

## MACRO TALENT MANAGEMENT FACTORS IN THE UNITED STATES

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## **ABSTRACT**

Talent management research has primarily focused at the individual and organizational levels (see for example, Blass, 2007; Farndale, Pai, Sparrow, & Scullion, 2014). While this work has added much value to the literature, we believe that shifting the focus to the macro context will further strengthen the field. This might include exploring country-level government activities that enhance a country's talent levels (Khilji, Tarique & Schuler, 2015; Khilji & Keilson, 2014); non-governmental initiatives to help various countries bolster their talent management programs (Heidrick & Struggles, 2015); evaluate outcomes, global talent mobility (Khilji et. al., 2015), and knowledge transfer (Liu, Lu, Filatotchev, Buck & Wright, 2011; Oettl & Agrawal, 2008). To more systematically incorporate this knowledge, we present a conceptual framework for macro talent management (MTM). The framework draws our attention to the macro, global and country context within which talent management occurs, as well illuminates its multiple processes and outcomes. We offer directions for future research and discuss implications for policy makers and companies.

**Key words:** macro talent management, talent management, governmental and non-governmental organizations, immigration, diaspora, knowledge flows, global labor markets, macro view

## **TALENT MANAGEMENT IN THE GLOBAL CONTEXT**

Interest in talent management (TM) in the business context and the global context increased significantly in the 1990s when a group of McKinsey consultants coined the phrase, ‘war for talent’ in late 1990s to emphasize the critical importance of employees to the success of top performing companies (Michaels, Hanfield-Jones, & Axelford, 2001). Much of this work is detailed in the other chapters in this Handbook. While certainly important, it tends to focus mainly on the individual and organizational levels, and minimizes several macro or country aspects of the global environment that are proving to be invaluable for TM at the individual and organizational levels (Khilji et. al., 2015; Oxford Economics, 2014; Strack, et al., 2011). This is despite the long-standing interest in talent management in the global context, or the macro (country) level. In particular, non-governmental organizations such as the World Economic Forum, the World Competitiveness Center and the Organization for Economic Cooperation and Development began publishing reports about the importance of talent, education and quality of a country’s workforce in the 1980s. Since then several studies have highlighted the macro national aspect of talent management (Cooke, Saini & Wang, 2014; Economist, 2013; Heidrick & Struggles, 2012; Khilji et. al, 2015; Oxford Economics, 2014). These studies and reports showed that many governments (e.g., Australia, Canada, Germany, UK and USA) have joined the hunt for global talent by developing immigrant friendly policies. Some governments (for example, China, Indonesia, and India) have also been luring back skilled diaspora, and many others have been making serious investments in education and human development of their own citizens with the purpose of spurring economic growth by upgrading local capabilities and building innovative capacities for the firms in their countries (Khilji et. al., 2015; Lanvin & Evans, 2014; Ragazzi, 2014; Oettl & Agarawal, 2008; Tung & Lazarova, 2006; Zweig, 2006; Saxenian, 2005).

Active involvement of various governmental and nongovernmental organizations in attracting and developing talent makes TM truly a global issue, which reaches beyond a single organization and its talent management activities. It draws attention to complexity of the macro environment within which organizations develop their talent management systems, and individuals make career choices (Khilji et. al., 2015; Khilji & Keilson, 2014). It incorporates cross border flow of talent, diaspora mobility, and government policies to attract, grow, develop and retain the talent nationally for innovation, productivity and competitiveness, which facilitates talent management activities within organizations.

It is therefore important that the scope of TM extend beyond an individual and organizational analysis to incorporate the macro level in order to fully comprehend the complexities of managing talent in today's globalized world, where organizations are not only competing with each other but where governments and their societies have also joined the race (Lanvin & Evans, 2014; Ragazzi, 2014; *The Economist*, 2011;). As such, we propose definition of macro TM (MTM) as:

*Factors such as the demographics, the economic, educational, social and political conditions of countries and the policies, programs and activities that are systematically developed by governmental and non-governmental organizations expressly for the purpose of enhancing the quality and quantity of talent within and across countries and regions to facilitate productivity, innovation and competitiveness of their domestic and multinational enterprises for the benefit of their citizens, organizations, and societies for long term advantage.*

By promoting the macro perspective, we want to broaden the scope of TM beyond its current main focus (on the individual and organizational levels). To reiterate for clarity, what we are describing is not “global talent management” (which is focused on the individual and organizational levels), but talent management in the global context, which is focused on the macro level, or country level (it is both within a single country and/or across countries). At this

macro level, talent is defined to include a large majority of a country's population, similar to companies that pursue an inclusive approach in their talent management activities. However, research has also shown that many countries also pursue an exclusive approach to target a small portion of the portion (such as youth programs and assistance for high performing citizens in Bangladesh and Pakistan- Khilji & Keilson, 2014).

To help facilitate this view in this chapter, we propose a conceptual framework of MTM that encapsulates environmental factors, processes and outcomes related to MTM. We hope that this conceptual framework can serve to show MTM as an inter-disciplinary phenomenon, and provide building blocks for future research.

### **CONCEPTUAL FRAMEWORK**

TM has become an increasingly complex phenomenon in today's marketplace with enhanced talent mobility and national-level competition for talent globally. Hence, it requires theoretical explanations (and developments) that are multi-level and deeply embedded contextually. As we start to extend our understanding of TM to complex aspects that relate to an economic development agenda or competitiveness of countries (and increasingly cities and states), we begin viewing TM from a macro perspective.

In order to highlight the significance of MTM, disparate research has referred to several factors which have contribute to its advancement, including competitive global environment (Farndale, Scullion & Sparrow, 2010; McDonnell, Lamare, & Lavelle, 2010), shifting demographics (Heid & Murphy, 2007; Khilji & Keilson, 2014), rise of emerging economies and international mobility (Collings, 2014; Khilji & Keilson, 2014; Li & Scullion, 2010), and demand-supply gaps or talent shortages (McDonnell, 2011; Oxford Economics, 2014; Stahl, Bjorkman, Farndale, Morris, Stiles, & Trevor, 2007). Overall, scholars have concluded that

MTM is a timely topic, and that organizations must build new capabilities in order to revitalize their competitive standing. In discussing the importance of global talent management (GTM), Tarique & Schuler (2010) gave some attention to factors external to the organization. For example, they referred to the talent flow related to migration of individuals across countries, differences in the population dynamics of developed and developing countries and talent shortages globally to develop an integrative framework of global talent management (GTM) in multi-national corporations (MNCs) but their primary focus for talent management was at the individual and organizational level. Khilij, et al., (2015) expanded the Tarique & Schuler (2010) framework and developed the macro context of TM to present GTM as an interdisciplinary field. This chapter offers a further expansion and development of the Khilij et al.'s (2015) model (refer to Figure 1), to include environmental factors, MTM functions and processes, functions and outcomes.

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Insert Figure 1 about here

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### **The MTM Macro Environment**

We begin with a description of the macro environmental factors, which are captured in Figure 1. These factors highlight the importance of MTM. In what follows, we discuss how environment serves as a push factor behind many MTM policies around the world.

### **Governmental Policies, Programs and Activities**

We have mentioned previously that many national governments have been pursuing policies that focus upon upgrading local capabilities and developing innovative capacities through their

human talent. A review of a wide range of these country initiatives indicates these are predominantly human development, and immigration focused. Below we explain each focus, highlighting many country examples.

Education Focused. In the past few decades, many countries like South Korea, Taiwan, Malaysia, Pakistan and Singapore have made serious investments in education and human development of their own citizens (Khilji et. al., 2015; *Oxford Economics*, 2014). Singapore, a small country with no natural resources, is particularly a good example. It is consistently ranked as one of the world's most competitive countries (World Economic Forum (WEF), 2014; 2015) with the best business climate (Lanvin & Evans, 2014; Evans & Lanvin, 2015), and highly skilled and cosmopolitan workforce (Future Ready Singapore, 2014; *The Global Talent Competitiveness (GTCI)*, year). Scholars have argued this success is primarily due to its strong emphasis on people-development programs (Osman-Ghani, 2004) and ready availability of scientists and engineers (WEF, 2014; 2015). WEF (2014 and 2015) reports that a country's competitiveness is reinforced by a strong focus on education, providing individuals with the skills needed for a rapidly changing global economy (WEF, 2015). For the past several decades, Singaporean government has spent millions of dollars in developing a world-class educational system that develops talented and driven individuals, and developed a skill upgrading system to help individuals continually develop their core competencies with the changing global environment. The Chairman of the EDB of Singapore that develops and implements talent development initiatives states, "EDB's home strategy is to have companies use Singapore as their strategic location to grow, to expand their business, their innovation, their talent activities to help them grow [not just] in Asia but globally" (Business Climate, 2011).

While Singapore is a unique case because it has (probably) the clearest national strategy to grow and attract the best talent (Lanvin & Evans, 2014; Evans & Lavin, 2015), a recent *GTCI Report* (Lanvin & Evans, 2014) indicates that other countries (for example, Switzerland and Denmark) are also leading the global war for talent. In addition, the UK and Sweden are pursuing a strategy to become ‘talent competitive’ via quality education (Lanvin and Evans, 2014). All these countries also have a longstanding commitment to providing quality education and continuous training. Further details of how these and other countries improve the talent of their citizens can be found in the reports and rankings published in the *GTCI* as well the *Global Competitiveness Index (GCI)* of the World Economic Forum, and the World Talent Report of the IMD to be described below under NGOs.

Educational Institutions. Within this environment of accelerating and emphasizing human development, educational institutions have also emerged as important players in MTM. In developed countries, they are forging global partnerships with other universities and exchange programs worldwide to train talent and get greater access to global talent pool (Wildavsky, 2010). Currently, they are also recipients of large numbers of students from emerging economies. For example, in the United States, approximately 1 million foreign students enrolled in a variety of higher educational institutions in 2013-2014 (Institute of International Education, 2015). This was a 10% and highest increase since 1978-1979. These international students gain valuable global experience and often fill important positions upon returning to their home countries (Gareis, 2012). They also provide cheap and easy access to global knowledge that exists elsewhere.

Immigration Policies. It is clear from the above examples that talent development has been adopted as a national agenda by many countries (Guo & Al Ariss, 2015; Khilji et. al. 2015).



Several countries have also been competing for the world's most skilled and qualified workers in an increasingly global labor market via their immigration policies. Kapur & McHale (2005) state, "official pronouncement on immigration policy has been couched in the language of 'national competitiveness', especially in knowledge-intensive sectors" (p. 37). This is clearly apparent in the immigration strategies adopted by countries such as Germany and Canada. Germany's immigration policy is embedded in its ongoing need to bolster its economic development, and maintain a dynamic workforce (Oezcan, 2004) especially in view of its ageing population and a continuing low fertility rates. The number of foreigners living in Germany has been growing at the fastest rate in 20 years (Ferdman & Yanofsky, 2013); between 2007 and 2012, it increased by 72% (Faiola, 2014). Similarly, Britain has pursued a Highly Skilled Migrant Program (HSMP) and Tier 1 (General) Plan in its efforts to keep its economy globally competitive (UK Border Agency, 2012). Canada is one of the world's friendliest nations for immigrants and has the highest per capita admission rate. It has offered residency to approximately 200,000 immigrants (and refugees) per year for the past decade and has earned a reputation for an "open arms" attitude towards highly skilled talent (Council for Foreign Relations, 2006).

### **Non-Governmental Organizations (NGOs)**

Many of the programs and activities being pursued by governments are encouraged and driven in part by the activities of non-governmental organizations (NGOs). One of the most prominent is the Organization for Economic Cooperation and Development (OECD). The OECD ranks countries on their levels of educational attainment for many age categories of their citizens. One of its most famous rankings is the Program for International Student Assessment (PISA), which

ranks 15-year students on the basis of the achievement in math, sciences and reading. The International Labor Organization (ILO) also provides information on a country's skills, knowledge and employability. The World Bank has its *Doing Business Index* that ranks countries on several aspects of doing business, from ease of starting a company and tax rates to employability of the workforce, including its skill levels (*Doing Business*, 2015). Another group of NGOs that have been active in evaluating countries on their talent management factors include the World Economic Forum (WEF) and its *Global Competitiveness Index (GCI)*; IMD and its World Talent Rankings; and INSEAD/Human Capital Leadership Institute of Singapore/Adecco and its *Global Talent Competitiveness Index (GTCI)*. Because these NGOs highlight the qualities of countries as related to their talent management, the results are oftentimes used by countries for comparing themselves to other countries, providing guidance (e.g., to for educational initiatives) on how they can improve their supply of talented employees, and how they can become more attractive for employers, both domestic and international. As a consequence, they can also serve as outcome measures in the evaluation of governmental programs and activities to improve the country level talent management. Hence it might be useful to briefly highlight the content of some of the rankings.

Most reflective of how a country is managing their talent in the *GCI* are mainly the 4<sup>th</sup> Pillar (Health and Primary Education); the 5<sup>th</sup> Pillar (High Education and Training); the 7<sup>th</sup> Pillar (Labor Market Efficiency); and the 12<sup>th</sup> Pillar (R&D Innovation). Similarly, the IMD *World Talent Report* is specifically focused on how well a country is managing its talent using three major factors: 1) Investment and Development; 2) Appeal; and 3) Readiness. Under each of these they are multiple indicators that can be used by countries to measure how well they are doing in managing talent at the country level and how attractive the country is to local and

international businesses. The *GTCI* measures a country on six talent management-relevant pillars: 1) enabling; 2) attracting, 3) growing, 4) retaining, 5) vocational knowledge; and 6) global knowledge. The Economist Intelligence Unit and the consulting firm of Heidrick & Struggles (2012) compile an index they call the *Global Talent Index*. And as the title suggests, all seven of its dimensions capture some aspect of talent and talent management, to include: 1) demographics, 2) compulsory education, 3) university education, 4) quality of the labor force, 5) talent environment, 6) openness; and 7) proclivity to attracting talent (Heidrick & Struggles, 2015).

### **Demographics and Mobility**

In addition to the quality of the talent pool of countries that the NGO rankings provide, sheer quantity of the talent/population pool is also important for talent management in the global context (Chand & Tung, 2014; Khilji, 2012).

A majority of the future growth in the world population is expected to occur in developing or emerging economies (Population Reference Bureau, 2015). As a matter of fact, nearly half of the increment to the world population is estimated to come from only six countries; India (22%), China (11%), Pakistan, Nigeria, Bangladesh and the US (17% at approx. 4% each). This presents an interesting paradox because on one hand some countries in Asia Pacific, and Europe (including France, Spain, Japan and Germany) are aging fast and the proportion of the working-age people in the population is shrinking (McDonnell, Collings & Burgess, 2012). On other hand, in countries like India, Bangladesh and Pakistan, 31- 36% of the workforce is 14 years of age or below (Khilji, 2012; Khilji & Keilson, 2014). These countries are faced with the crisis of making them employable for an increasingly complex and global environment. By 2050, developed countries will not have enough workers to support the higher cost of their ageing

populations. Developing countries with younger population will not have enough jobs. Khilji & Keilson (2014) argue that a global generational divide is likely to emerge as a workforce issue, where a majority of the young will be based or come from developing countries, and aging from the developed countries. Japan is already providing lessons for other countries and companies in talent management with a hyper-aging society (Adachi, Ishida & Oka, 2015). As are several other countries mentioned previously. Khilji & Keilson (2014) offer a detailed review of government-led policies of several South Asian countries (including Pakistan, India and Bangladesh) to highlight the importance of MTM in a demographically shifting world.

### **Diaspora and Returnees**

Two other important factors in the global context of talent management are brain circulation and the efforts to maximize the diaspora effect (Saxenian, 2005; Tung & Lazarova, 2006). Both of these phenomena can have a big impact on governmental programs. For example, those countries with a large population that emigrated elsewhere (mostly to the West) for better opportunities decades earlier, are luring back talented diaspora in order to benefit from their expertise and connections and develop younger talent effectively (such as China, Pakistan and India with their policies to bring back their diaspora for shorter to longer durations (Ragazzi, 2014; Khilji & Keilson, 2014). Thus while this discussion could be placed under governmental activities, it is placed here because of its singular importance.

There are 232 million first generation migrants around the world (United Nations, 2014). As 3.25% of the world's population, immigrants could make a nation as big as Brazil. "There are more Chinese people living outside China than there are French people in France. Some 22 million Indians are scattered all over the globe" (*The Economist*, 2011; p. 13). Diaspora network

has always been a potent economic force (Chand, 2013; Tung & Lazarova, 2006), however particularly in recent years, their ability to connect the home economy to international business networks by leveraging their reputation, education and experiences been instrumental in the success of, for example, Bangalore as the Indian IT hub and global destination of off-shoring and rapid economic development of China (Chand, 2012; Chen, 2008; Kapur & McHale, 2005; Saxenian, 2005). Diasporas have demonstrated their ability to shape global business, politics and social development. More than half a million Chinese who have studied abroad and returned to dominate the think-tank, advise the government, are moving up the ranks of Communist party, establishing new businesses thus having a positive impact on technology transfer and economic development (Chen, 2008; Liu, et al., 2011; *The Economist*, 2011).

China, following Korean and Taiwanese footsteps, provides a good example of a country that has successfully embarked on a comprehensive policy of luring back diaspora. Zweig (2006) traces Chinese interest in diaspora to 1990s when the central government realized that in order to improve science and technology in China, it had to let people go abroad freely, and then compete for them in the international market by creating a domestic environment that would attract them. Subsequently, Chinese government improved environment for diaspora and returnees by developing job introduction centers, offering preferential policies (of giving them more living space and higher professional titles), establishing a national association of returned students, and increasing support for scientific research. Local governments also started competing for talent by instituting their own policies. At the same time, universities and government-funded research organizations also actively started recruiting diaspora and returnees. Many other countries, in Asia and Eastern Europe, have adopted similar practices to lure back highly skilled diaspora for their respective economic development (Ragazzi, 2014; Tung & Lazarova, 2006).

These programs and incentives have resulted in a reverse brain drain globally, or what Saxenian (2005) refers to as ‘brain circulation’ (p. 36), i.e. the ability of the diaspora as well as returnees to establish business relationships or to start new businesses while maintaining their social and professional ties elsewhere (countries they graduated from and gained experience in). These returnees have proven critical to the overall development of talent nationally by transferring their knowledge and experience to the people they work with (DeVoretz & Zweig, 2008; Kapur & McHale, 2005; Tung & Lazarova, 2006), and establishing a new form of economic growth model through entrepreneurship and experimentation (Saxenian, 2005).

### **Global Labor Markets**

A central factor in the global context of TM is the development of global labor markets over the past thirty years. Global labor markets have been created in part due to government-led initiatives that prioritize talent acquisition, retention, and development. These have been facilitated by technological advancements and ease of global communication. In turn, greater workforce mobility, extensive developments of diaspora and international migration (along with the brain circulation and knowledge flows) have exposed the macro implications and country effects of MTM. It is to be expected that both of these macro aspects of MTM will continue to evolve and transform over the next decade based on the characteristics and desires of the large generation of Millennials who are now in the position of having and wanting international assignments (PWC, 2015). As we continue to adopt a macro perspective in global talent management, it is important to review how global markets are evolving particularly in view of a likely ‘global generational divide’ (Khilji & Keilson, 2014).

## National Culture

While having these data indicate where talent pools are likely to be found, additional information about the national culture of a country can be important in establishing a country's reputation as a good place for doing business. For example, culture characteristics such as work orientation, work ethics, comfort with uncertainty and the need for structure at work have been shown to be importance characteristics of a country's labor force, that is, its talent (Hofstede, 1980). There is also a plethora of evidence to suggest that national culture can help determine the appropriateness of the many possible talent management policies a company can use in a particular country. For example, Cooke, Saini and Wang (2014) describe the Chinese culture characteristics and discuss how these impact the talent management programs of companies in China. One of their findings is that the Chinese respondents are likely to value life-long learning and growth advancement as key criteria for joining and staying in the firm. These reflect Confucian values of life-long learning and advancement. Another example of how national culture can influence the talent management by companies within the county is the study by Latukha (2015). Primarily focused on the specific TM practices within companies in Russia, Latuka found that these practices reflect the Russian culture, especially for Russian companies, and less so for multinational companies within Russia.

While the degree to which a strong relationship between country culture and a company's TM practices is linked to the effectiveness of specific TM practices remain to be explored, companies may still to choose to tailor their programs for managing talent with sensitivity to local country culture conditions. For example, because of the need to manage their talent within a global framework, companies like Huawei, YUM, IKEA and LG encase their talent management program within a global/local context (Schuler, 2015).

## **Country Competitiveness on Social, Economic, and Political Conditions**

Country competitiveness is the set of institutions, policies and factors that determine the level of productivity of a country (WEF, 2015). The level of productivity in turns sets the level of prosperity that can be reached by the society. As described above, the WEF ranks these institutions (i.e., pillars) in over 150 countries. And while four pillars directly measure indicators of talent management, ten of the fourteen pillars measure broader aspects of a country's institutional environment including social, economic and political ones. Hence the premise is that the country that scores the best on all 14 pillars is the most competitive and thus the most likely to be productive and provide prosperity for its citizens. So efforts to boost the talent management pillars are in vain if not also accompanied by similar efforts to boost all the other pillars. Thus companies depending up developing the quality of the labor force in a country may hesitate to enter the country if it does not score well on the ten pillars of the WEF that describe the country's social, political, and economic conditions.

In summary, we are aware that macro, global, environment of TM is dynamic and uncertain; thus none of the identified factors is likely to remain stable or the same. For example, by 2030, population dynamics may have already changed depending upon the development and demographic priorities of many developing and developed countries globally (Kunzig, 2011). Hence, an understanding of MTM would need to be continuously updated in order to refine existing knowledge in order to keep pace with the evolving world and remain relevant (Cheng, Guo, & Skousen, 2011; Khilji, 2012).



## **MTM Functions and Processes**

### **Core Functions**

Here we include the essential functions of MTM at the country level of talent planning, talent acquisition, talent development, and talent retention as part of the MTM processes. A plethora of research indicates that these core functions transfer/mediate/shape/modify the impact of the macro environmental factors on the MTM outcomes/consequences (Tarique & Schuler, 2010; Scullion, Collings, & Caligiuri, 2010; Khilij, et al., 2015). For example, the diaspora effect (mentioned previously) at the country level is associated with a country's ability to plan, attract, and retain talent; and education-led initiatives are focused upon develop the human talent.

### **Core MTM Processes**

These are the forces that influence how, when, why and if the environmental factors transfer/mediate/shape/modify the impact of the macro environmental factors on the MTM outcomes/consequences. These events might include:

- Talent mobility
- Knowledge spillovers
- Learning and knowledge sharing
- Institutional support
- Educational leadership
- Corporate strategy and leadership

Scholars have argued that talent produces knowledge flows, causes spillovers, and can be used for knowledge sharing as well as (organizational and national) learning. As discussed previously, it is clear that macro institutional support, educational leadership, and corporate strategy and leadership can facilitate and/or hinder MTM in an environment. We present these

aspects as MTM processes because they describe how talent relates to organizational and country level changes over time, identify patterns of activities and explain an observed relationship between talent and the desired outcomes of (for example) national competitiveness, innovation and economic development (Liu, et al., 2011; Oettl & Agrawal, 2008).

It is worth repeating that both governmental/ NGO programs and organizational-level activities influence MTM processes. For example, greater global talent mobility stimulates international transmission of ideas (Agarwal, McHale, Kapur & Oettl, 2011; Kapur & McHale, 2005; Liu, et al., 2011), produces knowledge flows (Di Maria & Lazarova, 2009; Carr, Inkson, & Thorn, 2005), enhances learning (Furuya, Stevens, Bird, Oddou. & Mendenhall, 2009) and improves efficiency of the innovation process (Oettl & Agrawal, 2008). As people move and interact across organizations and societies, they provide greater access to knowledge and reduce the need to recreate knowledge that already exists elsewhere. They also gain diverse experiences hence serve as a prime source of learning for organizations and societies (Di Maria & Lazarova, 2009).

Emerging evidence in international business (IB) literature indicates the importance of the impact of talent mobility on country-level innovation performance, well beyond the much-understood firm-level innovative capacities. For example, Oettl and Agrawal's (2008) study of cross-border movement of inventors (diaspora) presents an analysis of knowledge flow patterns as people move from one country (and firm) to another. Their analysis indicates that knowledge flows don't necessarily follow organizational boundaries as diaspora continue to develop and tap social relationships. They conclude that the receiving country (that diaspora returns to) learns and gains above and beyond the knowledge flow benefits enjoyed by the receiving firm. Based upon the findings, they emphasize the need for and the extensive role of national learning (from

the diaspora) outside the traditional market mechanisms. Liu, et al.'s (2011) study of panel data, constituting technological characteristics of Chinese firms, and innovative performance, also indicates that talent mobility is an important source of knowledge spillovers. They argue that returning diaspora's presence facilitates technology transfer to other firms in the receiving country, thereby leading to enhanced learning and economic growth. Both of these studies are pioneers in examining the value of talent mobility to the global economy. These provide evidence of the complexity of MTM as a phenomenon in the global marketplace, the role of corporate strategy and leadership, as well offer good insights for broadening the scope of TM to include discussions relating to knowledge flows, innovation, learning and competitiveness, which have not been sufficiently addressed in core TM literature.

### **MTM Outcomes**

The outcomes/consequences of MTM are many. Sparrow, Scullion and Tarique (2014) suggest that it is possible to think of them of occurring over time, or in sequence. For example, the outcomes of educational attainment, jobs, global mobility/ immigration flows and diaspora utilization can be considered first level outcomes that result from the macro environmental factors and the MTM processes. These outcomes are directly related to talent within the country (in terms of its development, retention and utilization). In addition, there are several second level outcomes including, talent rankings, country attractiveness, productivity, innovation, economic development and competitiveness. These second level outcomes are more cumulative in nature, relate with the strengthened economies, and are the direct result of effective first level outcomes. In other words, if a country has managed to enhance educational attainment of its people, create

jobs and capitalize on human capital global mobility, these can have a positive impact on enhancing its national innovative capacities, productivity and country competitiveness.

### **FUTURE RESEARCH SUGGESTIONS FOR MTM**

We hope that researchers recognize the broader scope of MTM as explored in this chapter and use the conceptual framework proposed in Figure 1 to further engage in interdisciplinary research, practice and policy related to not only MTM at the country and cross-country level but also at the individual and organizational levels. Our intention is not to bifurcate TM into camps of micro and macro experts, but to engage scholars in integrative analyses thereby improving understanding of its theory, policy and practice. But certainly the thrust of this chapter is expounding on TM at the macro level, in the global context first.

We would like to offer a word of caution here. The conceptual framework presented in Figure 1 should not be viewed as being linear or simple relationships. Scholars argue that societies and organizations are complex social systems (Anderson, 1999). A rapid pace of globalization has also added new elements of complexity to the human dynamics (Lane, Mazenvski, Mendenhall, & McNett, 2004). Accordingly, the MTM model should be viewed as being made up of large number of parts that interact in a non-simple and linear manner (Phene & Tallman, 2012; Simon, 1962). Applying this understanding to macro MTM presents it as a system that requires interactions between different partners on a number of issues and levels, representing varying level of complexity. We would also like to mention that the proposed framework doesn't capture an exhaustive list of trends, outcomes and processes. As scholars continue to explore the multiple aspects of macro MTM as a phenomenon, they are likely to unravel and add other issues to this framework. Hence we admit we have merely scratched the

surface based upon our current understanding of the global environment. We hope other researchers continue to critique and build upon it. Here are just a few research questions that one could begin with:

1. Do government policies targeting effective utilization, development and retention of its talent directly and positively relate to stronger economies?
2. Do non-governmental organizations have a significantly positive impact on how effectively countries manage their talent?
3. Does having a more successful management of diaspora and returnees guarantee a higher talent management ranking? What other cultural, economic and organizational factors could contribute to it?
4. How does a country's higher talent management ranking impact growth of multinational activity?
5. How do educational leadership as well as corporate leadership/ strategy relate to higher levels of MTM outcomes?
6. How does talent mobility expand international knowledge and learning mechanisms, and lead to enhanced levels of global competitiveness?
7. What type of an environment facilitates learning? And what types of socio-economic as well as organizational mechanisms enhance learning of the individuals and transfer of knowledge?

MTM calls for governments around the world, to rethink their role in the society (Khilji et. al., 2015). They will have to become more active in the in the talent management activities necessary for companies and individuals to thrive and be productive. They will need to enhance

the attractiveness of their countries, although the processes for doing so will require real long term thinking (Woetzel, 2015).

### **Data Sources and Theories to Utilize for Research**

The topics for future research listed above are just a sample of what could be done (See Al Ariss, Cascio, & Paauwe, 2014; Khilji et. al., 2015; and Sparrow, et al, 2015 for more specific questions that could be examined). Fortunately, these questions and many others can be explored, at least in part, by existing databases. Virtually all the reports that establish rankings of countries have extensive data sets that could be utilized as secondary databases. Some of them are also based on existing databases. For example, the ranking reports of the *Global Talent Competitiveness Index* and the *Global Talent Index* reveal many of their secondary data sources, as well as any primary databases that they use. In addition, the *Global Competitiveness Index* has impressive data that is useful for direct indicators of talent management and indicators of the social, political and economic environments of many countries.

Aforementioned limited list of research suggestions are relevant in a dynamic and constantly evolving global context for talent management. Researchers could explore them in a variety of ways using interdisciplinary approaches and multi-level analyses. Examining these questions is likely to establish MTM as an important field that is able to provide valuable insights to overall economic and human development within and beyond multinational organizations (Cheng, et al., 2011; Cheng, Henisz, Roth & Swaminath, 2009; Hitt, Beamish, Jackson, & Mathieu, 2007; Khilji & Keilson, 2014; Kuhn, 1962).

Scholars have argued that a majority of the existing research on MTM is based upon anecdotal or limited information (Tarique & Schuler, 2010), thus suffers from number of

theoretical deficiencies (Al Ariss, et al., 2014; Khilji, et al., 2015; Farndale, et al, 2010; Tarique & Schuler, 2010). Conceptualizing rigorous research questions that cut across several theoretical boundaries is likely to engage scholars in an empirical-based research and lead to a lively discussion of an expansive scope and interdisciplinary understanding of MTM. Fortunately there are several theoretical perspectives that might be used including, the institutional theory, resource-based view (RBV), knowledge-based theories (such as knowledge spillover effects, knowledge sharing) transformative learning and human capital theory (HCT). Khilji & Keilson's (2014) study of ongoing MTM initiatives in South Asia is just one example of a recent study that employs RBV and HCT concurrently to highlight the importance of MTM in talent management. We hope that given the interdisciplinary nature and a wide scope of MTM, future studies are able to expand the scope of theoretical relevance and contributions, thus offer new insights in MTM activities, processes and outcomes.

### **IMPLICATIONS FOR MANAGERS AND POLICY MAKERS**

There is much evidence to suggest that talent shortages will continue in the foreseeable future (despite the current financial crisis), hence organizations cannot become complacent about it (Lanvin & Evans, 2014; Evans & Lanvin, 2015; McDonnell, et al., 2010). Managers need to fully recognize the broad scope of MTM and develop new organizational capabilities that enable them to acquire, grow and retain talent globally with the purpose of improving their innovation and competitiveness (Khilji, et al., 2015). As talent mobility increases, a new cadre of global workers will develop multiple identities, and start taking control of their own careers. Managers will have to consider how to interact with them, what strategies to use in order to benefit from their expertise, what reward mechanisms to use in order to retain them, and how to plan their

careers if they are not willing to slot their careers into strategic corporate plans (Carr, et al., 2005). Managers will also need to develop organizational mechanisms and policies that promote environments conducive for individual and organizational learning, as it is critical to developing effective MTM outcomes. Working in cooperation with city, state and national governmental bodies and non-governmental organizations might facilitate an appropriate supply of talent to meet the demand of organizations, in the short run and the long run.

Recognizing demographic global changes, in particular a *global generational divide* (Khilji & Keilson, 2014), and interdependencies of talent shortages, is critical for national policy makers (Woetzel, 2015). They need to develop more integrated and collaborative MTM policies in order to better compete for talent (Lanvin & Evans, 2014; Manning, Massini, & Lewin, 2008). Governments also need to become more concerned not only with attracting migrants and diasporas but also in capturing and institutionalizing their skills for national learning and technological developments (Adachi, et al., 2015). They may have to create national diaspora composed of virtual networks of nationals based overseas, who are willing to provide expertise to their home countries (Carr, et al., 2005). Finally, much like managers and practitioners, they also need to create socio-economic environments that facilitate and enhance social and national learning. Creating opportunities for research, innovation and entrepreneurship can stimulate flow of talent, as well as provide access to international innovation networks (Woetzel, 2015). All these changes will help attract new companies and create more opportunities for productivity, growth, and gains in standards of living for their citizens.

On the basis of country conditions/attractiveness/educational levels, companies will continue to make major decisions on where to locate operations, what countries have favorable conditions for acquiring local firms, or entering into joint ventures with, etc.



## CONCLUSIONS

The chapter contributes in a number of ways to the literature on TM. First it proposes several theoretical arguments for examining the processes through which the external environment such as economic development and competitiveness influences and has the potential to advance the research on MTM outcomes. Secondly, it offers several arguments for examining the role of “MTM process” in explaining the relationship between the external environment and talent management outcomes. Thirdly, by integrating several streams of research this study attempts to contribute to new theory building in talent management by offering a theoretical framework that provides a foundation for others to build from and improve upon. Fourthly, it suggests that further research extends its focus to include more non-American contexts (Collings, Scullion and Vaiman, 2011). Finally, we argue that TM, especially in the macro, global context, is a complex phenomenon and propose an interdisciplinary research agenda. The proposed MTM framework (Figure 1) makes a value-added contribution to the literature because it combines ideas from multiple disciplines that enhance its scope and provide a more comprehensive view of talent management. This could not have been obtained by relying on a single discipline and/or field. We hope that it is able to stimulate interest in MTM from a wider variety of disciplines thus enrich our understanding of core MTM issues.

As with any study proposing a new and broad conceptual framework, there are limitations to this study. First, the operationalization of some constructs can be a major concern. Although, most of the constructs are adapted from prior research on GTM, future work should

include more refined measures of the constructs in this study. Second, “model specification” is an important concern: It is important to determine whether all relevant variables have been included in our model (Schuler, 2015). Third, the ability to generalize our framework across countries may not be reasonable. More research is needed to explore these issues further.

Overall, we believe that MTM offers a rich new avenue for research. Given its complexity and overarching influence, the field offers an opportunity for scholars to incorporate interdisciplinary perspectives and engage in research that is able to cut across and synthesize individual, organizational as well as societal levels.

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**Figure 1**

**Talent Management in Global Context: A Conceptual Framework of Macro Talent Management (MTM)**

Adapted from S.E. Khilji and R. S. Schuler, "Talent Management in the Global Context," a chapter to appear in D. Collings, K. Mellahi, and W. Cascio (eds.) *Oxford Handbook of Talent Management*, Oxford Press (Oxford, England, 2016).

