apply to the trainee program. Undoubtedly, some of the current employees of these companies that provide newly graduates trainee opportunities will resent the structure of the programs and feel less important than new trainees, or detached from the organizational career progress. Some of the interviewees had acknowledged the issue of career paths being easier or smoother for these trainee freshmen, than to older employees, and therefore unfair. To eliminate any possibilities for that, and to avoid envy of other employees, all of the studied companies emphasize that after the program trainees are responsible for their own career progress and possible success themselves. All the companies also underlined the importance of taking responsibility of the work and networking. Many of the interviewed professionals highlighted that all the employees are at the same level in the company, regardless of age, sex or ethnicity, and thus also trainees will have to earn their position after the trainee program. The companies attempt to ensure this by selecting people who fit the company culture and values.

One of the studied companies aims at sustaining possibilities equal for all their employees concretely also in terms of trainee programs, and thus it has created another trainee program that is aimed only for their current employees. The rationale for having two overlapping programs is simply to offer equal opportunities for everyone with same kind of

potential, education and abilities. All of their employees who fulfill the set criteria for the trainee program can apply for the internal one. The two programs are kept separate in purpose; the external trainee program aims at attracting new, recently graduated employees, and recruits from different study fields and backgrounds, while the internal one encourages current employees to further develop themselves through, for instance, job rotation to progress faster in their careers. Some companies, however, allow current employees also to apply to their trainee program should they fulfill all the criteria set. Others, on the other hand, aim at finding and attracting new recruits outside of the company, and hence they do not allow their current employees to apply to the programs, nor do they offer an additional internal program.

Trainee programs do not, logically, always meet the expectations and promises given, or otherwise satisfy all trainees – or employers for that matter. In all the companies where they have already a few years of experience of trainee programs, some trainees have left the company either during the program or soon after their “graduation”. This is the worst-case scenario for the company as they invest lots of money and resources on the programs, and aim at finding and developing devoted, long-term employees who mediate their attained expertise during years to come.

“I don’t see that we would have all the trainees in five years but we will have the ones that we really want to have.” (Interviewee 5)

The above presented quotation refers to false expectation of trainees and the company, which is of course in some cases a reality. Some trainees have decided to quit the program, or leave the company right after it in some of the studied programs, while others are not relocated after the program due to lack of competences needed, or other problems. Most trainees who fit well the profile set before the program, and have also been provided with the opportunities promised at the company tend to stay also after the end of the temporary program.

Interviewee 2 (see below) described another problem that they have faced in the company due to changes in trainees' living situation, or other reasons that limit willingness to international rotation;

”Täähän me ollaan huomattu paljonkin näitten nuorten keskuudes, on se, että he halua kansainväliseen yritykseen töihin missä on mahdollisuus kansainvälisiin työtehtäviin, mutta he ei välttämättä sit otakaan sitä vastaan jos sitä tarjotaan. Elikkä ne halua olla sellasessa yrityksessä missä on kaikki ovet avoinna, mut he ei ookaan sitte ite loppujen lopuksi välttämättä valmiita lähtemään.” (Interviewee 2)

All in all, most of the studied programs are still very new and it will take years to gain realistic results of the success, challenges and long-term results of trainee programs.

The following chapter presents new theories that were developed based on these empirical findings and creates hypotheses.

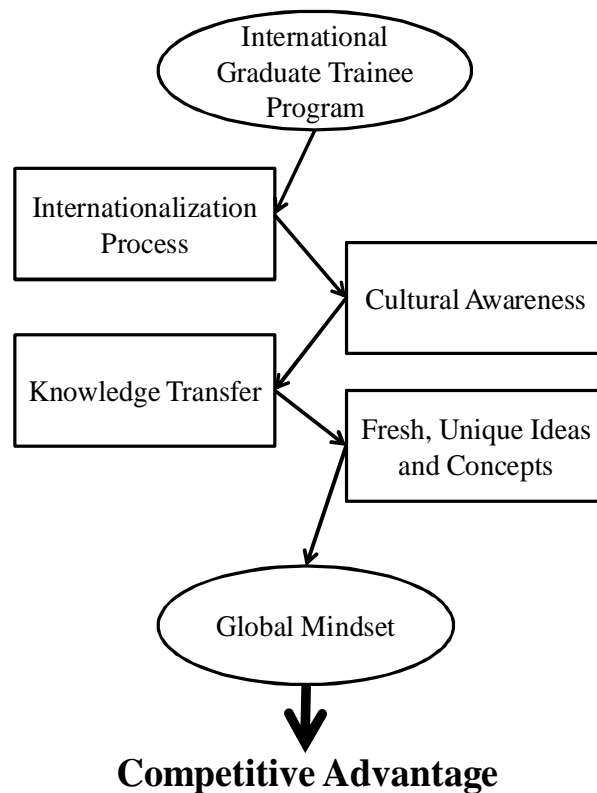
5 TOWARDS A THEORY OF GRADUATE TRAINEE PROGRAMS IN MNCs

As Chapter 4 illustrated, Finnish and Swedish multinationals develop and create international graduate trainee programs for various reasons. For one, to acquire future's talent, and to ensure access to talented employees and managers that possess company and industry information whom they can also further develop according to their needs. In addition to the existing theories, this study indicates that Finnish and Swedish multinationals develop and launch international graduate trainee programs to facilitate internal knowledge transfer in a corporation. As in many multinationals in the developed countries, also in the studied companies large numbers of older employees are retiring, and thus there is a need for younger ones to acquire their knowledge. In large, in some cases even global, companies there also seems to be need for knowledge transferors – people who travel internationally within the corporation acquiring and transferring knowledge. Knowledge provided through electronic channels is useful when transferring certain information, but it does not often work for tacit and explicit knowledge. In addition, multinationals based in Finland and Sweden have launched trainee programs to facilitate the internationalization process of the company by sending internationally oriented trainees to acquire international market knowledge they lack, and to advance intercultural cooperation, understanding and education.

Graduate trainee programs are also launched to add visibility in business life among other companies, suppliers, investors and customers – not only to boost the employer or company image as suggested by the theories presented in the literature review of Chapter 2. While recruiting several young talents globally, companies can invest more also in the recruitment processes, and thus attract better applicants, and gain important visibility and recognition. At the same time, multinationals can also boost and renew or refresh their employer and company image. Besides investing at once in recruitment, launching of trainee programs, companies can also save in training costs and resources by training, developing, mentoring

and instructing many trainees at once. International trainee programs attract diverse, multicultural applicants, and as they are trained together, there is also a good opportunity for cultural education and exchange, while creating leaders and experts that are culturally knowledgeable, which is important especially in multinational companies. Multicultural trainee programs, tasks and working environments also allow formation of new, unique and fresh ideas, and a corporate culture that encourages diversity. These elements are important while developing young talents towards international leadership and global mindset.

FIGURE 2. Graduate trainee programs as an enabler of MNC competitive advantage



All these inducted theories, or characteristics that define international graduate trainee programs of Finnish and Swedish multinationals eventually might lead to competitive advantage. This suggestion is based on, for instance, talent management theories that

highlight the importance of having managers with a global mindset on the top of multinationals' management (e.g. Evans et al. 2002). Reaching a global mindset is a life-long process, thus, trainee programs are a useful method in pursuing to develop talented future leaders in multinationals. Figure 2 above illustrates this new theory inducted based on this research.

Today's graduate trainee programs seem to be rather a must than an exception in multinational companies globally. The concept of trainee programs seems to have become a current trend, and companies are aping – imitating each other, which is apparent due to a very similar structure of the programs. Some of the empirical findings of this study also revealed that diverse companies operating in different industries, and areas of the world, have launched trainee programs almost at the same time, and yet very similar programs. Then again, there has been a lot of discussion on the war for talent, and shortage of labor and skills during the last years, which naturally has also had an impact on companies' talent management practices. Trainee programs have become a new recruitment method that is used for its functionality in recruiting and attracting young talent especially. Graduate trainee programs have been already for a few years a used recruitment method in other geographical areas, and as in many other fields of business, the trend has reached the Northern Europe in a few years delay also in the case of trainee programs.

Despite the similarities, purpose, aim and quality, trainee programs, however, seem to vary quite a bit depending on the company needs and interests. Trainee programs are used to find and attract talent at the very inexperienced level of recent graduates, but as well for recruiting more experienced people who have already progressed a little bit in their careers. Multinationals based in Finland and Sweden do not look for trainees under one specific profile, but aim at attracting a diverse crowd, from which they then can select the ones that best fulfill the criteria set for professional competencies and personal characteristics at the moment. The scopes of programs also seem to vary every year, depending on on-going projects, employee turn-over, skills needed et cetera, and thus, diverse characteristics are more or less valued in different times. Many companies, though, stated that personality and

attitude weights more than competencies and knowledge, as they can always be taught to anyone. Trainees are often recruited keeping a specific talent, characteristic, or ability in mind, and positioned directly to a demanding task or project.

Trainee programs, indeed, look very good on paper, and they also sound good when they were described by the interviewed experts. However, most programs still lack concrete proof of their functionality, usefulness and success in general due to their short existence time, and due to lack of academic research regarding these programs. So far, there is little proof of the actual economical, managerial and organizational benefits that trainee programs possibly provide companies – especially the type that would back up reasons for a fairly concurrent launch of trainee programs in different companies operating in diverse industries. Talent management theories, and especially the concept of “war for talent”, are good reasons and motives to look for alternative recruitment and attraction methods, and trainee programs just might be that, as there is no evidence suggesting otherwise.

As it was indicated at the frame of reference section, many of the talent management theories – and especially the concept of *war for talent* – focus on finding the best of the best, and placing full attention on developing them and their abilities to produce “extraordinary results” and a competitive advantage. At the same time these concepts have created companies a somewhat unrealistic picture of today’s employees, leaving humanity and soft values out. There are very limited numbers of people who fulfill the requirements set for top talent, and they are the ones companies are fighting for. What about rest of the workforce available? Should companies focus more on what kind of an employer image they are transmitting to the rest of us while focusing on the top talent, and sending a message that only the top talent is good enough? One might also argue that it can never be good publicity, or improvement of employer image to organize massive, global recruitment events and campaigns only to reject, for instance, 90 percent of the applicants as they do not meet the criteria set at the company. The global recruitment processes of trainee programs may, thus, even harm their image as an attractive employer of choice.

All this talk about there being a war for talent sounds odd as finding a good job is never easy. The whole idea creates individual jobseekers enormous pressures to stand out and to be a person identified as “high-potential”, or one of the talented ones, them being the employee profiles that companies are looking for. Today’s work life seems to be already under a big anxiety while some employees are trying to find a balance between personal and work life, and others are struggling to keep their job at the first place. The current economical recession makes this whole *war for talent* ideology sound ridiculous, which it might as well at moment be. However, as already stated in the literature review, so far recessions and downturns have always been temporary, short-term problems, and thus there should be light at the end of this tunnel as well. And as Dychtwald et al. (2002) argued, future’s shortages will be shortages of talent and skills, not employees.

Talent management theories seem to focus lots of attention on the importance on attracting and developing “high potential” without really defining who these people are. According to many theories, people with the “right” attitude and mindset can be trained and develop into top talent, if so, how can one identify these people? According to O’Reilly and Pfeffer (2000) the best strategy for developing talent is to focus on “normal” people as by giving anyone a prosperous working environment, they will perform better. This could be done for instance by engaging employees’ knowledge, experience, skills and enthusiasm to the operations. After all, only a small percentage of people is - and ever will be - the most talented top employees, and there is tough competition of this top talent. (O’Reilly and Pfeffer 2000) Many talent management theories give an impression that in addition to possessing a good degree, it is enough to be motivated and have a humble attitude to be characterized as “high potential” whereas in the “real life” this hardly is the case. The descriptions of leadership and talent of the interviewed professionals also varied quite a bit, being generally quite vague and imprecise. It all seems to come down to personal relationships and impressions transmitted at interviews, that is, on top of top certificates, references and a winner attitude, and a personality that aims at reaching a global mindset.

Regardless of talent or not - Sadler (1993) argues that many companies prefer hiring recently graduates with a humble attitude than more experienced older ones. Yet, entry-level jobs tend to be very basic ones, with little challenges while more advantaged ones often require previous working experience from the specific field of business on hand. (Sadler 1993; Livingston 1988) Trainee programs are rare channels that offer graduates, young employees challenging assignments to learn from. Today's employee expectations are very high, and trainee programs seem to be a smart move, both from the company and employee perspective. By developing their own future leaders and experts, companies gain precisely such expertise they will need in the future. At the same time recent graduates attain know-how and experience in work life, and boost their self-confidence learning through succeeding in challenging assignments. And as such training is done in an international, multicultural environment - trainee programs also support creation of future leaders and experts who possess a global mindset.

5.1 Limitations of the Thesis

In this study only six Finnish and Swedish multinationals companies and seven trainee programs were studied, which is not a very big sample. There is a risk that the trainee programs of these companies are not representative in terms of all Finnish and Swedish – not to mention multinationals of other geographical and cultural areas. However, all the studied programs were very similar – even though the companies operate in diverse industries – and thus they can be seen to reflect a rather stable reality of graduate trainee programs of Finnish and Swedish multinational companies.

There is also a risk that I as the researcher might have drawn wrong conclusions of the responses given in the interviews, even if the gathered information would have been true and accurate. However, also the conclusions are drawn from a somewhat stable reality, and based partly also to other sources (such as company websites), and thus the risk of false generalizations is fairly small. Yet, another limitation of this study is that there is always more information than one can find and thus there are always conclusions that we are not able to draw (Danermark et al. 1997). Due to time, resource and study constraints it was not a possibility to expand this research to apply a bigger sample of companies, or to enlarge the research problem.

A potential limitation is also the objectivity of the interviewed professionals, as well as the researcher. As obvious, all the interviewees represented a company, and naturally they had a certain image they wished to convey of the company and trainee program on mind, when discussing with me. I - as a researcher in a process of communicating this information to other university students who potentially represent the people they wish to attract in the future – was a good marketing channel, and thus many of them most likely promoted their trainee programs to me. As this research was done focusing only on the company perspectives, the other half - perspectives of the trainees is still lacking in the findings. As far as it comes to my objectivity as the researcher, I had no personal agenda, connections or

relationships to any of the interviewees or companies, and thus no interest to falsify any of the gathered data or responses given at the interviews.

5.2 Suggestions for Further Research

This study focused on studying the aims and purpose of trainee programs from the companies' perspectives while also developing new theories that illustrate the launching of trainee programs. A natural sequel to create a better understanding of trainee programs would be to research perceptions and insights of trainees who have been admitted to the programs and completed them. It would be interesting to find out whether the programs, in fact, provided them the opportunities promised, and whether their career progress has been smoother than other employees' due to these programs. In order to be able to fully understand the phenomenon opinions and viewpoints of the other party of these programs is necessary.

One of the outcomes of the empirical findings was that company branding and renewal, and boosting of both company and employer image is one reasons behind the development of trainee programs in many companies. Thus, it would be interesting to study how, and whether, trainee programs enhance the company and employer image or brand. Trainee programs in many cases attract hundreds, if not thousands of applicants but only a few are admitted to them. It would be interesting to study whether this kind of an approach in fact improves the employer image, or alternatively weakens it, as in every recruitment process groups of qualified people are rejected. Many multinationals promote their programs heavily when recruiting new trainees, only to crush the self-confidence and hopes of a dream job for most applicants. Will the rejected ones ever apply for the same company again, and more importantly, will the rejection leave a permanent mark on the employer image of that multinational?

When recruiting for their graduate trainee programs, many multinationals stress that they are looking for candidates outside their current employees. Trainee programs are invested heavily into; trainees are rotated and trained around the world within the company learning from top managers, which is an opportunity few ever get working for a multinational. It would be another interesting topic to study if multinationals push their current employees away by focusing their attention on the careers new, young trainees. In many cases, under the current labor circumstances, it might be more beneficial for companies to focus on retaining their current employees and the knowledge they possess, instead of attracting new ones with better perks than ever provided to other employees.

5.3 Reaching Closure

According to Eisenhardt's (1989) *Process of Building Theory from Case Study Research* model, the last step is *reaching closure* that aims at reaching theoretical saturation. However, the last step is rather difficult to reach due to the difficulty of recognizing when the saturation of data possible to gather has been reached and it is safe to stop adding cases and analyzing data. (Eisenhardt 1989) As stated before, this study is preliminary in its field, and therefore it is impossible to reach closure in this thesis regarding the topic. However, the aim of this study has been reached; this study provided descriptive and exploratory information on graduate trainee programs that Finnish and Swedish multinational companies have recently launched. The findings also enabled induction of new theories that illustrate the reasons for development of these trainee programs, and in that way facilitate understanding of the phenomenon. In order to reach closure in the future, it is necessary to study trainee programs more, for instance, in terms of the topic suggestions given above.

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