Global Talent Management Literature Review

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EXECUTIVE SUMMARY

One of the most significant developments in people management 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 domestic and international. This focus has taken the general labels of “talent management” or more popularly, “global talent management.” This report is about the broader and more encompassing label global talent management (GTM). Because of its importance, there have been many academic and HR practitioner papers and reports published on global talent management, but because of its recency, there are many viewpoints as to what it really is, what it covers and what things remain to be explored and developed in the years ahead. So in this white paper we would like to do several things: 1) define the field of global talent management by reviewing the major academic and practitioner work; 2) describe the drivers of the field of global talent management; 3) review the work done on the policies and practices of GTM, including the attraction, development, retention, and mobilization of global talent; 4) offer some thoughts on the future directions of global talent management for human resource academics and human resource practitioners. An extensive set of references utilized in the preparation of this review is found at the end.
INTRODUCTION

In today’s complex and dynamic global environment multinational organizations have to manage a global workforce to achieve sustainable growth. Managing a global workforce is challenging -- it is mobile, diverse, and not bound by geographic and cultural boundaries (Schuler, Jackson, & Tariq, 2011; Scullion, Collings, & Caligiuri, 2010; Stahl et al., 2012). As a result of these challenges many human resource practitioners (HR leaders and HR consultants), and academics are focusing on the important area referred to as “global talent management” (Collings & Mellahi, 2009; Garavan, Carbery, & Rock, 2012; Schuler, et al., 2011; Scullion, et al., 2010; Stahl, et al., 2012; Vaiman, Scullion, & Collings, 2012).

One of the major topics of research in global talent management has been around the notion of talent shortages (Manpower Group Talent Shortage Survey 2011), and the implications of talent shortages on the practice of human resource management in multinational organizations (Collings & Mellahi, 2009; Farndale, Scullion, & Sparrow, 2010; Scullion, et al., 2010; Stahl, et al., 2012; Vaiman, et al., 2012). Ironically the topic of global talent management is prevalent in times of economic prosperity as well as in times of economic uncertainty and economic and financial recession (Tariq & Schuler, 2010). There is considerable evidence that shows even in recent poor economic conditions organizations worldwide are having difficulty managing talent across a wide range of positions (McCauley & Wakefield, 2006). The recent Manpower Talent Shortage Survey (2011, p 2) notes

“Despite the continuing caution exercised by many companies amid ongoing economic uncertainty, a substantial portion of employers in the U.S. and worldwide identify a lack of available skilled talent as a continuing drag on business performance…..”
According to the *Manpower Talent Shortage Survey*, the top three most difficult positions to fill in the Americas (e.g., Argentina, Brazil, Canada, Colombia, Costa Rica, Guatemala, Mexico, Panama and Peru, and United States) include technicians, sales representatives, and skilled trades workers, in Asia-Pacific (e.g., Australia, China, Hong Kong, India, Japan, New Zealand, Singapore and Taiwan) include sales representatives, technicians and laborers, in Europe, Middle East and Africa (e.g., Austria, Belgium, Bulgaria, Czech Republic, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Romania, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey and the United Kingdom) include skilled trades workers, technicians, and engineers (For more information see the *Manpower Talent Shortage Survey, 2011*).

The importance of global talent management is evidenced by academics and HR practitioners alike. Similar to the results from the Manpower Talent Shortage Survey (2011), the general consensus is that organizations face intense competition for talent worldwide and confront major challenges in attracting, retaining, and developing people they need in many positions.

The purpose of this report is to review the relevant academic and practitioner literature on global talent management from the last five to seven years to identify important themes that can provide academics and HR practitioners with an understanding of what is generally accepted and known and unknown about the topic, highlighting research directions where appropriate. The resources included in this review comprise of relevant global talent management research findings and commentaries from seasoned HR practitioners on the topic that includes books, domestic and
international academic journals and white papers. A resource was selected if its primary focus was on global talent management.

The remainder of the report is organized in the following way. *First*, we begin with the conceptualization of global talent management and discuss the evolution of the field in terms of the current debates surrounding the definition and boundaries of talent management. *Second*, we identify and discuss the drivers of factors that are shaping the field of global talent management. *Third*, we discuss the global talent management issues related to attracting, developing, retaining, and mobilizing talent. *Fourth*, we conclude with a discussion of future directions for academics and HR practitioners for global talent management.
CONCEPTUALIZATION OF GLOBAL TALENT MANAGEMENT:
WHAT IS GLOBAL TALENT MANAGEMENT?

In this section we discuss the evolution of global talent management in terms of the current debates surrounding the definition and boundaries of global talent management.

Although the origins of talent management can be traced back to 1865 (Simonton, 2011) and to the fields of arts/entertainment management, sports management literatures, and early education, interest in talent management in the business context came in the 1990s with the groundbreaking study entitled “The War for Talent,” by McKinsey (Michaels, Handfield-Jones, & Axelrod, 2001). This study, reflecting the high tech boom times of the late 1990s, suggested that demand for talented employees exceeded the available supply, thus leading to the problem of talent shortage. Several HR practitioners and consultants recognized the importance of this trend, and as a result, several excellent studies were done in subsequent years by human resource practitioners and consultants to examine talent shortages (Tarique & Schuler, 2010). As a consequence of this, the phrases “talent acquisition, retention and management” and “attracting, retaining, and developing talent” become popular among human resource management community.

Global talent management was widely accepted by human resource practitioners, consulting firms and professional associations (e.g., Boston Consulting Group, McKinsey & Company, Hay Group, Watson Wyatt Worldwide, Heidrick and Struggles, Korn/Ferry, Lominger International,
Society for Human Resource Management, World Federation of People Management Associations, Manpower Inc., Economist Intelligence Unit, The Chartered Institute of Personnel and Development, the American Council on International Personnel). Building on this excellent work, academics recently started to examine the talent management phenomena more closely in the last few years. Several special issues of academic journals such at the *Journal of World Business* (Scullion, Collings, & Caliguri, 2010) and the *Asia Pacific Journal of Human Resource Management* (McDonnell, Collings, & Burgess, 2012) and books such as *Global Talent Management* by Scullion and Collings (2011), *Strategy-Driven Talent Management* (Silzer & Dowell, 2010) and *Talent Management of Knowledge Employees* (Vaiman, 2010) have been published (Tarique & Schuler, 2010). Universities have also been paying attention to global talent management: The graduate business programs at Pace University (New York, USA) and Reykjavik University (Iceland) are examples of academic programs that specifically focus on global talent management.

Although there is a growing consensus that global talent management is an emerging area, there is no consensus regarding the exact definition or boundaries of global talent management. Rather there is considerable debate around the definition of the term. There are several interpretations of global talent management (Collings & Mellahi, 2009; Lewis & Heckman, 2006; Tarique & Schuler, Forthcoming). Here we list a few definitions that appear most often:

- **Global talent management** is the standard human resource department practices and functions; and in the international context the term global talent management is used interchangeably with international human resource management;
• *Global talent management* is more future oriented and is defined in terms of human resource planning and projecting employee/staffing needs. Here the focus is on the types of individual level capabilities needed in the future;

• *Global talent management* focuses on high performing individuals also known as high potentials;

• *Global talent management* focuses on strategic jobs. These jobs also refer to core jobs and are critical to the organization in terms of creating competitive advantage; and,

• *Global talent management* is a capability based approach to strategic human resource management. Here talent management is treated as a subset of strategic human resource management.

Regardless of which definition is used, there is a common theme across them. It seems that global talent management focuses on two important dimensions (Tarique & Schuler, Forthcoming):

• Individuals with high and/or critical levels of talent (e.g., knowledge, skills, and abilities) that add value to the organization; and,
Complementary international human resource management policies and practices that are used to manage employees with high and/or critical levels of talent. Because they are implemented systematically, these international human resource management policies and practices refer to global talent management systems.

Therefore, global talent management can be defined as:

A subset of IHRM activities (systematically linked IHRM policies and policies) 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 & Schuler, 2010).

An important point here is which IHRM activities fall outside the working definition of global talent management. There are two perspectives here. The first perspective suggests all IHRM activities can be applied to the various employee groups but each activity has to be customized to suit the needs of a particular employee group. The second perspective suggests that particular IHRM activities are only provided to specific employee groups. An example here would be the use of cross cultural training. This type of training is mostly provided to individuals going on foreign assignments. Another example would be the use of executive development programs that are only available to individuals who are considered high potentials for senior management positions.
But regardless of how the field is defined, global talent management is emerging and creating new roles and jobs. A recent study by Heidrick & Struggles (Strategic Talent Management. The emergence of a new discipline, 2012) notes:

“The cumulative impact of global demographic trends, combined with on-going economic uncertainty and aggravated by a critical skills shortage creates a powerful talent triple whammy facing business. In response, forward-looking companies are bringing talent, particularly leadership talent, to the top of the agenda and are assigning responsibility for aligning business and talent imperatives to a senior talent executive. We are beginning to see the steady emergence of a new discipline of Strategic Talent Management, led by a Head of Talent or a similarly titled role.”

Helping to inform this new position is an understanding of the drivers that have shaped the discipline of global talent management.
This section identifies and discusses four drivers that have shaped and are shaping the field of global talent management. More specifically, these are the drivers that impact how organizations attract, develop, retain, and mobilize talent. Major drivers include:

- Shortage of talented workers;
- Changing demographics;
- Changing attitude towards work and structure of work; and,
- Country culture differences.

How these specifically impact global talent management is the focus of the section that follows this one on Drivers.

**Shortage of Talented Workers**

There is considerable evidence that shows organization worldwide are having difficulty finding the right talent (Jeff Schwartz, 2011; Kavanagh, 2010; Kazmin, Pearson, Robinson, & Weitzman, 2011; Meisinger, 2008; Michaels, et al., 2001; Payne, 2008; Sridharan, 2007). The recent studies by the World Economic Forum and the Boston Consulting Group (2011) and the Manpower Group (2011) show that the shortage of talent problem is truly global: it affects a wide variety of positions in many regions and countries of the world. In the Manpower Group study (2011) it is reported that 34 percent of employers are having difficulty finding suitable talent to fill positions. Japan, India and Brazil are the top three countries in terms of having difficulty filling jobs. This study found that organizations are using several strategies to manage the talent shortages including employee training and development and aggressive recruiting.
strategies. The World Economic Forum and the Boston Consulting Group (2011) study recommends taking a systematic approach to managing global talent risk and suggest several responses by multinational firms (p.7):

- Introduce strategic workforce planning (e.g., determine future talent gaps);
- Ease migration (e.g., attract talent from a global labor pool);
- Foster brain circulation (e.g., reduce brain drain by encouraging students and professionals to return home);
- Increase employability (e.g., increase the skills levels of both the current and future workforce);
- Develop a talent “trellis” (e.g., offer multiple developmental and career pathways);
- Encourage temporary and virtual mobility (e.g., access required skills from any location; and,
- Extend the pool (e.g., attract skill sets of women, older professionals etc.).

**Changing Demographics**

Several studies show that there is little doubt that world demographics are changing. Current trends show that population in the developed economies is shrinking and becoming older while the size of population of much of the developing economies is expanding and getting younger (Strack, Baier, & Fahlander, 2008). One implication of these demographic changes is the creation of various generations of employees: generation X, baby boomers, generation Y or millennials. Simultaneously managing mature workers or an aging population and younger workers is a challenge for the talent management function (Calo, 2008; Tarique & Schuler, 2010). The mature workers are likely to live longer (increasing life expectancy), retire at later
age (there are increasing pressures in most countries to raise the retirement age), and when they do retire, they likely will take their tacit knowledge with them. Hence knowledge transfer or extraction from this generation is a key issue facing human resource practitioners. In addition, developing policies and practices to manage stereotypical beliefs and negative biases towards mature workers is an important challenge facing human resource practitioners. It is important to point out that the categorical terms such as Baby Boomer, and Gen X and Y are predominantly influenced by ideology from the United States. Different countries have different generational classifications based on their historical and social events.

Similar to the aging population, managing the millennial is also challenging for global talent management. According to a study by PricewaterhouseCoopers (2011), this generation of potential workers makeup 25% of the workforce in the United States and account for over half of the population in India. The report predicts that by 2020, millennials will form 50% of the global workforce. Hence it is important to understand the work related characteristics of this group which include:

- Low loyalty (and engagement levels) towards employers;
- Most likely to voluntary 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 organizations that focus on corporate social responsibility;
- Strong interest in working overseas; and,
• Comfortable working with older generations;

The millennial generation of workers in the developing economies and countries in the southern hemisphere provide additional challenges to the talent management function. They seem to lack the necessary skills and competencies needed to meet the job requirements (Strack, Baier, Caye, Zimmermann, & Dyrchs, 2011) in today’s global organizations. There are several reasons why this generation is not able to develop the necessary skills and competencies including political instability, poor or uneven quality of formal educational systems, barriers to entry in certain careers, and lack of career development programs. An important challenge for global talent management in organizations, therefore, is to find ways to develop the skills and competencies of young people living in developing countries. As mentioned before, it is important to point out that the notion of millennials is U.S. based and issues important to millennials like corporate social responsibility are of far greater concern in the U.S. More research, however, is needed to examine if the characteristics of Millennials are truly global.

**Changing Attitude toward Work and Structure of Work**

Attitude towards work are changing dramatically in some countries (Erickson, 2008; Gratton, 2010, 2011a, 2011c). Traditionally employees rotated through a set of jobs or positions with an occupation or a company, lateral and/or horizontal movement (e.g., job mobility) was within the employer organization, and the employer invested considerable resources in training and developing employees. In return, the employees displayed loyalty to their employer and expected continued job security. The picture now is very different. Workers are frequently changing jobs
or moving across employers and occupations, are taking major responsibility to manage their own careers, and assume little or no job security, regardless of performance. Employee loyalty seems to be very low, or as some would say employee loyalty seems to be dead (Korkki, 2011).

From a talent management perspective the general consensus is that the structure of work will continue to change creating more challenges for organizations to retain talent. Recent studies provide interesting trends with respect to the future of work (Gratton, 2010, 2011b; Levit, 2009). Some of the trends include virtual teams (e.g., employees will interact with each other using technology) social networks (e.g., employees will have access to several potential employers), flexible work hours (e.g., employees will have more control over their work schedules), remote workstations (e.g., employees will work for companies that are geographically distant), contingent workers (e.g., employees will work for multiple organizations), and more dependence on mobile technology (e.g., the increasing use of smart phones and tablets). These trends suggest the talent of the future will be working for multiple employers, will be well connected (socially and professionally) with a variety of organizations, and will be willing to move from one job to another and one career to another. In addition these characteristics are more likely to change the employee-employer relationship making it more difficult for organizations to manage the talent management process as attracting, retaining, developing, and mobilizing talent.

**Country Culture Differences**

Country culture an important role in international human resource management (Black, 2005; Gerhart & Fang, 2005; Rowley & Benson, 2002; Schneider, 1988). Country culture can have a
direct or indirect effect on how human resource management policies and practices are designed, how they work together, and how they influence employee behavior and performance both at the individual and organizational levels (Gerhart & Fang, 2005; Hassi, 2012; Lertxundi & Landeta, 2011; Miah & Bird, 2007; Schneider, 1988). An important discussion in international human resource management is on the issue of convergence/divergence of human resource practices across cultures, regions, and countries (Brewster, Wood, & Brookes, 2008; Festing, 2012; Mayrhofer, Brewster, Morley, & Ledolter, 2011; Sparrow, Schuler, & Jackson, 1994; Stavrou, Brewster, & Charalambous, 2010). Convergence means that human resource management policies and practices are similar across countries and cultures and divergence means that human resource management practices are different across countries and cultures. Evidence thus far is mixed. Certain human management practices converge, some don’t, and it depends on the context. For instance, based on what we know from the international human resource literature, it could be argued that there is more convergence at the more general policy level (e.g., all employees need certain amount of development regardless of culture) and more divergence at the more specific practice or implementation level (e.g., the specific practice used to develop talented employees will vary with the culture).

Similar patterns exist with other global talent management practices (Tarique & Schuler, Forthcoming). Several studies have examined talent management in countries such as South Africa (Koketso & Rust, 2012), Thailand (Piansoongnern & Anurit, 2010), India (Anand, 2011; Tymon, Stumpf, & Doh, 2010), Italy (Guerci & Solari, 2012), and New Zealand (Jayne, 2004). In most countries, talent management is a relatively new topic such as in China (Preece, Iles, & Chuai, 2011) and Thailand (Piansoongnern & Anurit, 2010), and there is little consensus on the
definition of the term. For example in China talent management is viewed in a variety of ways such as talent management is different from HRM (Chuai, Preece, & Iles, 2008), focuses on certain employee groups, and focuses on certain jobs (Iles, Chuai, & Preece, 2010). This pattern is similar to the debate over the definition of talent management in North America and Europe. So there is some convergence regarding the conceptualization of talent management. Similarly, with respect to global talent management practices, Stahl et al (2012, p 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 et al (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,
- Easier for companies to imitate because of available data and information from large companies.

The last reason listed has important implications for talent management in terms of the relationship between talent management and competitive advantage. An important assumption in the strategic human resource management literature is that human resource management practices can provide competitive advantage as long as the practices cannot be imitated or copied (Becker, Beatty, & Huselid, 2009; Colbert, 2004; Huselid & Becker, 2011; Progoulaki & Theotokas, 2010; Schuler, Dowling, & De Cieri, 1993; Wright & McMahan, 2011). The large amount of information available from academics and human resource consultant about best
practices will create challenges for the talent management function in creating and sustaining a competitive advantage. In addition, as suggested by Stahl et al (2012), this abundance of information has the potential to create a convergence of talent management practices across regions and countries.

There is, however, also support for the divergence perspective, or stated differently, support for the need to localize global talent management practices. There is evidence that suggests successful transfer of talent management practices is context specific and contingent on a factors like stakeholder involvement and top level support, micro-political exchanges, and the integration of talent management with a global human resource information system (Burbach & Royle, 2010). Similarly in certain regions there are strong governmental pressures to have a better understanding of local markets (Eddy, Hall, & Robinson, 2006). The emerging markets in particular 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 (Ready, Hill, & Conger, 2008). There is also a strong push to focus on talent located in subsidiaries, in other words, to develop and promote local talent (Mellahi & Collings, 2010).

Since the field of global talent management is relatively new, and the majority of what we know is based on information and data from large multinationals (primarily from the U. S.) -- academics and practitioners do not have much data to come to a general consensus on the convergence/divergence topic and other related topics. Thus, they need to be careful to not overly generalize and apply what we know from large multinational organizations from
developed economies in a global context. Similar to any other new field of enquiry, researchers in other regions and countries are beginning to explore this topic in more detail.
**Impact of Drivers on Attracting, Developing, Retaining, and Mobilizing Talent**

The above four drivers of factors (e.g., 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 these global talent management practices and policies (Tarique & Schuler, 2010):

- Attracting (this includes policies and practices that recruit and select talented individuals);
- Developing (this includes policies and practices that provide job and career related competencies to talented individuals);
- Retaining (this includes practices that prevent talented individuals from leaving the organization); and
- Mobilizing (this includes practices that facilitate the movement of talented individuals across regions or countries).

In turn, each of the four drivers can impact these four global talent management policies and practices in the following ways (Tarique & Schuler, forthcoming):

- *How each policy and practice is designed or configured* (for example, the aging population will encourage organizations to use developing and retaining practices that facilitate the transfer of knowledge from the older employees to the rest of the organization.

- *How each policy and practice is utilized* (for example, the shortage of skilled workers will force organizations to extensively use in-house learning activities such as corporate universities to develop raw talent that already exists in the organization)
• How each policy and practice is evaluated (for example, the changing job structures will force organizations to evaluate the effectiveness of each global talent management practice more frequently as job tenure becomes shorter and increasingly uncertain)

The impact of the four drivers on the global talent management policies and practices is now discussed in detail.

Attracting Talent

The literature and research in this area can be broadly categorized in three fields: talent planning and deployment, human resource management reputation, and aggressive talent sourcing.

Talent Planning (also known as human resource planning) and Deployment. The role of talent planning to identify future talent needs is important at all levels of the organization (Cheese, 2010; Frauenheim, 2009; Freedman, 2009; Harttig, 2010; Hills, 2009; Lawler, 2008). Research here 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 et al., 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 organizations 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, organizations 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 organizations in various regions and countries (Collings & Scullion, 2009; Scullion, Collings, & Gunnigle, 2007).

**Human Resource Reputation (also known as employer brand).** Organizations have to focus on characteristics that make themselves more attractive to a pool of potential applicant. Several organizations are focusing on improving their human resource reputations to attract talent (Friedman, 2009; Robak, 2007; Sherwood, 2008; Wayne & Casper, 2012; Wickham & 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 organizations to view employer brand as a marketing function (Hieronimus, Schaefer, & Schroder, 2005; Jiang & 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 et al., 2005). Even during a period of recession organizations can focus on building human resource reputation and attractiveness as an employer of choice. For example, organizations can effectively use performance management practices to identify talent, and redesign jobs or restructure work to motivate and engage employees (Guthridge, McPherson, & Wolf, 2009).
**Aggressive Talent Sourcing.** There is a general assumption in the talent management literature that most talented individuals are, in general, always employed (Tarique & Schuler, forthcoming) so a challenge for organizations is how to reach this talent pool. The traditional sourcing strategies may not work. Another challenge for multinational organizations is to counter the threat of local talent being more attracted to a local organization rather than a multinational organization (Schmidt, 2011).

Thus multinational organizations 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, & Harnisher, 2008);
- Recruiting and developing foreign nationals to work in their own country such as hiring and developing Chinese students from British universities to work in China (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 & Ripa, 2010),

Although we discuss “talent development” next, the notion of developing and growing talent can also be seen as an aggressive technique to attract talent. The evidence from the earlier part of this report suggests that both the developed and developing nations face substantial challenges in the lack of employment readiness of the potential labor force. Attracting “raw talent” with potential for development is a viable approach that that can play an important role in an organization’s overall talent attraction strategy.
Developing Talent

Research in this area can be broadly categorized in two fields: talent development process and global leadership development.

**Talent Development Process.** The talent development process can be defined a variety of ways but it is the process that includes four broad areas (Garavan & Carbery, 2012):

- 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 organizations this process varies with each organization but has to be aligned with the goals of the organization such as promoting diversity (Stewart & Harte, 2010) and cross-cultural competencies (Johnson, Lenartowicz, & Apud, 2006). However, a large number of companies use an *ad hoc* approach to developing talent (McDonnell, Lamare, Gunnigle, & Lavelle, 2010). However we do have a rough sketch of characteristics of organizations that use talent development processes strategically. Evidence suggests that multinationals that are large use standardized products or services (globally or regionally), 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, et al., 2010). Results also suggest that companies with good human resource reputations have good talent development processes (Kucherov & Zavyalova, 2012) and for multinational, developing local talent is also an important issue (Eddy, et al., 2006; Petison & 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 conceptualized into stable and dynamic competencies (Johnson, et al., 2006; Shaffer, Harrison, Gregersen, Black, & Ferzandi, 2006). *Dynamic competencies* refer to knowledge and skills that are acquired through learning experiences, e.g., training and international travel and can change over time (Leiba-O'Sullivan, 1999; Peters, Greer, & Youngblood, 1997; Shaffer, et al., 2006). *Stable competencies* in contrast, are characteristics and abilities that are consistent over time, such as personality traits (Leiba-O'Sullivan, 1999; Peters, et al., 1997; Shaffer, et al., 2006). An example of dynamic competencies includes “International travel experiences” which research suggests is an important antecedent of dynamic competencies (Caligiuri, Tarique, & Jacobs, 2009; Chang, Yuan, & Chuang, 2012; Lee & Sukoco, 2010; Selmer, 2002) 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 & Clarke, 2010).

Another outcome 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, 2008). The various developmental experiences such as coaching, mentoring, and participation in conferences act as mechanisms to transfer information (Lazarova & Tarique, 2005). In the international human resource management literature these developmental experiences are referred to as information processing mechanisms (Lazarova & Tarique, 2005; Tarique & Schuler, 2008). An example includes when an older workers become a coach to
younger employees. These information processing mechanisms will play an important role extracting knowledge from baby boom generation as it moves into retirement.

Organizations 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 & Tarique, 2009). There is however, some criticism that these traditional type of developmental practices don’t work, especially in organizations 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 a need for new and non-conventional developmental experiences that can include using subject matter experts (Romans, Frost, & 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 & Noe, 2010) using technology such as e-learning (Mulin & 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.

Global Leadership Development. This is an area with extensive research (Barzantny, 2011; Cohen, 2007; Gillis, 2012; McDonnell, Lamare, Gunnigle, & Lavelle, 2010a; Schwartz, 2011). Some organizations use leadership development programs as a tool to retain talent (Barron, 2004; Berta, 2006; Brandemuehl, 2009; Kirkland, 2007). However with limited resources and
shrinking development budgets organizations are being forced to target leaders that will benefit most from highly targeted developmental experiences and programs (Brandemuehl, 2009; Caligiuri & Tarique, 2009). In fact there is some evidence that everyone does not benefit equally from developmental experiences. Caligiuri and Tarique, (2009) argue that organizations 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; Lomenger.com).

An important component of global leadership development is succession planning which focuses on identifying and developing talent to fill important leadership positions. The importance of succession planning in retaining talent is highlighted often and organizations that lack succession planning are more likely to experience loss of talent (Cohn, Khurana, & Reeves, 2005). A related concept to succession planning is replacement planning (Rothwell, 2011) which is a short-term solution to identify individuals who can fill critical jobs in emergencies while the organization recruits or develops a permanent replacement (Rothwell, 2011)

**Retaining Talent**

Retaining talent involves all the activities that prevent talented employees from leaving the organization. Research in this area can be grouped into two categories: Effective retention strategies and repatriation.
Effective Retention Strategies. As discussed earlier, the major drivers (e.g., changing attitude towards work and structure of work) are allowing workers at all levels to change jobs more often. In this context, retaining talent becomes a major challenge for all organizations. One of the key challenges many organizations grapple with is why talented employees leave, taking with them essential competencies and experiences. Job satisfaction and passion for the work they do play an important role. The reality is that talented employees will leave. 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 & Schuler, Forthcoming). Effective retention strategies include:

- **Talent Engagement.** This is a huge 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 (e.g., Lockwood, 2007).

- **Career Development.** Organizations 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.** Provide work or job specific training (relative to general training) that provides skills that are less transferable to other organization.
• 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, et al., 2011).

An important question here is if the above retention strategies our culture specific? As mentioned earlier the majority of what we know currently is based on data and research from multinational organizations in the U.S. An important question for future researchers is to explore the impact of national culture on retention practices and strategies.

Repatriation. This area focuses on issues that organizations and employees face when talented employees return from foreign assignments. Expatriate assignments have become an indispensable tool for attracting, developing and retaining global talent. Expatriate assignments also play an important strategic role in an organization’s international business strategy such as maintaining control over the subsidiary’s operations. Upon return, repatriates possess unique tacit knowledge and can facilitate the transfer of knowledge from subsidiaries to headquarters, and vice versa. However, despite the important role repatriates can play, many leave the organization after the assignment is completed and this is a major concern for many multinational organizations that have expatriates (Klaff, 2002; Kraimer, Shaffer, & Bolino, 2009; Lazarova & Caligiuri, 2001; Lazarova & Cerdin, 2007; Tyler, 2006; van der Heijden, van Engen, & Paauwe, 2009). There are many organizational support practices that can facilitate the retention of individuals when they return back to their home country or headquarters including mentoring programs while on the assignment, and career planning sessions (Lazarova & Caligiuri, 2001)
In addition to retention issues with repatriation, there are other aspects of global work that also create retention challenges such as dual career issues (e.g., the difficulty of relocating two-income families), and loss of expatriates to local organizations (e.g., the challenges of protecting expatriates from local firms or neighboring counties)

**Mobilizing Talent**

Mobilizing talent include all the activities related to moving talented employees across geographic locations. Research in this area can be organizations into two areas: Global Mobility and Talent Flow.

**Global Mobility.** This area in the context of global talent management refers to the management of the most talented group of employees sent on foreign assignments. The international human resource management literature refers to this group as strategic type of assignees (Caligiuri, & Day, 2000) and may include parent country national (PCNs) and third country nationals (TCNs). PCNs refer to employees of the multinational organization who are citizens of the country where the corporate headquarters is located. TCNs are defined as neither citizens of country where the multinational organization is headquartered nor citizens of the country where the foreign subsidiary is located. Both these groups of employees are also considered expatriates. The body of research on global mobility is very large, and some would even argue, it is older and even larger than the field of global talent management. The part of global mobility that focuses on
strategic type of expatriates, therefore, is part of global talent management (Tarique & Schuler, Forthcoming).

An important issue faced by multinational organizations is to understand who is attracted to international work and or foreign assignments (Tarique & Schuler 2010). Companies are facing difficulties in finding employees to go foreign assignments, especially to countries with political, economic, and legal unrest (Tarique & Schuler, Forthcoming). In addition, the literature on expatriate management suggests that there is a shortage of managers with the necessary competencies and experiences to work effectively across cultures (Collings, Scullion, & Morley, 2007). One solution is to focus on early career individuals (e.g., business students) and domestic senior level managers (e.g., without any international experience) (Collings, Scullion, & Dowling, 2009) and designed educational and developmental programs to prepare these groups for international work. Another major issue faced by multinational organizations is when their ‘A’ players don’t return after completing the assignment but start working for local firms (Tarique & Schuler, Forthcoming).

**Talent Flow.** This concept describes the movement of talented individuals between countries and mostly focuses on the return of talented individuals to their country of origin to take advantage of economic opportunities and development (Inkson et al., 2004; Tung, 2008). Talent flow is likely to become a major challenge at two levels: organizations and countries. Countries such as the United States, Singapore, New Zealand, China, and Taiwan are experiencing and/or have experienced issues related to talent flow. One important implication of
talent flow is that countries that are experiencing changing demographics and countries with a serious shortage of skilled workers will have to improve or develop immigration policies to attract and retain talent from a global talent pool. Countries with fluid immigration policies are more likely to win the war on talent and countries with rigid and bureaucratic immigration policies are more likely to depend on outsourcing to find talent, that is to send the work to countries where the talent works and lives (Tarique & Schuler, 2010).
Directions in Global Talent Management for Academics and Human Resource Practitioners

Based on our review, global talent management is in the early stages of development, and is a relatively new multi-disciplinary field of enquiry that draws on a range of academic and applied perspectives. As with any emerging field, there will be much exploration to improve the clarity of definitions, frameworks and models. There are several topical areas for future research to better understand global talent management including:

- What it means to be a bridge field;
- Using more theoretical frameworks;
- Identifying more specific differences;
- Moving beyond descriptive statistics;
- Developing the notion of “systems” in GTM systems;
- Implementing GTM in different country contexts; and
- Developing exit strategies for talent.

Bridge Field

Global talent management is a bridge field, meaning that it is both theory driven and pragmatic (Tarique & Schuler, 2010). However, it seems that there are two separate worlds (academic vs. practitioners) with serious academic-practice gaps (Rynes, Giluk, & Brown, 2007). There is a need for both academics and talent management consultants/practitioners to improve communication, share data, and develop research projects that can support the goals of both
groups. Future research is needed to facilitate the transfer of knowledge from academics to practitioners and vice versa.

**More Theoretical Frameworks**

Although there is evidence to suggest that talented employees need to be treated differently (Becker, et al., 2009; Boudreau & Ramstad, 2005a, 2005b; Cantrell, 2008), similar to any new and developing field, global talent management could benefit from the use of more theoretical perspectives or conceptual frameworks (Tarique & Schuler 2010). Since global talent management is related to international human resource management and strategic human resource management, several theories from these two fields are available to global talent management scholars.

However, when selecting a theory in global talent management it is important to note that the focus of global talent management is on individuals with high levels of human capital. Consistent with this perspective, strategic human resource management scholars have developed a framework or approach labeled Workforce Differentiation or Segmentation (Becker, et al., 2009) that is specific to talent management and focuses on individuals with high levels of human capital. This perspective has roots in the classic General Electric Company’s model of categorizing employees into A, B, and C players. The main assumption of Workforce Differentiation is that employees that add more value to the organization should be treated differently. Furthermore, the most talented employees (e.g., ‘A’ players) should be placed in the most critical jobs or positions (e.g., ‘A’ positions) that have the most significant impact on the
organization’s business. Organizations should invest more of their resources to “A” players in “A” positions.

It is important for future global talent management researchers to build on this work (Boudreau & Ramstad, 2005a, 2005b; Collings & Mellahi, 2009; Lewis & Heckman, 2006; Scullion, et al., 2010; Watson, 2008). However, this perspective has been criticized as being to rigorous and severe by scholars and practitioners in Europe and Asia. An important question for future researchers therefore is to explore if there is a relationship between national culture and the Workforce Differentiation. For example it is possible that the differentiation of ‘A’ players may be a difficult concept in highly collectivist cultures such China.

Another theory that can be used to examine individuals with high levels of human capital is human capital theory (Becker 1964) which can further the understanding and development of global talent management, both for academics and human resource practitioners. This theory has been widely used in the field of human resource management (Crook, Todd, Combs, Woehr, & Ketchen, 2011; Fisher, 2009; Lepak & Snell, 1999; Nafukho, Hairston, & Brooks, 2004; Strober, 1990). This theory views human capital as a form of resource that organizations can invest in and is of value to the organization to the extent that it makes the organization productive (Kessler & Lülfesmann, 2006; Lepak & Snell, 1999; Nafukho, et al., 2004; Strober, 1990). This theory can assist future scholars in examining how organizations and individuals make decisions regarding investments in human capital (Tarique & Schuler 2010). In addition, investments related to attracting, developing, and mobilizing talent can be viewed as investments in the human capital
of the firm. Human capital theory can also be used to understand the decisions organizations make about how to staff their ‘A’ positions (Tarique & Schuler 2010).

Although Workforce Differentiation and human capital theory provide global talent management scholars with important frameworks for examining a variety of issues related to individuals with high levels of human capital, there are other theories in human resource management, organizational behavior, and workplace economics that can guide global talent management scholars in their academic pursuits. Example theories include:

- Institutional Theory (DiMaggio, 1988; DiMaggio & Powell, 1983). This theory can provide guidance on how to manage the global talent management systems in the changing context such as the drivers and factors discussed earlier (Tarique & Schuler 2010).
- Configurational Theory. This theory can be used to examine some of the complexities surrounding the formation of global talent management systems (Jackson, Schuler, Lepak, & Tarique, 2011).
- Resource-Based View (Barney, Ketchen, & Wright, 2011). This theory can be used to examine how effective organizations manage their talented employees.
- Transaction Costs Theory (Williamson, 1981). This theory can be used to understand how global talent management practices can be used to provide governance structure for managing implicit and explicit contracts between “A” players and their employers.
Specific Differences

Our review has shown there is a serious danger of rebranding concepts from strategic human resource management and international human resource management into talent management ideas and frameworks. It is important to build on the excellent work done by strategic human resource management and international human resource management scholars and practitioners. One way to avoid this rebranding of concepts is to view global talent management in the context of international human resource management. There are significant differences between global talent management and international human resource management (Schuler & Tarique, 2007a; Tarique & Schuler, 2008; Tarique & Schuler, 2010):

- International human resource management includes more stakeholders. The field of international human resource management is broad in its inclusion for the concerns of wide variety of stakeholders (Benson & Scroggins, 2011; De Cieri, Cox, & Fenwick, 2007; Dickmann & Müller-Camen, 2006; Parry, Stavrou-Costea, & Morley, 2011; Scullion, et al., 2007). The primary focus of global talent management is on the talented employees and the organization itself;

- International human resource management addresses broader concerns and criteria. International human resource management’s focus goes beyond attracting, developing, and retaining employees. International human resource management focuses on the concerns of all types of employees regardless of talent that are involved in international work; and,
International human resource management encompasses more policies and practices. International human resource management includes several policies and practices including planning, staffing, compensating, training and developing, appraising, labor relations and safety and health. In contrast, global talent management needs to focus only on a sub-set of topics in each activity.

Move beyond Descriptive Statistics

Most of the empirical studies on global talent management are based on the descriptive statistics, with a few studies having used correlation analysis. Several studies have used qualitative methodologies such as interviews and case studies to collect information from individuals involved in talent management. Although this approach has contributed enormously to what we know today, it is important for future researchers to use rigorous statistical analysis to establish causation between key variables especially examining how global talent management systems relate to various measures of organizational effectiveness. It is also important for future researchers to use a longitudinal research designs to examine the relationship between various variables. Furthermore, qualitative techniques such as grounded theory building (McDonnell, 2011) are needed to further refine the frameworks that we have now and established and theoretical models.
Global Talent Management Systems

Another area for future research is to explore issues related to designing and configuring global talent management systems. As mentioned earlier, configurational theory (Jackson, et al., 2011) can be very useful here. Global talent management systems include complex subsystems related to attraction, development, retention, and mobility. Future research can examine how these subsystems work together and the process through which they impact organizational effectiveness. This process is similar to the process involved with human resource management systems impact organizational performance. This processes as described in the strategic human resource management literature, suggests that human resource management systems, in general, do not lead directly to firm performance. Rather they influence intermediate employee outcomes such as human capital (e.g., knowledge, skills and abilities), and employee behaviors that in turn lead to improved performance. This is referred to as the black-box of strategic human resource management. Global talent management scholars can borrow from the strategic human resource management literature to describe how and why global talent management systems impact performance both at the individual and organizational levels. Another area of research that can provide guidance here is the field of talent analytics which refers to the methods or approaches (e.g., statistical software) organizations take to measure and quantify the processes and outcomes associated with human resource management systems or practices and policies within the system (Bereno, 2011; Davenport, Harris, & Shapiro, 2010; Harris, 2008; Harris, Craig, & Light, 2011; Levenson, 2011; Levensor, 2011; Shen, 2011)
Implementation of Global Talent Management Systems in Different Contexts

Further research is needed to examine the issues involved with the implementation of global talent management systems in different contexts, e.g., regions and countries (Vaiman, et al., 2012). It is important to move beyond the prescriptive best practice approach that is prevalent in the literature to date. Keeping with the best practices approach will move organizations towards “averages” which in turn it could become an obstacle for organizations to develop and sustain competitive advantage. It is also important for future HR researchers to examine where the divergence perspective will be most affected such as countries with very strong institutional historical and culture forces. Future research can also examine whether global talent management systems are region specific. There’s considerable research in international human resource management which argues that human resource management policies and practices are region specific and that there is convergence within a region but divergence across regions.

Loss of Talent

Another interesting area for future research is to examine the career paths or career progressions of talented individuals. To what extent and for how long can an individual sustain his or her talents to remain in the organization’s talent pool? (McDonnell, 2011). There is considerable data that can help researchers understand how to develop talent but we don’t know much about the decline of talent. How long does an individual’s stay in the talent pool? What are the organizational and individual level consequences when the talented individual leaves the talent pool? (McDonnell, 2011). How to develop an exit strategy for talented employees who are no
longer useful to the organization is an important area for future research. The research on skill obsolescence can be very useful here (Allen & de Grip, 2012; Van Loo, De Grip, & De Steur, 2001).
MANAGERIAL IMPLICATIONS FOR HUMAN RESOURCE PRACTITIONERS

This review shows that global talent management is an important function for HR practitioners as organizations grapple with the new era of talent shortages and how best to attract, retain, develop, and mobilize talent. Our findings have clear implications for global talent management in multinational organizations, specifically for:

- Global talent planning; and
- Embracing six principles.

Focus on Global Talent Planning

In the current environment where the economic, political, and financial conditions are changing so rapidly, it is important for multinational organizations to scan the environment on a continuing basis to better understand the nature of changes in the workforce demographics, job structures, and labor markets, both locally and globally to identify key gaps between the available talent and the talent required to support organizational goals and objectives. Global talent planning should become an integral part of human resource planning.

Need for a Global Talent Management Officer. Consistent with the recommendation of Heidrick & Struggles (Strategic Talent Management. The emergence of a new discipline, 2012), it is critical for multinational organizations to create a position of chief global talent management officer (CTMO) and have a dedicated staff to assist the CTMO with the coordination and facilitation of organization-wide global talent management practices. Multinational
organizations with a large and formalized global talent management responsibility are more likely to benefit from having a CTMO than are smaller, mainly domestic organizations.

*Need for Workforce Differentiation/Segmentation.* At the heart of global talent management is the assumption that organization should treat highly valuable and most talented employees differently. Thus it is important for organizations to identify who the talented individuals are. This can be done by dividing employees into “A,” “B” and “C” player categories and providing different global talent management practices for each.

*Design Global Talent Management Systems Using Best Policies.* Consistent with research done by Stahl and colleagues (2012; 2007) there are certain global talent management policies that can be considered best policies (consistent with our literature review, specific “practices” may best be conceived and implemented at the local level). These global talent management policies can guide multinational organizations in terms of designing global talent management systems. Examples of these policies include:

**Attracting Talent**

- Recruit using a talent pool strategy which means hiring the most talented individuals and then place them into critical positions. It is highly recommended not recruit specific people for specific positions;
- Develop partnerships with talent producers such as universities and business schools; and
Be highly selective in hiring.

**Developing Talent**

- Leadership development is a priority;
- Promotion from within; and
- Individual development aligned with succession planning.

**Retaining Talent**

- Personalized career plans;
- Flexible work arrangements; and
- Attention to attrition rates by performance levels.

In addition to these aspects of global talent planning that HR practitioners may wish to focus on, are six guiding principles to consider.

**Embrace Six Guiding Global Talent Management Principles**

Stahl and colleagues (2012), in addition to their best “policy” suggestions, they suggest six principles that should be considered in an effective global talent management initiative. They include:

- Align Talent strategy with business strategy, values, and organizational culture;
- Design global talent management systems so that the various practices in the system support each other. The combination of practices should lead to a whole that is that is more than the sum of its parts;
• Make talent management a critical part of organizational culture;
• Involve and encourage senior leaders and managers at all levels to be involved in the talent management process;
• Find the optimal balance between global integration (e.g., similar talent management practices across regions) and localization (adapt talent management practices to the local conditions); and
• Improve and differentiate to attract talent.
SUMMARY AND CONCLUSION

Academics and human resource practitioners alike are showing a strong interest in “global talent management” as evidenced by their work. In this Literature Review their academic and professional work on global talent management from the last five to seven years was reviewed. A major purpose was to identify important themes that can provide academics and HR professionals with an understanding of what is generally accepted and known and unknown about the “global talent management.” This Literature Review suggests that there are strong drivers shaping the field of global talent management including the shortage of talented workers, changing demographics, changing attitude towards work and structure of work, and country culture differences. These drivers in turn impact the need for and content of global talent management systems, that is, the general HR policies and specific HR practices that are used for attracting, developing, retaining, and mobilizing talent. As with any relatively new field of inquiry and practice, many questions remain to be answered, both in practice and in theory. Possible questions for academics and practitioners to address are described in the section on “Directions in Global Talent Management.” Because of the number of questions remaining and the importance of global talent management to multinational firms, it would appear that the field will continue to see many research articles and practitioner reports over the next 5-10 years. Clearly, there is a great deal of exciting and important work to be done!
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