Global Work Arrangements in the Virtual Enterprise –
Some Lessons from Automattic

Alessandra Vecchi
University of Bologna
E-mail: alessandra.vecchi@unibo.it

Abstract

Global work arrangements tend to be particularly problematic for Virtual Enterprises, to the extent that there is a vast literature emphasising the challenges that these companies need to face in identifying, attracting, developing and retaining talent on a global scale. Drawing on the experience of Automattic, the paper outlines how the company has successfully addressed such challenges by implementing Global Talent Management in a very peculiar way. From the findings, it emerges that stemming from their experience there are some exemplary and valuable lessons for companies from all sectors on how to embrace Global Talent Management in a more creative way and the great benefits in terms of efficiency and effectiveness that can flow from doing so.

Keywords: Global Talent Management, Virtual Enterprise, Distributed Company, Automattic
1. INTRODUCTION

As today’s business activities have become more and more international, global forms of work become increasingly common practice in Multinational Enterprises (MNEs). Such work arrangements are defined as complex situations in which employees that are collaborating with each other are culturally diverse, geographically distant and often embedded in different national cultures and contexts (Hinds, Liu and Lyon, 2011; Ravlin, Ward and Thomas, 2014).

In particular, the tangible presence of cultural, linguistic, spatial, and temporal barriers involved in global work, as well as the presence of a vast array of different political, economic and societal settings make the management of global work arrangements particularly challenging for MNEs (Aycan, 2005; Hinds, Liu and Lyon, 2011; Edwards and Kuruvilla, 2005; Kostova and Roth, 2002; Raghuram, Garud, Wiesenfeld and Gupta, 2001; Shaffer, Kraimer, Chen and Bolino, 2012; Shao, Rupp and Skarlicki, 2013).

More precisely, in order to make such global work arrangements feasible (Shaffer, Kraimer, Chen and Bolino, 2012), MNEs face pressures to continually realign their HRM with strategies aiming at operating in a global context (Becker and Huselid, 2006). Moreover, identifying, attracting, developing, managing and retaining talent capable of effectively handling global complexity is of critical importance for MNEs and their HRM systems (Farndale, Scullion, and Sparrow, 2010). One of the most significant developments in HRM over the past fifteen years has been the focus on effectively managing the individuals who are most important to the strategic success of companies, both domestically and internationally (Tarique and Schuler, 2010, 2012). This focus has taken the general label of “Talent Management” or “Global Talent Management” (GMT).

In particular the academic literature seems to indicate that HRM and to a great extent GTM are particularly challenging for those Virtual Enterprises (VEs) – a very specific subset of MNEs that rely extensively on “virtual work” or “distributed work” (Rayport and Sviokla, 1994; Kirkman and Mathieu, 2005; Cramton, Orvis and Wilson, 2007; Wiesenfeld, Raghuram and Garud, 2001). Because of the phenomenal innovations within the field of information and communications technologies during the last decade, companies have been able to reinvent their business models, reorganise the work arrangements and build strategic collaborations. The use of information and communications technologies has resulted in significant spatial and temporal asynchronies. The consequent decoupling of time and space in organisational activities has given rise to a new kind of organisation that many people refer to as a VE (Brunelle, 2009) for which both HRM and GMT appears to be particularly challenging.

For example, Raghuram, Garud, Wiesenfeld and Gupta (2001) argue that a key feature distinguishing adjustment to virtual work from adjustment to other work settings is the actual geographical dispersion of virtual workers. Specifically, given that virtual work creates both geographical and temporal distance between employees and their firms a critical element in employees’ adjustment to this work mode is therefore the effective management of that distance that virtual work creates. Similarly, Hinds and colleagues (Hinds, Liu, and Lyon, 2011) and Dewett and Jones (2001) use the emblematic examples of social networks and information technology to illustrate how cultural differences might generate different patterns of behaviour, and consider the effect of these potential incompatibilities on global work arrangements as workers collaborate across national boundaries.

Overall, the academic literature tends to be rather sceptical and wary about the effective capabilities of the VE to perform in terms of HRM and GTM (Raghuram, Garud, Wiesenfeld and Gupta 2001; Farndale, Scullion, and Sparrow, 2010; Hinds, Liu, and Lyon, 2011), Minibaeva and Collings (2013) state that a key limitation in this regard has been the lack of significant progress in academic research in terms of providing coherent and integrated guidance for managerial practice. Conversely there is a significant hype amongst practitioners concerning how VEs such as Automattic and Netflix are pioneering novel approaches by radically reshaping the field (Girotra and Netessine, 2013; Berinato and Bloom, 2014; Mullengweg, 2014; Gruber, 2015; Bernstein, Bunch, Canner and Lee, 2016).

By capitalising on this discrepancy, this paper addresses the relatively unexplored and rather controversial topic of GTM in VEs. Because of the importance of GTM, there is a considerable literature entailing both academic and HR practitioner contributions, however because of their relative novelty, limited attention has been devoted...
to assess what global work arrangements really entail and what makes them successful when actually implemented in practice within VEs.

This paper consists of six sections. The second section of the paper seeks to better define the field of GTM by reviewing the relevant literature by describing its main drivers (Tarique and Schuler 2010, 2012). The third section of the paper will provide an overview of the policies and practices of identifying, attracting, developing and retaining global talent (Farndale, Scullion, and Sparrow, 2010) by thus emphasising the distinctive challenges that the implementation of global work arrangements is likely to entail for VEs. While the fourth section of the paper briefly describes the methodology adopted, the fifth section presents some emblematic evidence from an in-depth case study based on Automattic. The sixth and final section of the paper will then offer some thoughts on the findings, their managerial implications, their limitations as well as future directions for further research.

2. GLOBAL TALENT MANAGEMENT AND ITS MAIN DRIVERS

The origins of talent management can be traced back to the 1990s, to the ground-breaking study entitled “The War for Talent,” by McKinsey (Michaels, Handfield-Jones and Axelrod, 2001). This study argued that demand for talented employees exceeded the available supply, thus leading to the problem of talent shortage. Over the years, several HR practitioners and consultants acknowledged the importance of this trend, and as a result, several studies were conducted by human resource practitioners and consultants to assess talent shortages (Tarique and Schuler, 2010). As a consequence, “talent acquisition, retention and management” and “attracting, retaining, and developing talent” become popular terms among the HRM community (Tarique and Schuler, 2012).

Building on this body of work, academics recently started to examine talent management more closely in the last few years (Al Alris, Cascio and Paauwe, 2014). Although there is a growing consensus that GTM is an emerging area, according to Tarique and Schuler (2012) there is no shared view concerning its exact definition. Collings and Scullion (2008: 102) define GTM as “the strategic integration of resourcing and development at the international level which involves the proactive identification and development and strategic deployment of high-performing and high-potential strategic employees on a global scale”. Despite a decade of debate around the importance of talent management for success in the increasingly competitive business environment (Michaels, Handfield-Jones, and Axelrod, 2001; Sparrow and Balain, 2008), the concept is still lacking both in definition and theoretical development, particularly in the global context (Farndale, Scullion, and Sparrow, 2010).

According to Tarique and Schuler (2012), regardless of which definition is used, GTM focuses on two important dimensions. Firstly, global talent management concerns individuals with high and/or critical levels of talent (e.g., knowledge, skills, and abilities) that add value to the firm. Secondly, it relies on complementary international HRM policies and practices that are used to manage employees with high and/or critical levels of talent. Because they are implemented systematically, these international HRM policies and practices refer to GTM systems. In light of both considerations, the authors therefore define global talent management as “a subset of IHRM activities (systematically linked IHRM policies and practices) to attract, develop, retain, and mobilize individuals with high levels of current and potential human capital consistent for the strategic directions of the multinational enterprise to serve the objectives of multiple stakeholders” (Tarique and Schuler, 2010: 124).

According to Ployhart (2006), the nature of work in the 21st century presents many challenges for staffing. For example, knowledge-based work places greater demands on employee competencies; there are widespread demographic, labor, societal, and cultural changes creating growing global shortfalls of qualified and competent applicants; and the workforce is increasingly diverse. According to Tarique and Schuler (2012) four drivers have shaped and are shaping the field of GTM. More specifically, these are the drivers that impact how firms attract, develop, retain, and mobilize talent. Major drivers include namely shortage of talented workers, changing demographics, changing attitude towards work and structure of work and country culture differences.

As for talent shortage, there is considerable evidence that shows organization worldwide are having difficulty finding the right talent, in particular, of international management talent, the fierce global competition for talent; and an insufficient talent supply for businesses in emerging markets such as India and China (Farrell and Grant, 2005; Lane and Pollner, 2008; Meyers and van Woerkom, 2014; Mathew, 2015). A study conducted by Dychtwald, Erickson and Morison (2013) demonstrates that the shortage of talent problem is truly global since it affects a wide variety of positions in many regions and countries of the world. Meyers and van Woerkom (2014) recommends taking a systematic approach to managing global talent risk and suggest several responses by multinational firms. These involve introducing strategic workforce planning by determining future talent gaps, facilitating migration so to attract talent from a global labour pool, fostering brain circulation, increasing
employability by increasing the skills levels of both the current and future workforce, developing a talent “trellis” by offering multiple developmental and career pathways, encouraging temporary and virtual mobility by accessing required skills from any location and extending the pool by attracting skill sets of women and older professionals. More inclusive talent philosophies can help overcome these challenges through a broader definition of the construct of talent and through the resulting broader investment in various forms of talent.

In relation to changing demographics, evidence shows that population in the developed economies is shrinking and becoming older while the size of population most of the developing economies is expanding and getting younger (Strack, Baier and Fahlander, 2008). One implication of these demographic changes is the creation of various generations of employees: generation X, baby boomers, generation Y or millennials (Lyons, Ng and Schweitzer, 2015). According to a study by Hershatter and Epstein (2010) this generation of potential workers makeup 25% of the workforce in the Unites States and account for over half of the population in India. The study predicts that by 2020, millennials will form 50% of the global workforce. Hence it is crucial to fully understand the work related characteristics of this group which according to Twenge and Campbell (2012) include low loyalty and engagement levels towards employers, most likely to voluntarily leave when economic conditions improve, consider learning and development as the most essential benefit from employers, look for a good work/life balance, prefer to communicate electronically at work than face to face, career progression is important, attracted to firms that focus on corporate social responsibility (Shen and Benson, 2016), strong interest in working overseas and feel comfortable working with older generations.

Similarly, as for attitude towards work, the evidence shows that attitudes are changing dramatically in some countries (Twenge and Campbell, 2012). Workers are more frequently changing jobs or moving across employers and occupations. They are taking major responsibility to manage their own careers and tend to assume little or no job security, regardless of their performance. Employee loyalty seems to be very low, or employee loyalty seems to be dead (Korkki, 2011). From a GTM perspective the general consensus is that the structure of work will continue to change by thus creating more challenges for firms for retaining talent. Recent studies provide interesting trends with respect to the future of work (Gratton, 2010; Levit, 2009; Khallash and Kruse, 2012; Phillipson, 2013). Some of the trends entail the extensive reliance over virtual teams, social networks, flexible working hours, remote workstations, contingent workers such as employees will work for multiple firms, and more dependence on mobile technology. Khallash and Kruse (2012) argue that workers will find themselves in an age of transition driven by new technological opportunities and the feminization of the labor force. The consequences of these changes will affect the organization of future work and the concept of the work-life balance. Overall, these trends suggest that in the future talented people will be employed by multiple employers, will be well connected both socially and professionally with a variety of firms and will be willing to move from one career to another. In addition, these features are more likely to change the employee-employer relationship making it more difficult for firms to manage the talent management process as attracting, retaining, developing, and mobilizing talent (Tarique and Schuler, 2012; Twenge and Campbell, 2012).

Similarly, country culture an important role in international HRM (Jackson, Schuler and Jiang, 2014; Ravlin, Ward and Thomas, 2014). Country culture can have a direct or indirect effect on how human resource management policies and practices are designed, implemented, and how they influence employee behaviour and performance both at the individual and organizational levels. An important discussion in international HRM is on the issue of convergence/divergence of human resource practices across cultures, regions, and countries (Tarique and Schuler, 2012). Convergence means that HRM policies and practices are similar across countries and cultures and divergence means that human resource management practices are different across countries and cultures (Ravlin, Ward and Thomas, 2014). Evidence thus far is mixed. Certain HRM practices converge, some do not, and it depends on the context. With respect to GTM practices, Stahl, Björkman and Morris (2012: 30) note: “many organizations are moving towards greater integration and global standards while simultaneously continuing to experience pressure to adapt and make decisions at local levels.” Stahl, Björkman and Morris (2012) suggest that global corporations are similar in how they manage talent. They identify three reasons for the push towards convergence including companies compete for the same talent pool, companies want to standardize how they recruit and develop talent; and it is easier for companies to imitate because of available data and information from large companies. Concerning this latter point, an important assumption in the strategic HRM literature is that HRM practices can provide competitive advantage as long as the practices cannot be imitated or copied (Ashton and Morton, 2005; Becker, Beatty and Huselid, 2009; Colbert, 2004; Progoulaki and Theotokas, 2010; Schuler, Dowling, and De Cieri, 1993; Wright and McMahan, 2011; Meyers and van Woerkom, 2014). Therefore the vast amount of information available about best practices will create challenges for GTM in creating and sustaining a competitive advantage. There is, however, also support for the divergence perspective, a convincing case calling
for the need to localize GTM practices (Tarique and Schuler, 2012). There is evidence that suggests that successful transfer of talent management practices is context specific and contingent on a factors such as stakeholder involvement and top level support, political exchanges as well as the integration of talent management with a global human resource information system (Burbach and Royle, 2010). According to Ready, Hill and Conger (2008), the emerging markets in particular will provide strong challenges to foreign multinationals and home-based talent management practices will need to be adjusted to the local conditions in the developing world. There is also a strong push to focus to develop and promote local talent (Mellahi and Collings, 2010; Collings, 2014).

GLOBAL WORK ARRANGEMENTS AND THEIR MAIN CHALLENGES

According to Tarique and Schuler (2010) the above four drivers, namely shortage of talented workers, changing demographics, changing attitude towards work and structure of work and country culture differences, can strongly impact the need for and content of the main GTM practices and policies. In particular, each of the four drivers can impact GTM policies and practices in three ways - how each policy and practice is designed or configured, how each policy and practice is implemented and how each policy and practice is evaluated. Minibaeva and Collings (2013) further argue that the challenges associated with managing talent on a global scale are greater than those faced by organisations operating on a domestic scale. They believe that the formers relate to the fact that a number of key myths regarding talent management may undermine talent management's contribution to multinational corporation effectiveness and ultimately retard the development of management practice in this regard. By adopting Farndale and colleagues’ taxonomy (Farndale, Scullion, and Sparrow, 2010) it becomes therefore necessary to identify the distinctive challenges that are associated with the policies and practices of identifying, attracting, developing and retaining global talent by thus emphasising the distinctive challenges that the implementation of global work arrangements is likely to entail for VEs.

3.1 Identifying Talent

The role of talent planning to identify future talent needs is important at all levels of the organization (Hartig, 2014; Cheese, 2010; Frauenheim, 2009; Hills, 2009; Lawler, 2008). Research focuses on the type of competencies (knowledge, skills, abilities and personality) that will be needed in various locations, using existing attrition and retirement data of the current employees in conjunction with the business plans of the firm. The goal of talent planning is to have an optimal level of talent positioning, which refers to having the right talent at the right place at the right time with the needed competencies and motivation at all levels and all locations of the firms (Guthridge, Komm and Lawson, 2008). Talent planning becomes even more critical at a time when most of the economies of the world are recovering from a recession. Learning from a period of recession is becoming an integral part of talent planning (Cheese, 2010). Most firms are concerned about retaining the current level of talent, but more importantly, attracting new talent when the recession ends regardless of worldwide location. In addition, firms are also concerned about the issue of developing a global talent deployment strategy, which refers to how companies formulate strategies to position leadership talent across the firms in various regions and countries (Collings and Scullion, 2009; Scullion, Collings and Gunnigle, 2007).

In relation to the specific case of VEs, Radović-Marković, Marković and Radulović (2015) argue that virtual teams function in the conditions of great insecurities and specific requirements that characterize the virtual environment. Therefore, when forming a successful virtual team, special attention should be paid to choosing its members. Within this context, the evaluation of competencies has an exceptional significance in assessing the capacities of the employees, their potentials and limitations in order to foresee their success. The authors conclude that competent managers should use a wide range of new, technologically supported options in forming their strategies with the goal of being able to meet and overcome the changes, instead of just merely reacting to them. Krumm, Kanthak, Hartmann and Hertel (2016) showed that knowledge, skills, abilities and other characteristics pertaining to leading and deciding and to analyzing and interpreting were more important in virtual teams. Conversely, virtual and traditional teams did not differ in terms of broad personality requirements.

3.2 Attracting Talent

According to Phillips and Gully (2015) recruiting influences employees’ motivation, performance, and retention. Because an organization’s talent influences its capabilities, strategic execution, and competitive advantage, recruiting is a foundation of organizational performance. Strategic recruitment refers to recruitment practices that are connected across levels of analysis and aligned with the goals, strategies, context, and characteristics of the organization. In order to attract talent, companies need to invest in human resource reputation also known as
employer brand. Firms have to focus on characteristics that make themselves more attractive to a pool of potential applicant. Several firms are focusing on improving their human resource reputations to attract talent (Friedman, 2009; Robak, 2007; Sherwood, 2008; Wayne and Casper, 2012; Wickham and O'Donohue, 2009). Human resource reputation refers to the impression applicants have regarding the organization’s image as an employer, which can be positive, neutral, or negative. It is important for firms to view employer brand as a marketing function (Hieronimus, Schaefer, and Schroder, 2005; Jiang and Iles, 2011) and treat potential applicants as customers, identify and analyze competitor employers, and focus on organizational characteristics that matter most to specific types of recruits (Hieronimus, Schaefer, and Schroder, 2005). Even during a period of recession firms can focus on building human resource reputation and attractiveness as an employer of choice. For example, firms can effectively use performance management practices to identify talent, and redesign jobs or restructure work to motivate and engage employees (Guthridge, McPherson, and Wolf, 2009).

Companies can also pursue aggressive talent sourcing. There is a general assumption in the talent management literature that most talented individuals are, in general, always employed (Tarique and Schuler, 2012) so a challenge for firms is how to reach this talent pool. The traditional sourcing strategies may not work. Another challenge for multinational firms is to counter the threat of local talent being more attracted to a local organization rather than a multinational organization (Schmidt, 2011). According to Tarique and Schuler (2012) multinational firms may be forced to use creative and aggressive strategies to attract talent. This includes targeting specific individual profiles (e.g., certain personality traits) (Hedricks, Robie, and Harnisher, 2008), recruiting and developing foreign nationals to work in their own country (Clegg, 2004) and attracting a diverse pool of applicants such as female workers and providing support to them to manage career barriers like the glass ceiling (Hewlett and RIPA, 2010).

In relation to VEs, Stone, Deadrick, Lukaszewski, and Johnson, (2015) argue that in recent years, information technology has had a profound effect on HR processes and practices. However, relatively little research has examined its effectiveness, and most of the existing studies have not asssed the degree to which these new ICT systems enable organizations to reach their goals of attracting, motivating and retaining employees. According to the authors, one reason for this is that there are a number of limitations associated with current systems including the fact that they use one way communication systems, that are impersonal and passive, do not always allow for interpersonal interaction, and that often create an artificial distance between individuals and firms. More precisely, in relation to e-recruiting, they claim that “these technologies do not give applicants the opportunity to ask questions or interact with organizational members. As a result, applicants do not have the opportunity to communicate with actual organizational members or clarify the nature of jobs or the benefits of working for the organization. Thus, we believe that current e-recruiting practices may be extremely impersonal, passive, and create an artificial distance between applicants and organizations” (2015: 218).

3.3 Developing Talent

The talent development process can be defined a variety of ways but it is the process that includes four broad areas (Garavan, Carbery, and Rock, 2012). These are namely identification (who to develop?); design (what competencies to develop, at what speed, and for how long?); evaluation (what analytical tools to use to measure effectiveness?); and organizational support (what support can top management provide?).

It is important to note that in multinational firms this process varies with each organization but has to be aligned with the goals of the organization such as promoting diversity (Stewart and Harte, 2010) and cross-cultural competencies (Johnson, Lenartowicz, and Apud, 2006). However, a large number of companies use dedicated approaches to developing talent (McDonnell, Lamare, Gunnigle, and Lavelle, 2010). Evidence suggests that multinationals that are large use standardized products or services, have a global human resources policy, and operate in the low-tech/low-cost sectors are more likely to use talent development programs for high potentials (McDonnell, Lamare, Gunnigle, and Lavelle, 2010). Results also suggest that companies with good human resource reputations have good talent development processes (Kucherov and Zavyalova, 2012) and for multinational, developing local talent is also an important issue (Eddy, Hall and Robinson, 2006; Petison and Johri, 2007).

An important outcome of talent development process is the development of cross-cultural competencies needed in most international jobs. These competencies can be identified into stable and dynamic competencies (Shaffer, Harrison, Gregersen, Black, and Ferzandi, 2006). Dynamic competencies refer to knowledge and skills that are acquired through learning experiences such as training and international travel and they can change over time (Leiba-O’Sullivan, 1999; Shaffer, Harrison, Gregersen, Black, and Ferzandi, 2006). Stable competencies in
contrast, are characteristics and abilities that are consistent over time, such as personality traits (Leiba-O'Sullivan, 1999 Shaffer, Harrison, Gregersen, Black, and Ferzandi, 2006). An example of dynamic competencies includes “international travel experiences” which research suggests is an important antecedent of dynamic competencies (Caligiuri, Tarique, and Jacobs, 2009; Chang, Yuan, and Chuang, 2012; Lee and Sukoco, 2010) and the general belief in the international community is that having dynamic cross-cultural competencies is an important requirement for most international and domestic jobs (Crossman and Clarke, 2010).

Another important aspect of the talent development process is the transfer of tacit and valuable knowledge, especially from older workers to their younger co-workers or other members of the workforce (Calo, Patterson and Decker, 2013). The various developmental experiences such as coaching, mentoring, and participation in conferences act as mechanisms to transfer information (Lazarova and Tarique, 2005). In the international human resource management literature these developmental experiences are referred to as information processing mechanisms (Lazarova and Tarique, 2005; Tarique and Schuler, 2008). Firms are using a variety of developmental experiences and practices such as long term and short term global assignments, participation in global teams, cross-cultural training, and mentoring, coaching, and stretch assignment (Caligiuri and Tarique, 2009). There is however, some criticism that these traditional type of developmental practices do not work, especially in firms that rely the recruiting function to find talent in the shrinking talent market (Cappelli, 2008).

Because of the changing structure of jobs and careers, and emerging technologies, how individuals learn is changing. There is need for new and non-conventional developmental experiences that can include using subject matter experts (Romans, Frost, and Ford, 2006) to provide specific skills, to provide interventions at early stages of one's career (Cafolla, 2006; Dalby, 2009), and to provide continuous learning (Molloy and Noe, 2010) using technology such as e-learning (Mulín and Reen, 2010). It is important to note that the types of developmental activities that are most effective can be culture specific or culture bound. For example, developmental activity such as coaching and mentoring may have greater impact in the U.S culture than other cultures.

Some firms use leadership development programs as a tool to retain talent (Brandemuehl, 2009; Kirkland, 2007). However, with limited resources and shrinking development budgets firms are being forced to target leaders that will benefit most from highly targeted developmental experiences and programs (Brandemuehl, 2009; Caligiuri and Tarique, 2009). Caligiuri and Tarique (2009) argue that firms should assess those individuals with the requisite individual characteristics such as personality traits, and then offer developmental experiences or activities to those identified: developmental experiences may only be effective when learners are predisposed to success in the first place (Caligiuri, 2000).

As for developing talent in VE, the literature presents opposite views. From the one hand, according to Merkevicius and Uturyte-Vrubliauskiene (2015), satisfaction of virtual employees with their work performance depends both on recognition of front office and effective distribution of works thanks to managers, as well as, given possibility to learn and gain knowledge from their colleagues and associates. On the other hand, Stone, Deadrick, Lukaszewski and Johnson, (2015) argue that current e-training methods are often viewed as inflexible, and do not always include provide trainees with control. As a result, the authors believe that the increased use of mobile technologies, virtual environments, and gamification should enhance trainee engagement in the learning process, and increase opportunities for them to practice or gain feedback.

3.4 Retaining Talent

Retaining talent involves all the activities that prevent talented employees from leaving the company. Research in this area can be grouped into two categories: Effective retention strategies and repatriation. Only the first one is relevant to the VE since all employees work remotely.

In relation to the former, the major drivers are allowing workers at all levels to change jobs more often. In this context, retaining talent becomes a major challenge for all firms. One of the key challenges many firms struggle with is why talented employees leave, taking with them essential competencies, skills and experiences. One perspective on this issue suggests that in today’s fluid work environment short-term tenure of talented employees is a norm and companies should think about extracting as much as possible form talented employees in a short period of time (Tarique and Schuler, 2012). Effective retention strategies should include talent engagement. This is a rather vast area of research that suggests employees who are more engaged with their work and organization are likely to have greater job satisfaction, have a positive opinion of their employer, are less likely to voluntarily leave, have greater customer loyalty, and have high levels of performance (Lockwood, 2007). It should also include career development. Firms that provide career planning to talented employees are more likely to see a low level of voluntary turnover. When employees have a good understanding of their career path and the assurance
that their organization values their development, they can be more connected to their work and organization. Training is also crucial. Provide work or job specific training that provides skills that are less transferable to other organization. It is necessary to foster a talent management culture. Show to employees that talent management is a priority for all employees, sourcing talent globally, and rewarding managers for improving talent retention (Schuler, Jackson and Tarique, 2011).

As for retaining talent in VEs, Merkevicius and Uturyte-Vrubliauskiene (2015) found that loyalty of team working in virtual organization or project directly depends on the pride of the company. Employees are proud of working in virtual company, because their positive results are always noticed by their managers, their payment corresponds to their qualification so even if analogous job would be offered in a similar organization, they would still stay in their own one. In a similar fashion, Stone, Deadrick, Lukaszewski and Johnson, (2015) argue that in order to motivate and retain an ever-growing diverse workforce, e-compensation systems may need to expand beyond merely pay and benefits, and incorporate the more general notion of "e-rewards." The use of new interactive technologies may be especially effective in developing these new systems. For instance, organizations might use internal social media or crowdsourcing to identify the reward preferences of employees, and develop cafeteria reward systems that can be used to meet their needs. In particular, these new interactive technologies may help organizations gather and analyze data about employees' reward preferences, and develop more flexible and effective reward systems.

3. METHODOLOGY

This paper presents the results of a single case study of a company that was conducted to provide some in-depth insights over its global work arrangements in terms of identifying, attracting developing and retaining global talents. The paper relies on one in-depth case study (Yin, 2013) that was purposefully chosen to illustrate some distinctive organizational challenges that were faced by the company.

Automattic was selected as a suitable case study. Automattic, Inc. is a web development corporation founded in August 2005. It is most notable for its free blogging service, WordPress.com, as well as its contributions to WordPress (open source blogging software). The company's name plays on its founder's first name, Matt Mullenweg, Automattic's CEO. The company has 506 employees, from 50 countries, speaking 69 languages and it is entirely distributed (Automattic, 2016). As such, it can be considered as an emblematic example of VE (Rayport and Sviokla, 1994; Kirkman and Mathieu, 2005).

Automattic operates as a distributed company and its progressive GTM have been widely commended as one of the most innovative firms by Harvard Business Review (Berkun 2013; Mullenweg 2014; Green CarMichael 2015; Graber 2015; Rayess 2015). Its innovative approach to GTM and its culture were the topics of a participative journalism project by Scott Berkun, entitled “The Year Without Pants: WordPress.com and the Future of Work” (2013). The company has been recently ranked amongst “The Top Companies Creative Would Kill to Work Full Time in 2016” (Free Range, 2016).
To enhance the rigour of the findings, the case study followed a very structured research protocol as illustrated in the Table 1 below.

<table>
<thead>
<tr>
<th>Data Source</th>
<th>Main Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-depth interview with one the HRM Managers</td>
<td>Overview of the firm</td>
</tr>
<tr>
<td></td>
<td>GTM at Automattic</td>
</tr>
<tr>
<td></td>
<td>The main opportunities in identifying, attracting, developing and retaining global talent</td>
</tr>
<tr>
<td></td>
<td>The main challenges in identifying, attracting, developing and retaining global talent</td>
</tr>
<tr>
<td>Secondary data</td>
<td>Interviews that were published in practitioners magazine by the CEO and by other several top managers</td>
</tr>
<tr>
<td></td>
<td>Blogs and articles published by Automattic employees</td>
</tr>
<tr>
<td></td>
<td>Data provided by the key-informant</td>
</tr>
<tr>
<td>In-depth interview with one the HRM Managers</td>
<td>Discussion of the findings to increase their validity and robustness</td>
</tr>
</tbody>
</table>

Firstly, one the Automattic’s HRM Managers was interviewed as a key-informant to investigate some critical aspects of identifying, attracting developing and retaining global talents that would not have emerged with other data collection methods. The HRM manager has been working in the company for several years and is very knowledgeable about the company. The interviewee also provided useful material such as company reports along with secondary data that were useful to corroborate the findings. Secondly, the research made extensive use of secondary data that is publicly available in the form of several interviews released by the Matt Mullenweg, the company CEO as well as by several managers and by consulting the blogs and the articles published by the Automattic employees. Since the company offers a free blogging service, its employees are encouraged to use it and to share freely their experiences about their work through WordPress.com. As such, there is a vast amount of secondary data available tackling the issues of identifying, attracting developing and retaining global talents. Additionally, to overcome the limitations that conducting a single case study entails (Yin, 2013), once the data was collected an additional in-depth interview was held with the key-informant in an iterative fashion to further increase both the validity and the robustness of the findings (Tellis, 1997).

4. **DISCUSSION OF THE FINDINGS**

Automattic is the company behind WordPress.com, WooCommerce, Jetpack, Simplenote, Longreads, VaultPress, Akismet, Gravatar, Polldaddy, Cloudup, and more. Wordpress powers about 26% of websites on the internet today. The company mission is to "democratize publishing so that anyone with a story can tell it, regardless of income, gender, politics, language, or where they live in the world" (Automattic, 2016a).

By considering the sector of fast growing tech-companies, the company despite showing a very significant traffic of visitors which is almost a third of the Monthly Uniques in the US hosted by Google, it has a considerably smaller workforce as illustrated in the Table 2 below.
Table 2: Monthly Uniques and Employees

<table>
<thead>
<tr>
<th>Monthly Uniques* (US)</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google.com</td>
<td>241M</td>
</tr>
<tr>
<td>Yahoo.com</td>
<td>213M</td>
</tr>
<tr>
<td>Facebook.com</td>
<td>206M</td>
</tr>
<tr>
<td>Amazon.com</td>
<td>186M</td>
</tr>
<tr>
<td>Twitter.com</td>
<td>114M</td>
</tr>
<tr>
<td>eBay.com</td>
<td>110M</td>
</tr>
<tr>
<td>WordPress.com</td>
<td>82M</td>
</tr>
</tbody>
</table>

Source: comScore
*MUs: it refers to a person who visits a Web site more than once within a specified period of time

The company which is 100% distributed has been widely commended for the ways in which has developed a unique approach in identifying, attracting, developing and retaining talent (Berkun 2013; Mullenweg 2014; Green CarMichael 2015; Graber 2015; Rayess 2015).

4.1 Identifying Talent through Auditions

In its early years, Automattic relied on traditional résumé screening and interviews to do its hiring. However, over time Mullenweg came to focus on try-outs, in which final candidates are paid to spend several weeks working on a project. Although the company maintains an office in San Francisco that functions like a co-working space, most of the employees work remotely. “Some are even nomads, traveling from place to place and couch to couch” (Interview with one of the HR Managers, 2016). “This might seem like a recipe for disaster—low productivity, poor management, and abuse. But Automattic is profitable and fast-growing. With an applicant-screening process that gives candidates genuine job responsibilities and relationships, we can hire smarter, retain strong employees longer, and reduce terminations and turnover. The key? Try-outs” (Mullenweg, 2014).

As stated by the CEO “We used to hire people the way most other companies do. We’d screen résumés and conduct interviews. Sometimes we asked candidates brainteaser-style questions, as Microsoft and Google famously did. We focused on their past experiences and paid special attention to what other start-ups they’d worked for. A candidate might interview with five employees, and we’d all take him or her out to lunch. We invested a lot of energy in the process, and we believed we were being as rigorous as we could. Inevitably, some of those hires didn’t work out, which was a big disappointment. When you hire someone, you see all the potential in the world. If things break down, you have to do some soul-searching. Is it my fault? Is it something I did as a manager? How did we miss the less-than-positive signs? Managers at other companies appeared not to care, assuming that it was normal for a third of new hires to wash out. But it seemed so inefficient. As we considered the situation, it became clear that we were being influenced by aspects of an interview—such as someone’s manner of speaking or behavior in a restaurant—that have no bearing on how a candidate will actually perform. Some people are amazing interviewees and charm everyone they talk to. But if the job isn’t going to involve charming others, their interview skills don’t predict how well they’ll do as employees. Just like work, interviews can be “performed” without real productivity” (Mullenweg, 2014).
Therefore the company decided to change its recruiting strategy “more we thought about why some hires succeeded and some didn’t, the more we recognized that there is no substitute for working alongside someone in the trenches. So we gradually changed our approach. I still personally review most of the résumés we receive, and we screen out about 85% of candidates immediately, for lack of relevant experience, lack of technical skills, or mistakes on the application (One thing I don’t pay much attention to is education; I’m a University of Houston dropout, so it would be hypocritical of me to obsess over where or whether someone went to college.) Candidates then have initial interviews, usually via online chat” (Mullenweg, 2014). According to Miller, one of the HR Managers working at Automattic “the three most important qualities candidates are assessed for include great communication skills, a self-driven work ethic, as well as curiosity and a desire to learn. Other qualities and attributes (which align with the company’s culture) that are important in potential employees include compassion, tenacity, friendliness, independence and collaboration” (Donaldson, 2016).

Once candidates make it past the interview stage, Automattic will work together with them on a contract, typically lasting between two to six weeks (depending on how much time the candidate can spend) to help assess suitability. Candidates do real tasks alongside the people they would actually be working with if they had the job. They can work at night or on weekends, so they do not have to leave their current jobs; most spend 10 to 20 hours a week working with Automattic, although that is flexible - some even take holidays from their current jobs to focus completely on Automattic (Interview with one of the HR Managers, 2016). The goal is “not to have them finish a product or do a set amount of work; it is to allow us to quickly and efficiently assess whether this would be a mutually beneficial relationship. They can size up Automattic while we evaluate them” (Mullenweg 2014). Originally the company tried to set hourly pay rates based on what they might earn if they were hired, but that became overly complicated. To keep it simple, Automattic decided to pay a standard $25 an hour, whether the candidate was hoping to be an engineer or the chief financial officer. According to the CEO “try-outs may not offer 100% overlap with the job in question, but they give us a better window on someone’s skills and cultural fit than a lunch meeting would. We’re especially interested in how well candidates self-motivate, how well they communicate in writing (because most of us work remotely, we rely heavily on instant messaging), and how they deal with mistakes. We don’t expect perfection—we care more about how quickly they identify an error, how they communicate about it, and what they learn from it” (Mullenweg, 2014).

Providing this goes well, candidates will also have a final interview, via Slack, with the company’s CEO, Matt Mullenweg. And when potential employees do join full-time, they are involved in customer support for WordPress.com for their first three weeks, and spend a week in support each and every year thereafter, regardless of their position, in order to help understand and connect with customers (Donaldson, 2016). As stated by the CEO “when the process is over, all the people involved have a great sense of whether they want to work together going forward. At that point the final step is an interview with me. (Even as our company has grown, I continue to spend at least a third of my time on hiring.) I’ve changed my interview style dramatically over the years, to stay in the spirit of the tryout process. I conduct interviews via text-only Skype chats or instant messaging. I don’t know the gender or ethnicity of anyone I interview; I see only the words on the screen. It’s as close to a double-blind process as you can get. I’m looking mainly for passion and cultural fit. Of the people who make it to the final interview, 95% get a job offer—a testament to the effectiveness of our approach” (Mullenweg, 2014).

Even when the CEO does not ultimately offer someone a position, he has obtained valuable information about what he viewed as his/her strengths and weaknesses. If he sees some potential, he/she will be encouraged to continue developing his/her skills and reapply. Repeat applicants tend to be strong, because they have taken the feedback to heart and worked to improve; many of them now work in the company (Interview with one of the HR Managers, 2016). “Some people say that younger workers have a different notion of job tenure and want to move around more frequently. That may be, but I think companies, too, have changed. If a company treats people as if they’ll be around for a while, managers develop a different sensibility when it comes to investing in and retaining people. Loyalty is a two-way street” (Mullenweg, 2014).

Additionally the company places significant emphasis on the notion of community (Green Carmichael, 2014) which also is an occasional source for recruitment as stated several times by the key-informant throughout the interview. “Yes the community is a big source of recruitment, since we provide an open source software there are many forums where people discuss our products and try to solve problems associated with their use. It might happen that from time to time some of our staff who is actively involved in supporting these forms might ask to someone why they are not working for us or they might invite them to apply for some positions that we are currently advertising” (Interview with one of the HR Managers, 2016).
4.2 Attracting Talent by Inspiring Others to Apply

In order to recruit the best talent, the company offers a wide range of positions that are labelled by using very unusual and creative job titles – Code Wrangler, Customer Marketing Wrangler, Happiness Engineer, Theme Wrangler, VIP Wrangler, Excellence Wrangler and Woo Happiness Engineer just to name a few (Automattic, 2016b).

Similarly during the interview with key-informant the company places great value on diversity and inclusion. Given the international ethos of the company with employees who come from a wide variety of backgrounds, Automattic embraces the belief that the more perspectives the company embraces, the better it can engage with its global community of users and developers. The underpinning idea is to build Automatic as an environment where people love their work and show respect and empathy to those with whom they interact (Interview with one of the HR Managers, 2016). Diversity in this context “typically includes, but is not limited to, differences in race, gender, sexual orientation, gender identity or expression, political and religious affiliation, socioeconomic background, cultural background, geographic location, physical disabilities and abilities, relationship status, veteran status, and age. To work on diversity means that we welcome these differences, and strive to increase the visibility of traditionally underrepresented groups. We see inclusion as the ongoing, conscious effort to celebrate difference and welcome people of differing backgrounds and life experiences, whether they’re current or prospective employees, partners, or users of our software” (Automattic, 2016c). The company has only recently started to work on facilitating spaces for discussions about diversity at Automattic and at the 2016 annual gathering of all of the employees, they decided to share with the rest of the world what they are doing about diversity and inclusion through the company website “because we want you to think about working with us” (Automattic, 2016). The same message is also reiterated by one of the company guidelines, where as the very first point it says “Share your perspective. Your perspective is part of what makes us stronger. If you practice sharing honestly, it will encourage others to do the same. This will only help create a place where perspectives flow freely and build on one another. Beyond that, share your story outside of Automattic and inspire others to apply to join the fun here” (Automattic 2016c).

The company also implements a very attractive recruitment strategy by offering a wide range of benefits. This strategy is widely adopted by fast growing tech-companies to “win the war for attracting the best talents but the way we implemented focuses more on long-term employee happiness” (Interview with one of the HR Managers, 2016). These benefits can be standard benefits that are available worldwide to all the employees as well as there are benefits that tend to be country-specific.

The former range from open vacation policy with no set number of days per year. The company encourages all employees to take the time they need for vacation, to pursue their own interests, to stay healthy, and to spend time with friends and family (Automattic 2016b). A few years ago, people outside the U.S. were hired as independent contractors and they billed Automattic only for hours worked. In 2010, independent contractors were asked to bill a monthly stipend, and take the vacation that they needed. The company quickly realized that vacation and accrual under this system was not equitable for their global company. Lori McLeese, who has been HR Lead at Automattic for the past five years argues that “we also realized that a lot of people in the US were actually maxing out their PTO (Paid Time Off) and not accruing additional PTO, because they were saving it up for either a big vacation, or because the next year they wanted to do something, and so we decided to go the route of Netflix and have an open vacation policy” (Croswell, 2016). Among the 51 countries represented at Automattic, there are different views about what is an appropriate amount of vacation. McLeese points out that “what we think is perhaps excessive in the US is quite normal in, say Europe. US employees will often cite the vacation policy as one of the things they love about working at Automattic. They see it as something very unusual, whereas people in other parts of the world are like, well of course we get to take this much time off. We're supposed to” (Croswell, 2016). The key-informant clarifies how Automattic uses one internal WordPress.com blog that lists everyone’s vacation dates. This blog is also used by HR to pull information for reports that are in turn sent to countries that require it for payroll, but the information is hardly ever consulted for other purposes. The vacation information is automatically populated to team calendars and blogs as well. Staff also use Slack to notify each other when they are on vacation, by putting the dates of their vacation into their profile.

While the company also offers home office setup and coworking allowances “Working from a coffee shop? You can use your coworking allowance for the requisite latte!” (Automattic 2016b) they provide or reimburse hardware and software needed, as well as books or conferences that promote continued learning. There is also the provision of company-sponsored life insurance and open maternity/paternity leave. If the employee has been with Automattic for 12 months, the maternity/paternity leave is fully paid. Paternity leave is a particularly attractive

2523-6547 - Copyright: © 2017 The Authors. This is an open access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.
benefit since it is quite uncommon in tech companies, where in turn the male population tends to be numerically dominant (Interview with one of the HR Managers, 2016). Once the employee has been working with the company for four years they also receive a WordPress-branded laptop at their four-year anniversary and a set of wireless headphones at their seven-year anniversary. As stated by the CEO “When we hire someone at Automattic, we want the relationship to last for decades. That’s not the way most Silicon Valley companies operate. But we feel strongly that the most productive relationships are formed over years, not months. If you’re making a movie, it might be reasonable to bring people together for the time required to film it and then move on. But if you’re trying to build products that will change the world, it’s going to take much longer, and there’s value in retaining people for a large chunk of their careers” (Mullenweg, 2014). The company also encourages the employees to take a paid two to three-month sabbatical every five years. As pointed out by the key-informant “at the moment there is no need to coordinate sabbatical leaves, and all we ask is for the person entitled to work out the dates with their team, so that work can keep running smoothly. However “as the company is growing “older” and more and more people reach the five-years award, we may start having to regulate things more” (Interview with one of the HR Managers, 2016). The company also covers all costs of company travel as teams will get together at least one to three times per year in locations around the globe.

In relation to those benefits that are country-specific, these might include health, vision, and dental insurance; matching retirement/pension contributions; childcare vouchers; income protection; travel insurance and discount offers. For instance, as pointed out by the key informant before opening a foreign subsidiary in a given country the company conducts some thorough research about the standard benefits that would be normally offered in the sector “for example our staff in some of the South-American or Asian countries get a salary that is up to 70% more than the average salary in the industry for their countries, and we also provide all kind of benefits and support that aren’t statutory in their countries. So now that we are in the process of opening up a subsidiary in a South-American country, in order to identify the most competitive benefits we will offer there I personally had interviews with our local staff as I really wanted to hear from their perspective what benefits are more attractive to them, as their individual personal concerns. Normally the first stages of these interviews are 1-to-1 via Slack as I feel that they might be reluctant to share some of their concerns at a group meeting. Group meetings come in as second stage, and we keep the communication running also via bi-weekly updates posts on internal blogs” (Interview with one of the HR Managers, 2016).

5.3 Developing Talent by Sharing the Value of Learning

Developing talent is at the very core of Automattic’s values. The company’s development culture is firmly embedded in its creed which is included in every new contract, just before Mullenweg’s and the new employee’s signatures (Interview with one of the HR Managers, 2016). The creed states that “I will never stop learning. I won’t just work on things that are assigned to me. I know there’s no such thing as a status quo. I will build our business sustainably through passionate and loyal customers. I will never pass up an opportunity to help out a colleague, and I’ll remember the days before I knew everything. I am more motivated by impact than money, and I know that Open Source is one of the most powerful ideas of our generation. I will communicate as much as possible, because it’s the oxygen of a distributed company. I am in a marathon, not a sprint, and no matter how far away the goal is, the only way to get there is by putting one foot in front of another every day. Given time, there is no problem that’s insurmountable” (Automattic, 2016a).

Catherine Stewart, VP of business development for Automattic, also said being a distributed company has helped it hire the best talent around the world, and this continues to drive global growth. Another key to the company’s success has been a continued focus on learning, according to Stewart. Automattic has a creed that includes the phrase “never stop learning” “that applies to all of us and to the business itself, challenging us to move beyond our comfort zones” (Donaldson, 2016).

During the interview with the key-informant it also emerged that the value of learning is enforced throughout the horizontal structure of the company where the employees are all encouraged to attend unlimited conferences worldwide and the company fully bear the costs. In particular, it emerged that everybody in the company regardless of their position (thus including the key-informant) has to provide software support for a week every year so that they all gain a thorough understanding of the wide range of products that the company offers. Unexperienced staff would be paired up with Senior Staff Support that the can liaise with when handling customer requests and the number of tickets that are successfully completed by each individual are visible to everybody in the company which can be an incentive to foster “positive competition”. (Interview with one of the HR Managers, 2016).

2523-6547 - Copyright: © 2017 The Authors. This is an open access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.
Additionally, within developing talent, besides more traditional professional development the company places particular emphasis on learning from diversity. As the Automattic creed states “we will never stop learning” (Automattic, 2016c). This should involve following the company guidelines on the topic of diversity and inclusion. These involve namely – “1. Sharing your perspective”; “2. Educate yourself about diversity” by subscribing to newsletters, reading articles, or diving into research papers since “learning about diversity can happen daily”; “3. Challenge your own thoughts”; “4. Ask for feedback”; “5. Join one of our online communities available to Automatticians”; “6. Help make our products localized and accessible”; “6. Remember that great ideas come from everywhere” (Automattic, 2016c).

4.3 Retaining Talent by Having Fun

According to the key-informant “the lifestyle that ensues from distributed work is like a glue that keeps Automatticians together” (Interview with one of the HR Managers, 2016). Articles showcasing the benefits of disconnecting, on vacation and on a regular basis, are posted internally. People are not expected to be working 24/7. The same point is reiterated by McLeese. She for example says “we encourage people to work the schedule that works best for them. For some people that is working in the middle of the night, but they’re not working all day. Still there’s this perception of, oh my gosh, people are online all the time. They’re not online all the time.” (Croswell, 2016). In early 2016 McLeese took a three month sabbatical and had her work email disabled while she was away. As a leader within the company, she was able to set an example that it is okay to truly disconnect from work. “When I came back from sabbatical, I talked about the experience because not only was I completely disconnected from work, for about six weeks I didn’t check personal email or social media. I was just completely offline from all technology, and I talked about how that affects how you process things. We have a lot of open conversations about the importance of being present” (Croswell, 2016).

Alongside with the lifestyle, according to the key-informant, the actual face-to-face meetings are instrumental to create rapport and long-term relationships with each other “indeed, we all travel extensively to meet up face-to-face. One would imagine these would be all technical/business meetings but they are actually mostly social, as we tend to spend a lot of time getting to know each other personally. So we would have a meet-up goal that is generally set by the team involved, which becomes the expected output of the meeting. Alongside with it, we have a very social agenda as well. Normally if two Teams are organizing a meeting, all the participants would be involved in the choice of the location, and we would go for a place that is geographically located in-between. We tend to alternate meetings in the US with meetings in Europe, or other locations, so that there is a fair balance on how much distance we ask employees to travel. Similarly all the participants would be engaged in an open debate about setting the meeting agenda. It might happen that someone from HR is invited to attend these meetings even if they are of technical nature..we actually work as their business partners to provide all the support that might be needed” (Interview with one of the HR Managers, 2016).

Davide Casali, Product Experience Director at Automattic on his blog further reiterates this point “Distributed companies do meet face to face, and it’s actually one of the key elements to make fully distributed companies work. The meetings are planned and structured to allow people to come together in a way that’s productive. Face to face time isn’t a continuous activity like in an office, it’s a periodical activity. The primarily reason to meet in person isn’t to work, but to socialize. Knowing the colleagues, their tone of voice, their mannerism, facilitates every further dialogue that will happen online later on. Sarcasm, humour, dry sentences, can be then interpreted in a lighter and more conscious way, leading to better communication overall. Work can be done too, since there are activities and discussions that are more effective in person, but it’s almost secondary in importance” (Casali, 2015). In particular Casali identifies three types of meetings. These are namely the Grand Meetup; the Team Meetup and the Occasional Meetup.

The Grand Meetup is a yearly event, and it involves the whole company, all together for a few days in the same place, doing activities, working on projects or classes, chatting, having fun and spending time together. The days start around 8:00 “or even earlier, if one decides to go for a morning jog with others” and end formally around 22:00, “but as you can imagine, can easily go longer to 1 or 2 in the morning”. During these times there are several different activities, “all geared to know each other better”. These range from flash talks where “everyone presents anything, really. Some people make a funny video, some other tell about a recipe they know, some do a guitar solo for 4 minutes. It’s really anything, but you get a glimpse of someone, and also allows to have a ready ice-breaker asking about it and to expand beyond the four minutes limit”, to projects “the projects are something useful for WordPress.com or Automattic, and they are usually rather self-contained. The teams working on these
are pulled together for different parts of the company, as well as leads of the teams not being existing leads”, activities “these are brought forward by whoever wants to organize them. This year we had anything from roundtables on diversity to roleplaying sessions, from swing lessons to Magic the Gathering matches” to lunches and dinners that tend to be “randomized trying to mix some time together with people one already knows, and some time with people one has never met”.

The Team Meetups can vary in frequency, but they are around 3-4 times per year. The team meetup’s scope is still socialising, but the activities there can vary greatly from team to team. The way they approach them is to discuss more difficult things that happened since the last meetup, to align and dive deeper as well as running workshops to plan the following months of work. According to Casali “by the end of these meetups people are usually so energized that they can’t wait to go back home and work on all the stuff being discussed. A good sign indeed” (Casali, 2015). A similar view was shared by the key-informant when discussing a recent Team Meetup that was held in Ireland “For instance in September I will attend a meeting in Ireland. The meet-up goal or the overarching theme is how to implement Objectives and Key-Results (as implemented by Google), how we can adjust and have a bespoke model of OKR that actually fits with our business model. Amongst the issues that are likely to be discussed there is the postponement of the sabbatical leave of their division leader and how his work will be distributed during his absence. In particular the team leads in this division will need to become more accustomed to delegating tasks, become more autonomous in making decisions, especially in the light of the fast-pacing growth that team is likely to face in the next 12 months. During the previous meeting we had in England, the same group had just taken up being team leads, and they felt still uneasy about what it means to be a team lead at Automattic...in particular some felt a bit distressed and inadequate because of all the questions they had in their minds about what leadership meant in our context. We had a chance to discuss that in an open and safe context, and being able to openly share these feelings with the rest of the team made wonders for team morale. Overall the meeting was very successful, they were able to autonomously set the meeting’s agenda and six months on (the meeting in England took place in March) they were able to build tremendous team-leadership in the whole division” (Interview with one of the HR Managers, 2016).

The Occasional Meetup can happen for many reasons. For example Automatticians from the UK are meeting for a dinner before Christmas, and this is self-organized since “taking initiative is one of our values” (Casali, 2015). Other occasional meetups can occur during conferences “when two or more people are going to the same WordCamp or conference it’s another great occasion to have good time together and good chats. And given how much we travel... it’s not uncommon to find another Automattician at the same airport and spend some time together in that way” (Casali, 2015).

According to Casali (2015) “the key element of these meetups, however, is to be immersed in the things that are missing when working remotely. That’s why focusing on socializing, knowing each other better and discussing together are the things that are most beneficial. All the activities are ways to know each other better. The effects reverberates then online through the months and the years. People suddenly are more connected across teams, and this leads to better communication and coordination, even when just a couple of messages are exchanged”.

5. CONCLUSION

While the academic literature stresses the importance of the tangible presence of cultural, linguistic, spatial, and temporal barriers involved in global work, as well as the presence of a vast array of different political, economic and societal settings make the coordination of global work arrangements particularly challenging for MNEs (Aycan, 2005; Hinds, Liu, and Lyon, 2011; Edwards and Kuruvilla, 2005; Kostova and Roth, 2002; Raghuram, Garud, Wiesenfeld, and Gupta, 2001) and to a great extent GTM are particularly challenging for those Virtual Enterprises (VEs) (Rayport and Sviokla, 1994; Kirkman and Mathieu, 2005), the experience of Automattic shows that companies can actually thrive on those differences.

In particular, due to the very nature of its distributed workforce the company has been able to invent a very convincing business model and to organise its global work arrangements accordingly where significant spatial and temporal asynchronies allow the company to provide effective and flawless customer 24/7. In this respect, the company has successfully addressed issues of both geographical and temporal dispersion of virtual workers by effectively managing such a distance that virtual work inevitably entails (Raghuram, Garud, Wiesenfeld and Gupta, 2001). Similarly, the company by fostering a very robust corporate culture by cleverly relying on blogs and social media has been able to overcome the challenges that are associated with cultural differences (Hinds, Liu, and Lyon, 2011).

2523-6547 - Copyright: © 2017 The Authors. This is an open access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.
Within this context, the company’s experience has been significantly successful in approaching “The War for Talent” (Michaels, Handfield-Jones and Axelrod, 2001) by taking a rather unusual yet systematic approach by implementing a very inclusive GTM philosophy that focuses on inclusion and diversity as suggested by van Woerkom (2014). Conversely, in relation to changing demographics, the company tends to offer an attractive work package that seems to be in line with the expectations of the changing attitudes of new millennials by emphasising the importance of learning and development, establishing a good work/life balance, ensuring extensive travel, by engaging in corporate social responsibility (Shen and Benson, 2014) in its ethos of actively promoting diversity and inclusion as well as relying on electronic communication (Twenge and Campbell 2012) by therefore fostering employee loyalty (Korkki, 2011). As a matter of fact the company was recently ranked amongst the top 50 companies where creative people would like to work full-time (Free Range, 2016). In doing so, the company seems particularly sensitive to country culture, whereby the benefits are tailored to the specific countries and often suggested by the employees themselves as clearly demonstrated in the case of opening a subsidiary in Latin America (Ready, Hill and Conger, 2008; Tarique and Schuler, 2012; Jackson, Schuler and Jiang, 2014).

As for identifying talent, from the findings it emerges that the company implement a very effective talent planning strategy by auditions that allows the company to obtain an optimal level of talent positioning, which refers to having the right talent at the right place at the right time with the needed competencies and motivation at all levels and all locations of the firms (Guthridge et al., 2008). In relation to the specific case of VEAs, the findings support the evidence presented by Radović-Marković, Marković and Radulović (2015) whereby Automattic by relying on auditions tends to pay special attention to choosing its members. In particular, as it has been emphasised by the CEO the evaluation of the perspective employees’ competencies is instrumental in assessing their capacities as well as their potentials and limitations in order to foresee their success.

As for attracting talent by inspiring others to apply, the company extensively invests in human resource reputation also known as employer brand. In particular the company is particularly strategic in focussing on those characteristics that make it more attractive to a pool of potential applicant by improving its human resource reputations to attract talent (Friedman, 2009; Robak, 2007; Sherwood, 2008; Wayne and Casper, 2012; Wickham and O’Donohue, 2009). Such a human resource reputation is convincingly conveyed to the perspective applicants by the current staff in their sharing of their first-hand experiences that tend to focus on those organizational characteristics that matter most to specific types of recruits (Hieronimus et al., 2005) by in turn motivating and engaging employees themselves (Guthridge, McPherson, and Wolf, 2009). In this respect, Automattic implements a creative and aggressive strategy to attract talent (Tarique and Schuler, 2012) that includes targeting specific personality traits (Hedricks, Robie, and Harinisher, 2008) as stated both by the CEO and by the key-informant, by also recruiting and developing foreign nationals to work in their own country (Clegg, 2004) and by additionally attracting a diverse pool of applicants such as female workers and providing support to them to manage career barriers like the glass ceiling (Hewlett and Ripa, 2010) as demonstrated for example by the maternity leave benefits offered by the company. In this sense, the findings do not support the idea that there are a number of limitations associated with current ICT systems including the fact that they use one way communication systems, that are impersonal and passive, do not always allow for interpersonal interaction, and that often create an artificial distance between individuals and firms (Stone, Deadrick, Lukaszewski and Johnson, 2015).

In relation to developing talent, by sharing the value of learning the company relies on a variety of developmental experiences and practices such as long term and short term global assignments, participation in global teams, cross-cultural training, and mentoring, coaching, and stretch assignment (Caligiuri and Tarique, 2009). The process is aligned with the goals of the organization such as promoting diversity and inclusion (Stewart and Harte, 2010) and cross-cultural competencies (Johnson, Lenartowicz, and Apud, 2006) by placing emphasis on both stable competencies such as personality traits (Leiba-O’Sullivan, 1999; Peters, et al., 1997; Shaffer, et al., 2006) as well as by dynamic competencies including “international travel experiences” (Caligiuri, Tarique, and Jacobs, 2009; Crossman and Clarke, 2010; Chang, Yuan, and Chuang, 2012; Lee and Sukoco, 2010; Selmer, 2002). Equally, Automattic relies on effective developmental experiences in the form of information processing mechanisms (Lazarova and Tarique, 2005; Tarique and Schuler, 2008) such as coaching, mentoring, and participation in conferences act as mechanisms to transfer information as it happens when the staff goes on temporary job rotation by providing customer support. In this sense, the findings support the evidence presented by Merkevicius and Uturyte-Vrubliauskiene (2015), according to whom satisfaction of virtual employees with their work performance depends both on recognition of front office and effective distribution of works thanks to managers, as well as, given possibility to learn and gain knowledge from their colleagues and associates.

2523-6547 - Copyright: © 2017 The Authors. This is an open access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.
As for retaining talent, Automattic implements an effective retention whereby thanks to employees engagement with their work and the organization, they are likely to have greater job satisfaction, have a positive opinion of their employer, are less likely to voluntarily leave, have greater customer loyalty, and have high levels of performance (e.g., Lockwood, 2007). By retaining talent by having fun, the company seems to have a pronounced talent management culture by showing to employees that talent management is a priority for all employees as they sourcing talent globally, and rewarding managers for improving talent retention (Schuler, et al., 2011). In this sense, the findings support the evidence presented by Merkevicius and Uturyte-Vrubliauskiene (2015) who found that loyalty of team working in virtual organization or project directly depends on the pride of the company. Conversely, the findings also support the idea presented by Stone, Deadrick, Lakszewski and Johnson (2015) according to whom in order to motivate and retain an ever-growing diverse workforce, e-compensation systems may need to expand beyond merely pay and benefits. For instance, Automattic relies on Slack to identify the reward preferences of employees, and develop cafeteria reward systems that can be used to meet their needs.

Overall, the experience of Automattic shows how HRM practices can actually provide a competitive advantage (Ashton and Morton, 2005; Becker, Beatty and Huselid, 2009; Colbert, 2004; Huselid and Becker, 2011; Progoulaki and Theotokas, 2010; Schuler, Dowling, and De Cieri, 1993; Wright and McMahan, 2011; Meyers and van Woerkom, 2014) where identifying, attracting, developing and retaining talent play a crucial role. From the findings, it emerges that stemming from this experience there are some exemplary and valuable lessons for VEs from all sectors on how to embrace GTM in a more creative way and the great benefits in terms of efficiency and effectiveness that can flow from doing so. These are namely – identifying talent through auditions, recruiting by inspiring others to apply, developing talent by sharing the value of learning and retaining talent by having fun.

The limited number of case studies focussing on global work arrangements in the fast growing tech companies prevents the conduction of a more generalizable econometric assessment. A case study approach has been therefore deemed as an appropriate methodological choice. Even if this approach can provide in-depth insights, the issue of generalizability looms larger here than with other approaches. The research focused only on a single case study, conducting multiple studies within the sector and across different knowledge intensive industries would be surely desirable. As such, it could provide a valuable opportunity for further research.
References


2523-6547 - Copyright: © 2017 The Authors. This is an open access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

327
41. Frauenheim, E. (2009). Special Report I-TRR TECHNOLOGY-TALENT PLANNING FOR THE TIMES-After the chaotic cutting of the latest recession, many employers are looking at workforce planning software to provide stability in meeting short- and long-term needs. Yet it also raises the question: Is workforce planning possible in a meaningful way? Workforce Management, 88(11), 37.
65. Krumm, S., Kanthak, J., Hartmann, K., & Hertel, G. (2016). What does it take to be a virtual team player? The knowledge, skills, abilities, and other characteristics required in virtual teams. Human Performance, 29(2), 123-142.

2523-6547 - Copyright: © 2017 The Authors. This is an open access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.