TALENT MANAGEMENT PRACTICES OF
SELECTED HUMAN RESOURCE PROFESSIONALS IN MIDDLE TO LARGE-SIZED
MANUFACTURING MULTINATIONAL COMPANIES IN CHINA

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by

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Abstract

The purpose of this study was to investigate the Talent Management status and Talent Management practices of selected Human Resource professionals in middle- to large-sized manufacturing multinational companies in China. The following research questions were addressed in this study:

1. What is the current status of “Talent Management” in the middle- to large-sized manufacturing multinational companies in which the selected human resource professionals are working for?

2. How do these selected human resource professionals manage talent for these middle- to large-sized manufacturing multinational companies in China?

This study adopted a multiple-case study design. Human Resource professionals from four middle- to large-sized multinational companies were selected and studied by the researcher.

Based on the study, the researcher found that the human resource professionals did not have a clear definition of Talent Management. This did not prevent them from linking Talent Management with their organizations’ business strategy, however. Human resource professionals were the leaders, owners, and designers of Talent Management policy, process and programs in their organizations. They also provided consultation and professional advice to company leaders on Talent Management-related problems.

The human resource professionals’ practices in attracting, developing and retaining talent did not differ much from practices in other developed regions. The human resource professionals believed the guidelines and criteria—e.g., talent definition and job evaluation, etc.—cascaded down from their headquarters could help ensure fairness, alignment in defining and assessing of talent in
their organization. However, they also believed that modification of global Talent Management practices was required to meet specific needs in the China talent market.

Findings showed that the areas that needed more attention were the competency model and its application in Talent Management and measuring Talent Management outcomes.

This study was among one of the first attempts to investigate how middle- to large-sized Chinese manufacturing multinational companies regard “Talent Management”. The findings provided an overview of Talent Management practices in middle- to large-sized manufacturing multinational companies in China. This research contributed to the literature on Talent Management practices in China, which has been identified as a much under-researched area. It also contributed to efforts to build a foundation for future research in this field. The practices identified in the study could provide a benchmark for other types of Chinese enterprises in managing their talent.
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Dedication

This dissertation is dedicated to my parents – 朱文蔓 (Zhu Wenman) and 薛惠明 (Xue Huiming).

Thank you for all of your love, encouragement and support.
Chapter One

Introduction

In 1998, a group of McKinsey consultants coined the term “war for talent” and predicted there would be a war for talent, and it would only intensify when the world entered the 21st century. In their publication, they also claimed that talent was worth fighting for and companies should make Talent Management a burning priority (Chambers, Foulon, Handfield-Johns, Hankin & Michaels, 1998). Since then, Talent Management has been a buzzword used for more than a decade. “Have the right people in the right places doing the right thing” has been the motto of human resource professionals in multinational companies for a long time. Talent Management practices have been developed and adapted throughout the years in response to many changes in the workplace. These changes include globalization and outsourcing, to name just of few (Frank & Taylor, 2004).

After the ravages of the 2008–2009 global financial crisis, most multinational organizations now find themselves facing a more complex and dynamic environment—a “two speed world” with weak growth in developed countries and rapid growth in developing countries. Volatility and uncertainty have become the new norm (BCG, 2012, p. 3). Multinational companies have to manage a large, more educated but highly diverse global workforce; the seemingly talent surplus versus greater competition for talent worldwide (Tarique & Schuler, 2010). A McKinsey survey of 63 executives at companies in China revealed that 44% of the executives believed that insufficient talent was the biggest barrier to their global expansion (Lane & Pollner, 2008).

Though Talent Management has attracted increasing attention from academics and practitioners in recent years, gaps and omissions remain for theoretical and empirical development (Iles, Chuai & Preece, 2010, p. 179). Talent Management is not a well-defined area of practice
supported by extensive research and a core set of principles (Lewis & Heckman, 2006, p. 139). Research in Talent Management has been lagging behind business in offering vision and leadership in the field (Ariss, Cascio & Paauwe, 2014, p. 173). Tarique and Schuler, after their extensive literature review on global talent management, suggested that global talent management research can be a “bridge field”—transferring knowledge from academics to HR professionals (and vice-versa). The research in Talent Management, however, is “in the early stages of development, and is a new multi-disciplinary field of enquiry that draws on a range of academic and applied perspectives”, and more research is required on essentially every aspect of Global Talent Management” (Tarique & Schuler, 2010, p. 131).

Since China initiated an “open door” policy in the late 1970s, China has enjoyed nearly three decades of economic growth. Dramatic changes have happened in this country—rapid economic development, drastic industry structure change, sudden increase of knowledge base, just to name a few (Li, Easterby-Smith, & Lyles, 2008). Multinational companies in China are facing a dynamic talent market. The majority of China’s current workforce was born between the late 1970s and the 1980s. This generation is enjoying greater social and economic advantages than previous generations. They like to have a managerial title on their business card. The manager group is much younger and less experienced than its counterpart in developed countries (Hay, 2007). Career development opportunities are highly valued by professional employees (IBM Global Business Service, 2008, p. 50). Meanwhile, loyalty among Chinese employees to their employers is declining (DDI, 2007).

The huge talent demand and supply gap in China is not eased by the large number of young graduates entering the workforce every year due to the mismatch between new graduates’ capabilities and the talent needs in the market (Nankervis, 2013). With wages in China increasing
significantly in recent years, there has been concern about rising labor costs could erode China’s labor cost competitive advantage, especially in the manufacturing segment. The looming shortage of managerial and technical talent and the fierce competition in the talent market have fueled growing interest in and the significance of managing talent for multinational companies in China (Iles, Chuai & Preece, 2010, p. 183).

A search of the academic literature on Talent Management practices in China’s multinational companies yielded limited findings. Iles, Chuai and Preece (2010) found that Talent Management is an under-researched area in China. Based on their initial research attempts to explore Talent Management in multinational companies in China, the researchers found that multinational companies (MNCs) were interested in identifying, developing, and retaining their talented employees in China but did not do so in a structured manner.

Multinational companies had the flexibility to introduce relatively unchanged human resource management practices from their home country to their Chinese subsidiaries (Hartman, Feisel & Scholber, 2010). The MNCs in China adopted different Talent Management models (Talent Management very similar to human resource management, Talent Management integrated with human resource management, Talent Management as organizationally focused competency development) which impacted the focus of Talent Management practices in different companies (Iles, Chuai & Preece, 2010). All researchers suggested that more academic research was needed to contribute to existing knowledge about Talent Management in China.
The Problem

The purpose of this study was to investigate the Talent Management status and practices of selected human resource professionals in middle- to large-sized manufacturing multinational companies in China. The following research questions were addressed in this study:

Research Question 1: What is the current status of “Talent Management” in the middle- to large-sized manufacturing multinational companies in which the selected human resource professionals are working?

1.1 How is “Talent Management” defined by these multinational companies?
1.2 Why do these companies establish a Talent Management program?
1.3 What is HR’s role in company Talent Management initiatives?
1.4 Do Chinese company top executives (including CEOs and other C-level officers) participate in Talent Management? If so, what role do they play?

Research Question Two: How do these selected human resource professionals manage talent for these middle- to large-sized manufacturing multinational companies in China?

2.1 How does the Talent Management strategy align with the business strategy in these companies?
2.2 Do the companies use a competency model in the Talent Management programs? How do they use the competency model in the Talent Management programs?
2.3 How do these companies recruit their talent?
2.4 How do these companies develop their talent?
2.5 How do these companies retain their talent?
2.6 Do these companies include Talent Management in their performance management system? How do these companies evaluate their Talent Management effectiveness?
Significance of This Study

While practitioners’ interest in Talent Management has been gaining momentum, academic research on this topic has been developing at a much slower rate (Scullion, Collings & Caligiuri, 2010, p. 105). Though practitioners and consultants claimed that Talent Management was of growing importance to MNCs in China, Talent Management was identified by academic researchers as an under-researched area (Iles, Chuai & Preece, 2010, p. 183). This study was among one of the first attempts to investigate how middle- to large-sized Chinese manufacturing multinational companies regard “Talent Management”, and how human resource professionals managed talent in their organizations. The findings provided an overview of Talent Management practices in middle- to large-sized manufacturing multinational companies in China. The findings were also compared with the identified practices adopted by multinational companies in developed regions of the world. This research contributed to the literature of Talent Management practices in China. It contributed by developing a baseline for future research in the same field. The practices identified in the study provided a benchmark for other types of Chinese enterprises in managing their talent.

Assumptions

The researcher had two assumptions in exploring the Talent Management practices of selected human resource professionals who had been implementing Talent Management programs for middle- to large-sized manufacturing multinational companies in China. The first assumption was that the human resources professionals had the best knowledge of Talent Management practices in their organizations, and they would provide honest responses during the interviews and describe the reality of Talent Management practices in their organizations. The other assumption was that the Talent Management in Chinese middle- to large-sized manufacturing multinational companies must
be unique on some levels even though many Talent Management programs had cascaded down from their companies’ headquarters based in western countries.

**Limitations**

Since this study was intended to ascertain the current status and practice of selected human resource professionals implementing Talent Management programs in selected middle- to large-sized manufacturing multinational companies in China, the researcher focused on the selected human resource professionals’ practices. The primary data were collected through interviews with these selected human resource professionals from different middle- to large-sized manufacturing multinational companies in China. To supplement primary data, the researcher also studied company websites and company documents to collect more information about the profiles of these companies and their Talent Management practices.

The limitations of this study were fourfold. First, since this study represented one of the first attempts to learn about Talent Management practices in multinational companies in China, the researcher focused on human resource professionals as the unit of analysis and did not try to identify Talent Management practices at the organizational level. It would be difficult for organizations to apply findings from an organizational approach directly.

Second, the researcher collected data from human resource professionals, so she was not able to capture all other stakeholders’ experience with Talent Management practice in these organizations.

Third, the researcher tried to learn more about Talent Management practices in multinational companies. Therefore, the manner in which human resource professionals in other types of enterprises (private-owned, state-owned, small-sized companies, etc.) practice Talent Management was not addressed by this study.
Last, the focus of this study was Talent Management practices in China, so this study did not deal with Talent Management practices from a global perspective, although the best-practices in other regions of the world were used as benchmarks.
Chapter Two

Literature Review

This chapter presents the major findings reported in the Talent Management literatures. It is divided into seven sections. Section One includes a discussion on the definition of Talent and Talent Management. Section Two is a discussion of the significance of Talent Management to multinational companies. Section Three reviews a framework of Global Talent Management in multinational companies (MNCs). Section Four exams the status of Talent Management in MNCs. Section Five explores the talent management practices in MNCs. Section Six examines the emergence and factors that impact Talent Management of MNCs in China. Section Seven reviews previous studies on Talent Management in MNCs in China. The purpose of the review was to aid the researcher in identifying more insightful questions for the study (Yin, 2003a).

Section One: The Definition of Talent & Talent Management

Definition of Talent

Ever since the McKinsey Consultants coined the term “war for talent”, Talent Management has become a popular and fast-growing field. In contrast to the large number of articles, white papers, publications on this topic, “Talent Management” is not a well-defined area of practice supported by extensive research and a core set of principles (Lewis & Heckman, 2006, p. 139).

The gap in the conceptual and theoretical development of the Talent Management research field can be partly attribute to the fact that most of the literature in this field is practitioner or consultancy based (Iles, Chuai, et al., 2010; Preece, Iles, & Chuai, 2011). It also accounts for the fact that most of the studies have focused on practices (the “How”) rather than “who” the talent are
and “why” (Gallardo-Gallardo, Dries, & Gonzalez-Cruz, 2013, p. 290). In many articles and books about Talent Management, “Talent” is taken for granted and can mean whatever a business leader or writer wants it to mean, since everyone has his or her own idea of what the construct does and does not encompass (Ulrich, 2011).

To offer an in-depth review of the talent concept within the specific context of the world of work, and propose a framework for its conceptualization that organizes and dissects the different viewpoints found in the existing literature, Gallardo-Gallardo, Dries, and Gonzalez-Cruz (2013) conducted research on the meaning of “Talent” in the world of work.

To achieve the aim of their study, the researchers conducted a review of the literature on Talent and Talent Management. They performed an online search across several databases, including Science Direct, Business Source Complete, Emerald, and Google Scholar, using the key words “Talent” and “Talent Management”. Their review included 170 peer-reviewed articles, 9 doctoral dissertations, 3 conference papers, 40 books, 6 working papers, and 20 HR practitioner reports.

The researchers built their framework for the conceptualization of talent based on “Objective” and “Subjective” approaches (Gallardo-Gallardo, Dries, & Gonzalez-Cruz, 2013, p. 297).

The Objective Approach views Talent as the characteristics of people, including Natural Ability, Mastery, Commitment, and Fit. Natural Ability refers to inborn abilities that lead to superior performance. Mastery is defined as systematically developed skills and knowledge that lead to superior performance. Commitment to one’s position and to one’s employing organization is another important element. Fit means the Talent is in the right organization and right position, at the right time. On the whole, from the Objective Approach, Talent is innate abilities, acquired skills,
knowledge, competencies and attitudes that cause a person to achieve outstanding results in a particular context.

The Subjective Approach, which is regarded as historically ‘newer’ than the Object Approach, regards Talent as people (Gallardo-Gallardo, Dries, & Gonzalez-Cruz, 2013, p. 293). Within the Subject Approach, there is the Inclusive Approach, meaning Talent is understood as all employees of an organization, as well as the Exclusive Approach, meaning only an elite subset of an organization's population—high performers plus high-potentials (usually about the top 10% in terms of performance and potential)—is regarded as Talent (Gallardo-Gallardo, Dries, & Gonzalez-Cruz, 2013, p. 297).

Despite the proposed two approaches to define Talent, the researchers found that the Subject Approach (i.e., Talent as people) has been more prevalent in Talent Management practices in the workplace. Meanwhile, Gallardo-Gallardo, Dries, and Gonzalez-Cruz (2013) suggested that:

the Subject and Object Approach to Talent can inform each other in that the Object Approach specifies which personal characteristics to look for in identifications of talent, whereas the Subject Approach provokes important discussions about cut-offs and norms (p. 297).

**Definition of Talent Management**

Researchers in the field of Talent Management who are trying to establish its academic merits have to deal with the unresolved issues around Talent Management’s definition and intellectual boundaries (Scullion, Collings & Caligiuri, 2010, p. 105).

Lewis and Heckman (2006) pointed out that there was “a disturbing lack of clarity regarding the definition, scope and overall goals of Talent Management” (p. 139). Further, “The terms in the
Talent Management debate – which centers around the effective management of employee talent – are not clear and confuse outcome with process with decision alternatives” (ibid., p. 140). After a review of practitioner-oriented publications, Lewis and Heckman (2006) identified three distinct strains of thoughts regarding Talent Management.

The first stream, as identified by Lewis and Heckman (2006), focuses on particular HR practices such as recruitment, leadership development, succession planning and the like. However, compared with “traditional” human resource management, Talent Management is claimed to be more strategic and future-oriented (Lewis & Heckman, 2006; Schweyer, 2004) and enterprise-wide (Olsen, 2000, p. 24).

The second stream of Talent Management focuses “primarily on the concept of talent pools,” and Talent Management is “a set of processes designed to ensure an adequate flow of employees into jobs through the organization” (Lewis & Heckman, 2006, p. 140). Lewis and Heckman believed this approach stemmed from workforce planning, and involved the coding level of organizational hierarchy, qualification of a position as well as other parameters such as cost, tenure and supply and demand.

The third stream was advocated by “war for talent” authors. They treated Talent as an “unqualified good and a resource to be managed primarily according to performance levels.” Under this stream of thoughts, employees are classified by performance level. The organizations either rigorously terminated low performers or filled each position with top players (Lewis & Heckman, 2006, p. 141).

The fourth stream was proposed by Collings and Mellahi (2009) years after Lewis and Heckman’s work. From their perspective, Talent Management should primarily focus on the identification of key positions that can impact organizations’ competitive advantage. Talent
Management should begin with identifying key positions and then identifying talented employees and developing them to fill the previously identified positions. To them, Strategic Talent Management involves systematic activities and processes to identify and fill key positions with high-potential and high performers and develop differentiated human resource architecture to facilitate filling these positions with competent incumbents so as to ensure their continued commitment to the organization.

No matter how Talent and Talent Management are defined, the primary focus of Talent Management is on developing Talent that is strategically important for the organization’s future. This commitment confirms the criticality of Talent Management (Rothwell & Kazanas, 2003).

**Section Two: Talent Management as a Top Priority for Multinational Companies**

Talent Management has brought competitive advantages to organizations. In 2000, McKinsey updated the 1997 study through a survey of 13,000 executives at more than 120 companies and case studies of 27 leading companies. McKinsey researchers claimed to have uncovered “compelling evidence” that better Talent Management led to better performance. They also found that “on average, companies that did a better job of attracting, developing, and retaining highly talented managers earned 22 percentage points higher return to shareholders” (2001, p. 9). Even though the researchers admitted that Talent Management might not be the sole driving force of such outstanding performance, it surely might be a powerful one.

After the ravages of the 2008–2009 global finance crisis, most multinational organizations have found themselves facing a more complex and dynamic environment—a large, more educated but highly diverse global workforce, a seemingly talent surplus versus greater competition for talent worldwide (Tarique & Schuler, 2010). Talent Management is a term in common currency (Iles,
Multinational organizations have come to realize that they must manage their workforce effectively to gain a sustainable global competitive advantage (Tarique & Schuler, 2010, p. 123).

In 2012, the Boston Consulting Group (BCG) partnered with the World Federation of Personnel Management Association (WFPM) to conduct a study titled “Creating People Advantage 2012: Mastering HR Challenges in a Two-speed World”. The researchers started the original research in 2006 and developed a list of 40 Human Resource-related topics. They then narrowed the list to the 17 most relevant topics based on number mentioned, and an exhaustive literature review in general business publications and HR journals. After that, the researchers gathered inputs from HR experts within BCG and WFPMA to identify emerging topics that might have not been covered in the literature review. The researchers ended with 22 key human resource topics.

The researchers then administered an online survey to examine critical trends in these 22 key HR topics. The survey participants were asked (using a scale of 1= low to 5= high) to rate the topics in terms of their current and future importance as well as the current capabilities of the participant’s company on those topics. The participants were also required to provide information on their company revenue growth and average profit-margin change from 2010 through 2011. In addition, the researchers probed practices and strategies implemented by highly capable companies to boost their people’s performance efforts (BCG, 2012, p. 3). The survey was conducted from February through June 2012. There were a total of 4,288 respondents from 102 countries and 6 major regions. Among the respondents, 88% were HR personnel and 12% were non-HR business leaders. To supplement the online survey results, the researchers also engaged in one-on-one interviews with 63
executives to probe in-depth the HR topics and actual practices covered in the survey (BCG, 2012, p. 47).

During data analysis, to adjust for high or low scoring tendencies among survey participants from particular countries and markets, the researchers normalized the assessment of current capabilities, current importance and future importance for each countries and industry (BCG, 2012, p. 47).

The researchers reported that “Talent Management” was at the top of survey respondents’ critical list. Also through the survey, the researchers identified correlations between capability and performance, that is, companies that rated their current capabilities as high demonstrated significantly greater revenue growth and higher average profit margins than those organizations that rated their organization capabilities as “low”. As the researchers reported, “companies that demonstrated proficiency in 22 key HR topics experienced revenue growth that was up to 3.5 times higher and profit margins that were 2.1 time higher than those of less capable companies” (BCG, 2012, p. 5).

Further, after tracking the cumulative growth rate for share price over a 10-year timeframe, the researchers found that the organizations that had appeared at least three times on the list of “Fortune 100 Best Companies to Work for” over ten years outperformed the market average in eight of those ten years. The cumulative growth in their share price was 99 percentage points higher than the S&P 500 average. The researchers concluded that good people practices confer a performance advantage.
Section Three: A Framework for Research in Talent Management in MNCs

Tarique and Schuler conducted a comprehensive review of academic work published in leading academic journals between 2000 and 2009. They organized their work according to a framework (Figure 2-1).

![Figure 2-1. Integrative framework of global talent management (GTM) in MNCs and suggestions for future research](image)


Based on this framework, the Talent Management literatures can be organized into four domains:
1. The external drivers to the firm that are mostly beyond management’s control; however, these challenges can affect MNCs’ operational systems.

2. The organizations’ internal forces, including competitive or strategic positioning, organizational structure, that also impact organizations’ practices.

3. The internal HRM activities. Based on the authors’ literature review, three major activities—attracting talent, developing talent and retaining talent—have been used by MNCs to address their Talent Management challenges.

4. The effectiveness of Talent Management. Effectiveness is defined in terms of utilizing and integrating appropriate HR management practices and policies that enhance overall performance both in the short and long term.

The researchers argued that external and internal forces should be included in the framework based on the notion that:

Organizations are under social influence and pressure to adopt practices including HRM, and to adapt to and be consistent with their institutional environment. Organizations attempt to acquire legitimacy and recognition by adopting structures and practices viewed as appropriate in their environment (Tarique & Schuler, 2010, p. 125).

For the third domain, the researchers argued that an accurate diagnosis of MNCs’ talent management situation is a start in successfully implementing correct Talent Management actions to gain and sustain a global competitive advantage (Tarique & Schuler, 2010, p. 127).

For the last domain, the researchers recognized that effective HR activities of MNCs led to enhanced short-term and long-term organization performance. However, “effectiveness” remains the “least studied” field of Talent Management (Tarique & Schuler, 2010, p. 128).
During their literature review, the researchers also found that their research in mainstream top journals (e.g., Academy of Management Review and Administrative Science Quarterly, Journal of International Business Studies and Journal of World Business, International Journal of Human Resource Management and Human Resource Management) yielded a small number of articles, so they had to supplement their search with academic and trade as well as popular articles from outside the “mainstream” journals. In all, Tarique & Schuler reviewed more than 110 articles from more than 22 journals and a variety of different academic and practitioner publications. Based on their research, Tarique & Schuler recommended that, for future research complementary sources—academic literature, trade studies, and consultancy reports—could be utilized. The advantages of using various sources, according to them, include increased collaboration between academics and practitioners, improved quality of papers and findings, greater publicity, and better holistic solutions (Tarique & Schuler, 2010, p. 130).

For future studies of Talent Management in MNCs, the researchers offered several recommendations, including:

1. Since there are a number of theoretical deficiencies, more examination of the challenges and relationships within and between elements in the framework is required.

2. Since the field is relatively young, more qualitative methodologies can be employed to facilitate theory building.

3. Since the issues and problems discussed by HR managers are occasionally addressed by the academic community, future research questions can be based on practical needs and focus on “real” organizational life and current events.

In several respects, Tarique and Schuler’s work has offered insights to this study:

1. The approach to organizing the literature review in the Talent Management field
2. Research methodologies to be used in studies in the Talent Management field
3. Research questions to be asked in Talent Management studies

Section Four: Talent Management in Multinational Companies

The literature review in this section is organized into two different parts—external challenges to multinational companies and internal systems and practices adopted by multinational companies to address their talent needs. It is worth noting that a considerable portion of the literature on Talent Management is based on consulting companies’ reports and practitioners’ reflections. This is mostly due to the fact that although Talent Management has attracted increasing attention from academics and practitioners in recent years, there are still gaps and omissions left for further theoretical and empirical development (Iles, Chuai & Preece, 2010, p. 179).

The Changing Global Talent Market

The world is no longer the same as a decade ago. These days, multinational companies find themselves dealing with a rapid growing emerging market, and new generations in the workforce. They are now facing a globally competitive, demanding, and expensive talent market (IBM Global Business Service, 2008).

Globalization and rapidly growing emerging markets

Globalization has been a key theme for quite some time. According to the Financial Times, in 2013, developing countries contributed 50% of the world’s GDP—this percentage is expected to grow to 55% in 2018 based on IMF estimations. Adding to that, it is also estimated that the middle
class will triple in size to 1.7 billion in Asia by 2020 (Yueh, 2013). No one will deny that the rapidly growing emerging market has become the most attractive market for multinational companies (MNCs), who have extended their operations into these markets, opening subsidiaries, joint ventures and sales offices. According to a Boston Consulting Group (BCG) market survey and interviews with nearly 100 executives from such companies as Adidas, SAP, Schlumberger, Tata, Unilever, and Wipro, about “93 percent of executives at global companies said they expected to increase their revenue from RED (rapidly developing economies) in the next five years, while 73 percent expected to increase their R&D activities” when they were asked whether they planned to increase their sales or operation in RED. The rapidly developing economies, as defined by the BCG, include twenty-two developing countries (e.g., China, India, Brazil, and Russia) in Asia, Latin America and East Europe.

As a result of increasing operations in the emerging markets, multinational companies have added more staff to their branches in these countries. The same survey conducted by the Boston Consulting Group showed that when asked whether they planned to increase HR deployment in rapidly growing economies, “78 percent of the global companies plan to increase the number of executives working in the RDEs” (Friedman, Hemerling & Chapman, 2007, p. 2). Multinational companies’ expanding business operations in those regions have presented an increasing demand for talent, especially executive talent, in these regions. Vacancies in multinational companies’ new branches in these developing countries must be filled quickly to match rapid growth in the local market. Meanwhile, multinational companies must compete with growing local companies who are “fishing” in the same talent pool.
Demographic shifts and multi-generational workforce

With the growing world population, the global workforce is getting younger, older and more urbanized (Deloitte, 2014, p. 2). The workforce trend in developed countries remains stable but that workforce is growing older or even shrinking while the workforce in developing countries is expanding and getting younger (Strack, Baier, & Fahlander, 2008).

Millennials are now joining the workforce “in great numbers”. It is estimated that Millennials will make up about 75% of the global workforce by 2025 (Bersin, 2013). Meanwhile, Generations X and Y as well as boomers are in the workplace together with the Millennials.

Generations X and Y are very different from the baby boomers in the workplace in many respects (Hammill, 2005). Corporate loyalty has been diminishing among generations X and Y as few companies offer lifetime employment and employees no longer expect employers to keep them on the payroll until they retire. Employees are now more interested in their own careers (Caye & Marten, 2007). Those employees with great potential or special expertise are even more mobile. In emerging markets, 70% of the executives receive recruiting inquiries at least once a year, compared to 20–30% in Western countries (Caye & Marten, 2007). A Society for Human Resource Management (SHRM) survey estimated that 83% of workers were likely to search for a new job in the next few years (BPM Forum & Success Factors, 2007, p. 2).

At the same time, these generations of workers pay more attention to emotional well-being. They go so far as to sacrifice some job opportunities in the interest of family considerations and/or a desire for a life outside of work (Strack et al., 2008). A big pay check may not be enough to attract these generations if they think they have to give up too many other things in their life to get the job. If they think their current job prevents them from enjoying life, they will leave the company for a
position that provides more work-life balance. The companies have to attract and retain talent from more innovative approaches in addition to compensation.

Millennials also shape the talent market with their expectations. Deloitte’s “The Millennial Survey” in 2013 found that Millennials want to be more creative. They also need accelerated career growth. Compared with other generations, they are more likely to be eager to run their own business. Work to them is not a career but an experience.

Baby Boomers who started to retire in 2008 are reluctant to leave the workplace. This reluctance is not merely out of financial concern, but is linked to their professional satisfaction. Boomers are trying their best to extend their working lives (Deloitte, 2014, p. 3).

These trends, as noted by Deloitte (2014), have influenced and denote the most multi-generational workforce in history. Multinational companies should know how to deal with these highly diverse generations in the workforce, strategically.

The demand-supply gap

Since the global financial crisis in 2008, the workplace has witnessed a lot of organization downsizing due to volatile economic conditions. Contrary to the assumption of a “talent surplus”, organizations have come to the conclusion that they must manage talent more effectively if they want to remain “afloat” or sustain their competitive advantages in the highly competitive market (Tarique & Schuler, 2010, p. 123). As Tarique and Schuler mentioned in their article, “Global talent management: Literature review, integrative framework and suggestions for future research”, though “resumes abound” in the market, organizations are still having a difficult time finding people who determine profit gain or loss, and distinguish 20% business growth from 10% increases.
In 2012, the Boston Consulting Group (BCG) and World Federation of People Management Associations (WFPMA) conducted a study on “Creating People Advantage 2012: Mastering HR Challenges in a Two-speed World”. After analyzing 4,288 responses from 6 major regions in 102 countries, the researchers found that Talent Management, Improving Leadership Development, and Strategic Workforce Planning were ranked by world HR and business executives as the top three critical HR topics. In BRIC countries (Brazil, Russia, India and China, South Africa), the most “wanted” were Managerial, Leadership and Technical Skills. In accordance, managerial and R&D groups were identified as short in supply in the talent market.

In 2013, Deloitte researchers conducted a survey to gain insights into the 2014 global human capital trends. The survey covered 12 critical human capital trends that had been developed by researchers based on their global research. Survey participants were required to rate the urgency of the 12 global trends on the following scale: “not important”, “somewhat important” “important” and “urgent”. Meanwhile, participants were also required to rate their readiness for the 12 global trends on the following scale: “not ready”, “somewhat ready” and “ready”. A total of 2,532 business and HR leaders in 94 countries responded to the survey.

In their report, *Global human capital trends 2014: Engaging the 21st-century workforce*, Deloitte researchers claimed that organizations are not only fall behind in developing enough leaders but also are not equipping leaders with the right set of capabilities and skills to ensure their success in 21st-century organizations (Deloitte, 2014, p. 26).
The Internal Drivers of Talent Management

Strategic alignment

Lewis and Heckman (2006) used an analogy to describe a building design scenario to describe managing talent—that is, when constructing a building, before soliciting a group of experts and “letting them define” the building, alternatively, one could meet the architect and discuss the question of “what you hope to accomplish with this building” (p. 143). The researchers noted that “early proponents” like Jackson and Schuler and Walker all had a vision for “Talent Management as architecture” and they all “offered a system-level, strategic perspective that makes the Talent Management concept one that adds value and opens new research possibilities” (Lewis & Heckman, 2006, p. 143). In 1988, Zuboff proposed a talent classification approach based on two factors—difficult-to-replace (the labor market effect) and “value-added” (a customer related factor). This approach placed more emphasis on organization environment. But as Lewis and Heckman (year) pointed out, Zuboff’s approach placed Talent Management in the position of responding to already identified organization strategy or external environment driver changes.

Based on their extensive review of literatures in the field of Talent Management, Lewis and Heckman (2006) claimed that they believed that explicit ties were needed between strategy and talent. They defined talent as strategic—it should be able to influence the development of strategy and shape organizational strategy rather than “simply respond quickly to the implications of strategy and Talent Management needed to develop a point-of-view regarding how talent decisions are made” (Lewis & Heckman, 2006, p. 145). Two streams of research emerged that attempted to create a link between Talent Management and organization strategy.

1. The first stream advocated a resource-based view that talent was regarded as existing to help their organization to gain skills and abilities over time and develop organizational
culture and structure to manage those skills and abilities (Lewis & Heckman, 2006, p. 145).

2. Another stream was developed by Boudreau and Ramstad (2005) who proposed that HR should engage in decision science to improve decision-making on talent resources (p. 17). The “HC Bridge Framework”, as proposed by researchers, linked three levels of decisions with organizational tools, practices and resources that might affect the decisions. Their framework somehow effectively answered the pending question of describing the process that explained the relationship between practices and organization performance (Lewis & Heckman, 2006, pp. 145–146).

To understand how the strategic capabilities of firms align with the talent of senior managers to affect the financial performance of their firm, Joyce and Slocum (year) studied 200 firms from 40 industries over a 10-year timeframe. The firms varied in size and represented organizations both domestic and global in scope. Each company was assigned to an industry subgroup and given a specific performance designation in that subgroup based on their performance relative to peers. In doing so, the researchers eliminated the broader macro-economy effect. The researchers also made an effort to be as exhaustive as possible in identifying relevant material pertaining to firm performance and paid due attention when selecting credible data source. The primary data source for the study were fact books (including reports, articles, analysis) which were largely publicly available and contained specific information on the 200 firms (Joyce & Slocum, 2012, p. 185). The specific performance measure used for this study was Total Returns to Shareholders (TRS). The 10-year timeframe was divided into two five-year sections. Based on the change of TRS from first 5-year to second 5-year, the companies were categorized into 4 types—Winner (who maintained strong performance through the years), Tumbler (who generated strong TRS during 1st five-year but
faltered in the 2\textsuperscript{nd}), Climbers (who began with weak TRS but able to rise to a higher level of performance at the end of the 10-year period of time), and Tumblers (who started weak and never rose above mediocre performance but were not failing).

Joyce and Slocum (2012) found that:

- Talent by itself cannot produce performance directly unless talent sustains the four foundational capabilities of strategy, structure, culture and execution.
- All Winner firms scored significantly higher than Losers, Climbers and Tumblers in strategic, structure, culture and execution capabilities.
- Winners invest resources to develop human practices across the 10-year period and increase efforts even further in the last stages of that period.
- Talent practice must have a strategic focus and support the foundation capabilities of the firm.
- Talent practice must help institutionalize strategic capabilities to ensure the organizations have the executive leadership to create the structure and culture needed to support strategy and execution.
- Talent practice needs to model the desired changes in organizational capabilities.

The “strategic” Talent Management notion is echoed from practitioners’ side. In its *Creating people advantage 2012: Mastering HR challenge in a two-speed world* report, the Boston Consulting Group (BCG) proposed that every organization develop “a talent strategy that corresponds to market conditions and business while also generate suitable economic returns” so the organizations would sustain their competitive advantage over their rivals (BCG, 2012, p. 20). Though the report does not give any specific recommendation on how to build up the “talent strategy”, it is obvious that practitioners also are aware of Talent Management’s strategic position.
**Required competencies**

Required competency was identified by Lewis and Heckman (2006) as another internal driver of Talent Management in organizations. Competency as defined by Rothwell and Lindholm (1999) refers to “an underlying characteristic of a professional, and includes motives, traits, skills, aspects of one’s self-image, social roles, or a body of knowledge, that result in effective performance in his/her profession” (p. 92). Rothwell and Lindholm (1999) found that to link individual and organization competency, and thus build and enhance its competitive edge, an organization should use competency modeling (the process of writing out the results of competency identification by creating a narrative on the competencies) and competency assessment (the process of comparing individuals in a job category, occupational group, department, industry or organization to the competency model that has been developed for that talented group).

Rothwell and Lindholm (1999) pointed out that “competency models would be applied by HR practitioners to career issues, organizational issues, strategic issue and multicultural issues” since “competency based HRM will be the keystone in the bridge between individual career development and organization strategy” (p. 101). They also indicated that the competency model would be used more often with increasing organization change due to the fact that “job competency menu will be constructed to represent all competencies essential to the successful production and delivery of the entire range of an organization’s work outputs” (pp. 101–103).

Between June and November 2010, Development Dimension International (DDI) conducted a global leadership survey. Through this survey the researchers tried to answer three overarching questions: are leaders prepared and equipped for the rapid speed of today’s business? Are they keeping up or falling behind? If it is the latter, what can we do about it?” (Boatman & Wellins, 2011, p. 5).
To collect data, DDI created and distributed surveys to both HR professionals and leaders (defined as someone who manages the performance or responsibilities of individuals in an organization). The survey asked participants about the Talent Management practices in their organization. To supplement the survey, open-ended comments were collected and interviews were conducted. The participating organizations were encouraged to have 30 leaders complete the survey to allow a comparison of HR and leader perspectives. About 1,897 HR professionals and 12,423 leaders from 74 countries responded to the survey. Among the participating organizations, 40% were national companies, 60% were global companies (defined affiliate offices owned, operated, or otherwise affiliated by organizations outside their own country). During data analysis, the researchers used a combination of weighting and sampling techniques to ensure fair global representation:

- To ensure organization representation, a random sample of leaders was selected from any organization that exceeded 100 responses.
- To ensure global representation, if the percentage of leaders from each country in the sample differed by more than 5% of each country’s actual percentage of leaders (according to data from the International Labor Organization), the researchers weighted responses to bring them within 5%.

The survey findings were reported in *Global leadership forecast 2011*. Boatman and Wellins (2011) included a discussion on “best-practice in building effective talent management system” in the report. They recommended using competencies as the foundation for an effective talent management system because:

- Without the competencies, leaders are left guessing what it takes to be successful in their jobs.
• Without competencies, managers of leaders don’t have a measurement system for evaluating performance or making promotion decisions.

• Using competencies throughout an organization’s talent management system helps drive alignment and creates a common language between systems and among employees.

Boatman and Wellins (2011) found that almost two-thirds of organizations responding to the survey had clearly defined competencies for key leadership positions. However, only 57% of organizations use those competencies as the foundation for their talent management systems.

Similar findings also emerged from the Boston Consulting Group (BCG) study, *Creating people advantage 2012: Mastering HR challenges in a two-speed world* (2012). The BCG researchers discovered that most companies that participated in the survey have a leadership model but most were “steeped in twentieth-century principles and were outdated”. To make things worse, the companies failed to use their model consistently. The researchers claimed that:

• Among those low-performing companies (defined as the bottom 10% of the surveyed companies by profit margin and revenue growth), only 33% have a leadership model that describes expected contributions and behaviors of leaders, or drives decisions about talent selection and promotion.

• Among high-performing companies (defined as top 10% of the surveyed companies by profit margin and revenue growth), the adoption rate for the leadership model rises to 59%. In the high-performing companies, the competency model has been updated and is tangible to leaders.
Section Five: Talent Management Practices in MNCs

Attract Talent

The “war for talent” made filling job pipelines with qualified talent a major challenge. Top talent, those people mainly sought after by MNCs, demand career development, a diversified workplace and inspiring work and generous compensation (Strack et al., 2012, p. 12). Tarique and Schuler found that MNCs must develop HR reputation and organization attractiveness and identify a proper talent pool to attract the talent they need (2010, p. 127).

Employer image

Collins (2007) studied the effects of recruitment practices and product awareness on job seekers’ employer knowledge and application behaviors. He surveyed on 456 undergraduate and master degree student (response rate = 28%) by asking them to rate Employer Familiarity, Reputation, and Image (i.e., job information) on a scale from 1 (strongly disagree) to 5 (strongly agree). Meanwhile, he also surveyed 123 companies (response rate = 49%) by asking the recruiters form the companies to rate pre-identified early recruitment practices on a scale from 1 (strongly disagree) to 5 (strongly agree).

The researcher concluded that among three dimensions of employer knowledge—employer familiarity, reputation, and image (i.e., job information), each had significant and independent direct relationships with application intentions and decisions:

1. Employer familiarity, that is, job seekers’ awareness of or ability to identify a company as a potential employer. It affected application behaviors because job seekers interpret these beliefs as a signal of the legitimacy of a company as an employer and see familiar employers in a more positive light than they do unfamiliar employers.
2. Employer reputation, that is, job seekers’ beliefs regarding how other individuals affectively view the company as an employer. Job seekers were more attracted to firms with strong positive reputations than firms with either no or negative reputations.

3. Employer image, that is, job seekers’ beliefs regarding attributes and associations connected to the company as an employer. Job seeker actions were influenced by beliefs regarding the company as a whole, the attributes of the job itself, and characteristics of people within the company (Collins, 2007, pp. 180–181).

In an effort to understand how employer image could influence a job seeker’s intention to join in a company in a multinational environment, Baum and Kabst (2013) conducted another study in four different countries based on Collins’ study. They identified Working Atmosphere, Career Opportunity, Work-life comfort, Task and Pay Attractiveness as dimensions of Employer Image (Baum & Kabst, 2013, p. 177). The researchers proposed that “The relative importance of Working Atmosphere, Career Opportunity, Work-life comfort, Task and Payment attractiveness to applicant intention was moderated by national context” (Baum & Kabst, 2013, p. 178).

The researchers surveyed 1626 (response rate = 32%) upper-level undergraduate students using a questionnaire. The students were selected from 53 top-ranked engineering universities in Germany, Hungary, India and China.

Baum and Kabst found certain cross-national differences in the impact of the image facets—particularly, work-life comfort, task attractiveness and payment attractiveness. Meanwhile, they found Career Perspective and Personal Development to be equally important to students in all four countries. Organizations that foster a Positive Working Atmosphere were also attractive to students from all four countries. Attractiveness of the job task was perceived as important to students from Germany, India and China. Interestingly, Attractive Salary was least influential on employer image.
Based on the study, Baum and Kabst recommended that MNCs adopt a common, worldwide positioning approach. MNCs’ employer branding activities can be coordinated on an international scale.

**Build and understand talent pool**

The Boston Consulting Group agreed in its *Creating people advantage 2012* that companies cannot afford to be passive about managing their employer brand (p. 15). The researchers found that the companies deemed by respondents as capable of improving employer brand were more likely to conduct research on target talent groups in order to better understand what they seek in an employer, the jobs and the careers. These organizations are also more likely to have a process in place to refine their employer brand through employer brand audits. The companies deemed by respondents to have capably developed a recruiting strategy map target candidate groups based on job-group needs and are more likely to regard social media as a valuable channel and more likely to consider the company website to be an opportunity (BCG, 2012, pp. 13–14).

In Development Dimension International (DDI) “Global Leadership Forecast 2011”. Boatman and Wellins (2011) found that effective recruiting starts with exploring answers to questions: What do successful leaders in the organization need to be capable of? What knowledge and experiences must they have? What personality characteristics will be helpful for success? Put the answers together, organizations would be able to constitute a “success profile” (p. 33).

**Develop Talent**

**A learning organization**

Based on a 2004 study with 500 members of the International Society for Performance Improvement (ISPI), Rothwell, Jackson, Knight and Lindholm (2005) found out that “Planned on
job training”, “In-house classroom courses tailor-made for management-level employees”, “In-house classroom course purchased from outside sources and modified for in-house use” and “planned rotation programs” were regarded as top effective individual grooming (development) methods.

Frank and Taylor (2004) reviewed literatures on Talent Management trends, including the “ASTD Annual State of the Industry report” and the IDC (a global IT market and intelligence firm who was tracking e-learning activities globally) report. They found that learning activities were delivered through various methods in best-practice companies. Technology is used to provide more on-time experiential learning to employees dispersed around the world. Job performance simulation and knowledge support systems and other learning-facilitating activities were well integrated into the daily workflow and make work and learning a seamless experience (Frank & Taylor, 2004). However, Frank and Taylor did not conduct their own studies to further verify the effectiveness of these learning methods.

**Leadership development**

Vicere (2002) found that surrounded by “volatile economic environments, organizations are forced to rethink their strategies, processes and cultures, placing a powerful premium on leadership capabilities” (p.26). Organizations’ effectiveness in the networked economy requires the ability to achieve results and build commitment and enthusiasm among a network of highly mobile knowledge workers, independent business partners, performance-minded investors and service-demanding customers (p. 29). Under this circumstance, leaders “must be able attract and motivate stakeholders, keep them networked and keep them engaged in the organization’s progress. All these have to be done while the leaders “are supporting the organization to evolve in an effort to stay relevant in a changing world” (Vicere, 2002, p. 30).
Leadership development trends. In 2011, to answer the question, “what will the future of leadership development look like”? Petrie, a researcher from the Center of Creative Leadership (CCL), studied different schools of Harvard University (Education, Business, Law, Government, Psychology) to identify the different approaches to developing leaders and conducted a literature review in the field of leadership development. In addition, Petrie interviewed 30 experts from corporate and consulting firms to gather diverse perspectives. The questions he asked were:

- What are the current approaches being used that you think are the most effective?
- What do you think we should be doing more of in terms of developing leaders?
- What should we be doing less of/ stop doing/ or phase out?
- Where do you see the future of leadership development headed?

Petrie found four trends for leadership development:

1. More focus on vertical development. Between the two types of development, horizontal and vertical, great deal of time had been spent on horizontal” development (competencies), but very little time on “vertical” development (developmental stages). Horizontal development could be “transmitted” (from an expert), but vertical development must be earned (for oneself).

2. Transfer of greater developmental ownership to the individual. People develop fastest when they feel responsible for their own progress. The employee should get out of the passenger seat and into the driver’s seat of their own development.

3. Greater focus on collective rather than individual leadership. The question organizations would ask change from, “Who are the leaders?” to “what conditions do we need for leadership to flourish in the network? How do we spread leadership capacity throughout the organization and democratize leadership?”
4. Much greater focus on innovation in leadership development methods. An era of rapid innovation would be needed in which organizations experiment with new approaches that combined diverse ideas in new ways and share these with others. Technology and the web would both provide the infrastructure and drive the change.

**Leadership development best-practices.** DDI’s “Global Leadership Forecast 2011” revealed that leadership made a difference in an organization—organizations with the highest quality leaders were 13 times more likely to outperform their competition in key bottom-line metrics such as financial performance, quality of products and services, employee engagement, and customer satisfaction. As the data showed, among leaders who rated their organization’s leadership quality as excellent, 78% were in organizations that outperformed their competition in bottom-line metrics (Boatman & Wellins, 2011, p. 8). Besides, the organizations with higher-quality leadership are up to three times more likely to retain more employees than their competitors; they also had more than five times the number of highly engaged leaders who bring their full energy to their work, proactively made decisions and added value, and acted with a sense of ownership.

Their findings were as follows:

- The most often used and effective development methods included “Formal workshops, courses, seminars”, “Coaching from managers”, “Special projects or assignments”, “Movement to a different position to develop targeted skills”.
- A strategic mix of well-designed and well-executed methods was the key to effective development.
- The Generation Y cohort found all three types of coaching (manager, internal, and external) to be more effective for development, suggesting that they value learning through the
experience of others. Older generations favor formal training and special projects as ways to hone their skills.

In the Boston Consulting Group and World Federation of People Management Associations’ study, the researchers discovered that when comparing the practices of high-performing companies (those companies ranked top 10% among surveyed companies by revenue growth and profit margin increase) with low-performing companies (those companies ranked in the bottom 10% among the survey companies by revenue growth and profit margin increase), the high-performing companies were:

- 1.7 times more likely to have development programs designed for acceleration.
- 1.8 times more likely to have leadership models describing expected contributions and behaviors and drive promotion and talent-selection decisions.
- 1.4 to 2.7 times more likely to have programs for high and emerging potentials to improve development and retention.
- The number one reason for relocation was personal development, not just technical knowledge transfer.

Succession planning

In his book, *Effective succession planning: Ensure leadership continuity and build leadership from within* (2010, 4th Ed.), Rothwell reassessed Succession Planning and Management (SP&M) and offered a practical approach to ensuring leadership continuity in key positions and for key people by building leadership talent from within (p. xxv).

The book was based on several major sources of information:
1. A Tailor-Made Survey. In January 2009, the author surveyed over 1,200 HRM professionals about SP&M practices in their organizations. This survey was an update of earlier surveys conducted for previous editions of this book. Though the response rate to the survey was disappointing, the results provided interesting information.

2. Phone Surveys and Informal Benchmarking. The author spoke by phone and in person with vendors of specialized succession planning software and discussed SP&M with workplace learning and performance professionals in major corporations.

3. Other Surveys. The author researched other recent surveys on SP&M and summarized key findings of those surveys.

4. Web Searches. The author examined what resources could be found on the World Wide Web relating to important topics in this book.

5. A Literature Search. The author conducted an exhaustive literature review on SP&M, with special emphasis on what has been written on the subject since the last edition of the book. The author also looked for case study descriptions of what real organizations had been doing.

6. First-hand In-House Work Experiences. The author integrated his personal experiences of managing SP&M in the corporate world.

7. Extensive External Consulting and Public Speaking. The author also integrated his personal experiences with consulting and public speaking on the topic of SP&M.

In the book, Rothwell defined Succession Planning as:

a process of developing talent to meet the needs of the organization now and in the future. Every time a manager makes a work assignment, he or she is preparing someone for the future because he or she is building that worker’s ability. Work experiences builds
competence, and different kinds of work experiences build different kinds of competence (2010, p. 371).

Rothwell introduced the “Seven-Pointed Star Model for Systematic Succession Planning and Management.”

Figure 2-2. Seven-Pointed Star Model for Systematic Succession Planning and Management

Rothwell (2010) also predicted that the future of Succession Planning would stem from changing external environmental conditions. He predicted that SP&M would be influenced by the following:

- Prompt efforts by decision makers to find a flexible range of strategies to address organizational talent needs.
- Lead to integrated retention policies and procedures that seek the early identification of high-potential talent, efforts to retain that talent, and efforts to retain older HiPo workers.
- Have a global impact.
- Be influenced increasingly by real-time technological innovations.
- Lead to increasing organizational openness about possible successors.
- Encourage the integration of effective succession issues with career-development issues.
- Be heavily influenced by concerns about work-family balance and spirituality issues.
- Focus increasingly on real-time talent development efforts, as well as on strategic efforts, which center on the role of managers in daily work with their reports.
- Center as much on ethical and value-oriented issues as on competency-based issues.
- Become more fully integrated with selection decisions.
- Focus on leveraging talent as well as developing it.
- Include alternatives to one-hire-at-a-time approaches, such as mergers, acquisitions, or takeovers for the purpose of rapid, large-scale talent acquisition.
- Become closely linked to risk management and concerns about security.
- Become associated with more than management succession
Retain Talent

D’Amato and Harzfeldt (2008) recruited 1,666 respondents from Europe for the Emerging Leaders Research Project which focused on generational differences in the workplace. The participants had been asked to participate in a 20-minutes online survey about their experiences and attitude at work. The questions included their intention to stay with their present employer, organizational commitment, work patterns, work attitudes, learning orientation, interest in training options, work-related values, learning tactics and leadership attributes.

The researchers found that:

- To attract and retain talent in Europe from early Xers (born 1960 to 1970) and later Xers (born 1971 to 1980), organizations should devote to offer leadership development and foster both learning goal orientation and organizational commitment.
- Employees in younger generations are more likely to display learning goal orientation and less likely to show high organization commitment. Emphasis should be placed on practices related to manager’s involvement.
- Organizational commitment has a strong impact as a mediator between learning orientation and intent to stay.
- The provision of development opportunities would likely to increase organizational commitment of managerial employees especially in younger generations.
- An organizational learning culture is attractive to employees (D’Amato & Regina Harzfeldt, 2008, p. 947).

In its “Creating People Advantage 2012” study, Boston Consulting Group (BCG) researchers asked survey participants to “rate the importance of and your company capabilities in the listed retention and engagement measures in this country/region”. After analyzing responses from the
BRICS countries (Brazil, Russia, India, China and South Africa), the researchers found that to retain talent in these regions, organizations should:

- Offer a clearly defined career path and reinforce career development discussions by describing how the career path operates within the organization.
- Ensure that espoused values are also practiced. Make sure managers and executives and HR are held responsible for delivering on the company’s career opportunity promise to employees.
- Foster a culture of meritocracy. Start by clarifying decision rights. Augment clear decision rights with a strong performance management system.

**Measure Talent Management Outcome**

In his 2010 book, Rothwell recommended using some key questions to guide the evaluation of Succession Planning and Management:

1. Who will use the results? This question seeks to identify the audience.
2. How will the results be used? The second question seeks to clarify what decisions will be made based on evaluation results.
3. What do the program’s clients expect from it? This question grounds evaluation in client expectations and program objectives.
4. Who is carrying out the evaluation? The fourth question provides clues about appropriate evaluation techniques based on the expertise of the chosen evaluator(s).

Then Rothwell defined a four-level evaluation model:

1. The first level—customer satisfaction
   - How satisfied with the SP&M program are its chief customers?
• How satisfied are its customers with each program component, such as job descriptions, competency models, performance appraisal processes, individual potential assessment processes, individual development forms, and individual development activities?

• How well does SP&M match up with individual career plans? How do employees perceive SP&M?

2. Second level—program progress.

• How well is each part of the SP&M program working compared to stated program objectives?

• How well are individuals progressing through their developmental experiences in preparation for future advancement into key positions?

3. Third level—effective placements

• What percentage of vacancies in key positions is the organization able to fill internally?

• How quickly is the organization able to fill vacancies in key positions?

• What percentage of vacancies in key positions is the organization able to fill successfully (that is, without avoidable turnover in the first two years in the position)?

• How quickly are internal replacements for key positions able to perform at the level required for the organization?

• What savings, if any, can be demonstrated from not filling key positions for which alternative and more innovative approaches were used to achieve results?

4. Fourth level—organizational results which impact of SP&M on the organization’s ability to compete effectively,

• How is SP&M contributing, if at all, to documentable organizational results?
• What successes or failures in organizational strategic plans, if any, can be attributed to SP&M?

Kim et al. (2014) studied the approaches shared in common by identified organizations in attracting, retaining and transferring knowledge of technical talents. This study took place in three phases. The first phase was a literature review followed by creating a data collection tool. The researchers identified the best-practice companies using several criteria: strong, recognized brands, established practices for technical talent management, and successful results and measures (e.g., long tenures or low turnover of skilled technical talent). Then the researchers collected data in the second phase of the study. Qualitative interviews were conducted through 2- to 3-hour virtual interviews or one-half-day in-person interviews. The final phase of the study was analysis of data, through which study findings were derived by analyzing both secondary and interview data. Kim et al. (2014) found that “best-practice organizations take a technical approach to program evaluation by using data wherever available to spur performance gains” (p.111). For instance:

IBM has used a large amount of data concerning employee engagement and satisfaction, including data related to attrition, diversity, skills development, and the amount of time an employee spends in a particular salary band. The information is collected within each business unit and at the corporate level to drive talent-related decisions (p.114).

Consulting firms also tried to establish their equation between talent management practice and financial returns. In its 2012 Creating people advantage report, the Boston Consulting Group claimed that there was a connection among companies’ leadership development, talent management, and performance management practice and their sustainable revenue growth and profit margins. The researchers identified a positive correlation between capability and performance, which means the companies that rate their current capabilities “very high” experienced significantly greater revenue
growth and higher average profit margin in past years. In addition, they found a strong correlation between organization capability and economic performance in six Talent Management-related areas:

- Delivering on recruiting
- On-boarding of new hires and retention
- Managing talent
- Improving employer branding
- Performance management and rewards
- Developing leadership

As recommended by the BCG researchers, organizations can use the information to quantify the economic value of people management. However, as Tarique and Schuler (2010) found through their literature review, defining global talent management effectiveness still had the least number of studies and need further study.

**Talent Management Not Only an HR Task**

**Company executives’ role in Talent Management**

In 2006, the Economist Intelligence Unit, in co-operation with Development Dimensions International (DDI), engaged in in-depth interviews with 20 corporate leaders—CEOs and COOs from companies like Accor, Allianz Life, Bossard Group, CA, Delphi Packard, HCL Technologies, J & J, Vattenfall—in North America, Europe and Asia. Almost all of the companies whose senior executives were interviewed generated at least US$1bn in annual revenue and possessed strong brand recognition. The editorial team of the Economist Intelligence Unit conducted the interviews and wrote the reports. Their findings included the following:
• Chief executive officers (CEOs) are increasingly responsible for and involved in talent management. The heads of human resources departments play an important, supporting role in executing talent strategy.

• CEOs spend a large amount of their time—often more than 20%—on talent management. However, this effort is not typically guided by a formal talent strategy explicitly linked to the company’s overarching goals or embedded in the business planning process. Rather, CEOs engage in selected supporting activities where they believe they add value.

• Talent management has become more important because of a growing recognition that it helps to drive corporate performance, even though the exact impact is difficult to quantify.

• Many CEOs mentor executives in their organizations—an additional and important part of the program. They regard the development of the next generation of leaders as one of the best ways of leaving a strong legacy.

In his 2010 book, Rothwell also provided his insights on the most frequently asked question: what is the role of the corporate board, of the CEO, of the senior management team in an SP&M Program? (p. 375):

• The board should ensure that an effective succession planning and management program exists and is actually working effectively

• The CEO is personally responsible for ensuring that an effective SP&M program exists and works effectively. If not, the program is like a plane flying without a pilot. If the plane crashes, who is responsible?

• Senior managers are like the copilots. Each is responsible for establishing talent development objectives for his or her own division or department and then meeting those objectives
In the DDI report, the researchers talked about their study of best-practices in building up an effective Talent Management system. The study identified organizations rated low, medium, and high in terms of the effectiveness of their leadership development initiatives, talent management systems, and management culture, and compared their leaders’ ratings of organizational financial performance relative to those of their counterparts.

The researchers identified a strong correlation between the identified organizations’ financial ranking and the rate on all three critical drivers.

- Organizations rated low on all three critical drivers were only in the 24th percentile in terms of leaders’ ratings of financial performance.
- Organizations that were successful in both aspects of talent management (leadership development and other talent systems) but not in terms of management were in the 35th percentile in terms of leaders’ rating of financial performance.
- Organizations that excelled in all three drivers were in the 68th percentile in how their leaders rated their organization’s financial performance.

Based on their study, the researchers claimed that:

- Of organizations with effective talent management systems, 88% have active senior management involvement, compared to only 19% of organizations with ineffective systems.
- Senior managers should be intimately involved in developing high-potential leadership talent by monitoring high-potentials, playing a role in training, providing resources, and taking a lead in systematically reviewing the top tier of managers.
- Best-in-class organizations are far more likely to have CEOs who champion engagement efforts. In organizations that are not best-in-class, engagement is generally led only by the HR function.
Organizations with more effective talent management systems are more than four times likely to hold managers accountable for developing others. They are accountable for scouting for new talent, identifying and recruiting high-potentials, and sharing rather than hoarding talent across the organization. Most of all, they are accountable for facilitating the development of those people who report to them.

**HR’s Role in Talent Management**

Economist Intelligence Unit’s “2006 study also discovered HR’s strategic role in Talent Management. The EIU researchers found that all of the interviewees had said that:

- HR department is responsible for executing talent management strategy.
- HR is the custodian of the talent management process and often provides guidance and fresh thinking about talent management programs.
- HR coordinates recruiting, helps set job goals and compensation, introduces new development programs, as well as monitors and reports on individuals’ progress.
- All but one interviewee said their director of HR is part of their inner circle, along with C-level executives (EIU, 2006, p. 8)

In Rothwell’s 2010 book, HR’s role in SP&M is described as follows:

The HR department provides support for the effort by arranging for the policies, procedures, technology, and other support to ensure that the plane flies in the right direction. Think of the HR vice president’s role as akin to the navigator of the plane. The navigator gives advice to the pilot as to where and how to fly and provides on-the-spot advice about how to deal with unique problems, situations, or challenges (p. 376).
Section Six: Talent Management in China

Since it initiated an “open door” policy in the late 1970s, China has enjoyed nearly three decades of economic growth. In 2002, China became the most popular foreign direct investment (FDI) destination in the world. From 2008 to 2009, China was among the handful of countries that managed to maintain economic growth while global finance crisis ravaged the world. In 2009, China’s GDP amounted to US$4.9tn, which placed it second after the U.S. in terms of GDP. By 2011, China had become the world’s second largest economy and the dominant global manufacturer (Cheng, 2005; Iles, Chuai & Preece, 2010, Luo & Zhang, 2010; Nankervis, 2013; Yang, Chen & Monarch, 2010). Multinational companies swarm into China for its vast workforce pool, low labor cost and fast-growing consumer market.

From the onset of the reform, there have been dramatic changes in this country, the talent market and the business organization management (Iles, Chuai & Preece, 2010; Li, Easterby-Smith & Lyles, 2008).

The Dynamics of China

Li, Easterby-Smith and Lyles (2008) identified some key factors contributing to the dynamics of the Chinese market. According to the researchers, the MNCs riding the wave of changes in a fast-paced China market should be prepared to adapt themselves to that pace (Li, Easterby-Smith, Lyles, 2008). The identified dynamics included:

- Rapid economic development—China national income quadrupled since 1979, average GDP growth about 9%, foreign trade volume increased around 16% per year.
- Dramatic industry structural changes—Agricultural in GDP dropped significantly from 40% before 1979 to 15% in 2004, enterprise ownership shifted from 100% of the state’s
share of economic activity before 1979 to 15% in 2002, while foreign firm existence grew from none to being a major FDI destination.

- Sudden increase in the knowledge base—China R&D investment grew about 10% per year between 1997 and 2002, foreign investors set up close to 700 R&D centers in China by the end of 2004, new education systems have been introduced to China’s higher education institution, a surge of overseas students have returned to China, and the proportion of university graduates as a percentage of the entire population jumped from 1% before 1980 to 12% in 2004.

- Change in high-caliber local talent’ motivation at work from work for a living to work for quality-of-life, from shy-from-responsibility to responsibility-seeking, from favoring hierarchy to enjoying freedom, from desire for a position to a desire for a challenge (Li, Easterby-Smith, & Lyles, 2008, p. 503)

This is just a glimpse of the drastic changes in China—the aging of the population, increasing urbanization, and development of a sizable middle class are all features of China nowadays (Nankervis, 2013, p. 188). The quick-changing Chinese market has put pressures on MNCs’ established system. These changes have increased Talent Management’s importance in China and posed challenges for MNCs operating in China (Iles, Chuai & Preece, 2010).

**Talent Management Challenges to MNCs in China**

Just like its dynamic economy, China’s talent landscape has unique features that MNCs operating in China cannot ignore.

**The new generation in the Chinese workforce**
In 2007, Hay Group conducted an in-depth study of more than 300 MNCs operating in China. The study analyzed reward and demographic data from Hay Group PayNet plus—the results of the group’s previous survey of almost 4,500 MNCs in China. Supplementing the data analysis with face-to-face interviews with top executives and HR professionals, the researchers claimed that the new generation in the Chinese workforce had unique characteristics:

- The majority of the workforce in China was born between the late 1970s and the 1980s.
- This generation had more social and economic advantages than did previous generations and had higher expectations for their own careers.
- They loved to have a managerial or leadership title on their business card.
- On average, Chinese senior managers were five years younger than their Asian counterparts. The gap grew as one moved down the hierarchy.
- In terms of work experiences, the gap between Chinese executives and executives in other countries was wider as they climbed the company ladder.
- Compensation still played a vital role in Chinese employees’ career decisions. The “I want mine and I want it now because money may not be there tomorrow” mindset was still there.

However, it worth noting that higher-level job positions lead candidates to pay less attention to compensation and more to the job itself and opportunities offered by it (IBM Global Business Service, 2008, p. 50).

**Reduced loyalty among Chinese employees**

The Society for Human Resource Management (SHRM) and Development Dimensions International (DDI) conducted a study in China in 2007 to investigate China’s retention problem. The researchers completed a survey with 215 human resource professionals and 862 employees.
About 81% of the organizations that represented by the survey participants were multinational companies. The average organization had annual revenues of 1.1 to 5 billion yuan (142 to 647 million USD) and a workforce of 1,001 to 5,000 employees. Nearly half (48%) of the participating organizations were publicly traded. Howard et al (2007) found that:

- 73% of Chinese employees surveyed resigned from their last job in the past 12–18 months.
- 22% are likely to leave within a year.
- 30% to 40% of senior managers at multinational companies changed their jobs due to lack of development opportunities or better career opportunities elsewhere.

**Low talent mobility**

As Mercer (2012) identified through its market survey, in China people wanted to work in metropolitan cities or tier one cities like Beijing, Shanghai and Guangzhou, while not many were willing to work in tier two or tier three cities (Zhang & Shu, 2012). This trend, which was also identified by Narkervis (2013), was described as “Shanghai, Beijing and Guangzhou are sucking talent from the countryside” (p. 190). Meanwhile, the rigid pension and social security system only made the situation worse.

**Gap between talent demand and supply**

The growing interest in Talent Management in China has been fueled by a looming shortage of managerial and technical talent and fierce competition in market (Iles, Chuai & Preece, 2010, p. 183). From 2005 to 2012, McKinsey & Company, Development Dimension International (DDI), and Mercer conducted several studies on China’s talent market. All discovered that professionals
(engineer, finance, accountants, life science researchers, generalists and support staff, etc.) with good language skills were in short supply. Meanwhile, effective leaders from the front line to middle level or even senior managers with a global perspective who could replace expatriates were scarce and much sought after in China’s market (Farrell & Grant, 2005; Lane & Pollner, 2008; Wellins, Liu & Tang, 2011; Zhang & Shu, 2012).

On the plus side of the equation, there seemed to be a surplus in China’s labor market. According to the 2008 China Statistics Yearbook, there were 4.7 million undergraduate and postgraduate students, of whom 1.68 million were in managerial disciplines. That number did not include the 44,000 overseas trained graduates (Nankervis, 2013, p. 190).

However, there is a serious mismatch between new graduates’ capabilities and MNCs’ requirements. Nankervis (2013) indicated that the new graduates are “seriously lack of work experiences; have inadequate English fluency and overall oral skills; a lack of leadership competencies” (Nankervis, 2013, p. 190).

**Rising Labor Cost**

Low wages used to be the significant factor attracting foreign direct investment, especially in labor-intensive manufacturing, to China. Since the mid-1990s, China emerged as “the workshop of the world”. However, wages in China have been rising sharply in the past decade (Chen, Wu & Ark, 2009; Yang, Chen, & Monarch, 2010). According to Hay Group’s China Compensation Report, base salary increased an average of 8% over the past five years (Hay Group, 2007, p. 5). There have been rising concerns that China’s labor cost advantage would soon be eroded by soaring wages in the manufacturing sector in recent years (Chen, Xu & Ark, 2009, p. 514).
In 2009, Chen, Wu and Ark conducted a unit labor cost (ULC) analysis on 1995 and 2004 China census data to see whether China’s productivity increase could keep pace with rising labor costs. Their finding revealed that manufacturing in China has become increasingly costly but also more productive than before. But concerns also arose in capital- and skill-intensive industries likely to act as a counterforce to the study findings.

To study whether rising wages actually impact China’s global labor advantage, Yang, Chen and Monarch (2010) conducted a study to systematically track changes in China’s wage level from 1978 to 2007 and compared the wage levels with those in neighboring Asian countries (p. 483). The researchers analyzed cross-industry wage levels in China. Then they used data from the International Labor Organization (ILO) and United Nations Industrial Development Organization (UNIDO) in order to compare China and 10 other Asian countries. In addition, they also analyzed the demand-and-supply conditions for skilled and unskilled labor in China. Their findings echoed Chen, Wu and Ark’s 2009 research, indicating that the gap between skill-intensive and labor-intensive industries would persistently increase. Meanwhile, the robust supply of labor and skill would stabilize China’s wage growth pace to a moderate rate. Since China’s manufacturing wage remains a small fraction of that in other developed Asian economies, China will likely to maintain its global labor advantage (Yang, Chen & Monarch, 2010, p. 501).

The Hay Group’s 2007 Reward China report indicated that for technical, sales and marketing and especially managerial roles, companies were having a difficult time coping with demand, which, in turn, made employees from these sectors much more likely to gain a salary hike from each job-change. All in all, this had made retention extremely challenging.
Section Seven: Research about China’s Talent Management

The uniqueness of China’s economic conditions, labor market demand and supply status as well as workforce characteristics make Talent Management an urgent concern as well as an area much in need of exploration. However, when using Talent Management and MNC as keywords in a literature search in mainstream journals, only limited records were returned. The following academic research on Talent Management in MNCs in China informed the research approach and set foundation for this study.

Talent Management of Western MNCs in China

Hartman, Feisel and Scholber (2010) described their qualitative research to learn national difference of Talent Management and when transferring human resource management practice form headquarter to foreign subsidies, the degree to which practices were implemented, internalized and integrated in the recipient unit. Their study primarily focused on two research questions:

1. How do western MNCs in China identify, develop and retain talented employees?
2. Do institutional and/or cultural influences lead to the adaptation of Talent Management practice to the focal subsidiary in China? (p. 172).

The researchers relied on an integrated framework consisting of five different Talent Management elements - identify and develop talented employees, visibility of talent, plan employee succession, provide mentoring relationships, organizational culture of leadership development.

In order to answer open-ended exploratory questions the researchers adopted exploratory case study analysis to augment their understanding of Talent Management in China. Meanwhile, as the researchers noted the incremental and non-linear nature of Talent Management, they selected seven multinational companies from different industries (electronic, technology, logistics, computer,
healthcare, wood, and car) to “grasp the range of mechanisms that influences the local adaptation of Talent Management practices” (Hrtmann, Feisel & Scholber, 2010, p. 172). The cases shared in common that all were subsidies of western MNCs from Europe and the U.S. To collect qualitative data, the three researchers conducted 21 face-to-face in-depth interviews with employees from the identified MNCs from July 2007 to March 2008. The interviewees included senior and middle managers from the HR departments (e.g., HR Director China, Training & Development Manager, HR Recruiter), and employees who were considered “talented” in the case companies. Among these individuals, 15 were managers and 6 were so-called talented employees. The researchers followed open-ended protocols for all interviews (Hartman, Feissel, & Schober, 2010, p. 172).

The researchers also studied the identified companies’ internal website and documents to supplement the interviews. Data analysis involved within-case analysis, cross-case analysis, tests of construct validity, internal validity and external validity.

There were several findings from this study:

- Talent employees are increasingly seen as a valuable and scarce resource that drives organizational performance.
- Multinational companies in China are faced with significant labor market shortages due to an insufficient supply of qualified employees.
- The “psychological contract” between employers and employees is changing and employees have become less loyal and change their workplace more frequently.

In answering the first research question, “‘How do western MNCs in China identify, develop and retain talented employees?’”, the researchers found that the companies did not have specific Talent Management strategies in place to identify, develop and retain their talented employees. Though the companies were all interested in identifying internal talent, the practice was rather
unstructured. Only large companies focused on creating pivot talent pools. With regard to employee development, all companies relied on either internal (namely company internal academy) or external (local universities, chamber of commerce or special associations) networks to provide qualified courses, offer leadership development courses and support talented employees in their individual career development. In all cases, training was supplemented with the use of temporary overseas assignments and internal assignments to bind the employees and to improve expertise. The researchers also found that all cases focused significantly on building an organizational culture to foster loyalty and commitment among employees so as to improve employee engagement and enhance employee retention.

In answering the second research question, “Do institutional and/or cultural influences lead to the adaptation of talent management practice to the focal subsidiary in China?”, the researchers concluded that the western MNCs had the flexibility to introduce relatively unchanged human resource management practices from their home country to the Chinese subsidiary. They also found that the organizations implemented all of the practices of the five elements in the research framework, but did not successfully internalize all of them. The two that had been internalized, based on the research, were: development of employees and creation of a differentiated organizational culture.

The researchers were also surprised to find that the companies emphasized potential and value to the company when identifying pivotal talent but the difficulties of replacing employees seemed not a major concern to them. This led the researcher to wonder whether the companies might have missed an untapped talent pool (Hartman, Feissel, & Schober, 2010, p. 175).

In conclusion, the researchers recommended that MNCs in China spend adequate time identifying and codifying their talented employees. They also recommended that MNS drive
development together with talent, that is, take employee well-being and personal plans into account. The researchers reckoned that western MNCs should attract and retain talented employees in order to realize long-term strategic talent management.

With regard to future studies, the researchers suggested conducting more studies with MNC to generalize the findings. They also admitted that their research focused only on the company’s internal talent pool, so future research should examine how companies attract talent to their organizations. They indicated that the primary goal of talent management is to contribute to organization success, so future research is required to study how Talent Management is measured.

Talent Management and HRM in Multinational Companies in Beijing

Another study on Talent Management in China was conducted by Iles, Chuai and Preece in 2010. They noted problems with the way Talent Management was being defined in the practitioner press. In addition, many practitioner claims lacked sufficient data support and there had been little empirical research on Talent Management in China. All in all, the researchers deemed it necessary to investigate organizational practices with regard to Talent Management in China.

Iles, Chuai and Preece (2010) posted three research questions:

1. How is Talent Management defined in these Chinese MNCs?

2. In what ways, if at all, is Talent Management as differing from HRM?

3. Is Talent Management merely “old wine” in a new bottle, in essence little/no different from HRM or is it quite distinct? Does it offer something new to the organization? (p. 180).

The researchers explained that they had selected multinational national companies (MNCs) since this type of organization was most likely to adopt Talent Management practices given that
Talent Management was a concept that had emerged not long ago. In state-owned companies, labor management could be a “hybrid” (Iles, Chuai & Preece, 2010, p. 183).

In selecting a research methodology, the researchers pointed out that due to the exploratory and qualitative nature of the research questions, structured interviews seemed the best course of action. The researchers identified seven MNCs in Beijing in different industries (IT, education, healthcare, consulting). All of the companies were located in Beijing. Meanwhile, to capture the different perspectives of cross-sectors in an organization, the researchers selected at least one HR specialist, senior and functional managers, and non-managerial staff from each organization as interviewees. A total of twenty-two semi-structured interviews were conducted for this study.

A pilot study was undertaken in one organization first, followed by formal study with the identified companies. The collected data were content-analyzed, categorized and organized under various themes and topics. The researchers also studied company documentation on organization policies as a supplement to interviews.

Study findings revealed that among the companies in this study, Talent Management was not a re-labeling and re-packaging of traditional HR practices. The companies hoped Talent Management would make a difference to the success and competitive advantage of the organization.

In comparison between HRM and Talent Management, the researchers discovered that: both Talent Management and HRM were seen to emphasize integration with business, and both covered the same functional areas of recruitment, selection, training and development, appraisal and reward management. However, whilst there were such similarities, there were also differences. HRM was seen to have a broader scope than Talent Management, and HRM was seen to emphasis egalitarianism in contrast to the ‘segmentation’ focus of Talent Management (p. 186).
In all, Talent Management focused on the people involved, with a particular focus on the attraction, retention and development of “Talent” (Iles, Chuai & Preece, 2010, p. 187).

The researchers suggested that adopting a particular model for Talent Management would affect the focus of Talent Management and how it was practiced.

Three major stands emerged from the study:

- Talent Management was not much different from Human Resource Management. The companies adopted Talent Management practices due to the “war for talent”. For this type of company, the term “Talent” referred to all employees qualified for their job.
- Talent Management was integrated with HRM with a selective focus on “Talent”, while “Talent” was defined as top performers and those with high strategic value and a certain degree of scarcity in the market. This type of company was more likely to have been driven by organizational needs to attract and retain talent.
- Talent Management was treated as organizationally-focused competence development, with the primary focus on the development of the entire organization. For this type of company, “Talent” was associated with “the section of the work force that directly relating to core business value chain” or “those people occupying those posts with core business competence”. The companies adopted Talent Management mainly to overcome the “barriers in attracting and retain talent” and in the interest of “improving organizational competency”.

The researchers recommended several avenues for future research. One recommendation was to replicate their research with other MNC companies to see how companies define Talent and Talent Management and identify other reasons for MNCs’ adoption of Talent Management.
Leadership Development in China

As a critical element of Talent Management, Leadership Development has been a hot topic among practitioners. Qiao (2006) explored leadership development in China, guided by the conceptual framework developed by Vicere (2001).

The research questions Qiao posted for her study were as follows:

1. How do the companies in China develop their leaders?
   1.1 What are the general talent strategies in the companies?
   1.2 What roles should HR play in the companies?
   1.3 What common ways do the companies use to develop their current and future leaders? Which ways are perceived as more effective?
   1.4 How are the leadership development programs being designed?
   1.5 What major problems and challenges do the companies face in leadership development?

2. What key factors contribute to enhancing the effectiveness of leadership development practices in China?
   2.1 How do the companies usually evaluate the effectiveness of leadership development programs?
   2.2 What key factors contribute to enhancing the effectiveness of leadership development practices in China?

Her study was based on a multiple-case study with four companies—ABB, BenQ, Lenovo and Motorola. The main sources of evidence in her study were from interviews and archives. First, interviews were conducted with the relevant people in the selected organizations. Qiao interviewed CEOs, HR professionals, training professionals, line managers and high-potentials in the above-mentioned organizations. Second, related archival data were collected, such as organization charts,
books and newspaper clippings, etc. Based on the study data, Qiao conducted within-case analysis to identify within-group similarities coupled with inter-group differences in each individual case. Following that, she conducted cross-case analysis to compare certain dimensions across cases, looking for similarities and differences, and then compared evidence from different sources. Her findings included the following:

- The four companies developed their leaders in a way more or less the same as their U.S. counterparts but in a less structured and formalized fashion. The needs assessment phase and measuring the effectiveness of leadership development were the two components apparently left far behind.

- The U.S. Leadership Development with Impact Model also worked in Chinese organizations. But she noted five additional factors that may have a significant impact on the effectiveness of leadership development practices, including a strong learning culture, inner drive of people, the role of line managers, timing issues, and organization structure stability and management team continuity.

Qiao’s study was among the first attempts to study Talent Management-related practices in China’s multinational companies.

**Summary**

Talent Management has gained mainstream acceptance by human resource practitioners as a key measure supporting their organization’s achievement of economic success and sustained competitive advantage. Contrary to its popularity among practitioners, academic research into this field needs to catch up. The definitions of “Talent” and “Talent Management” have caused much
scholarly debate, while research on the concept has been rather fragmented (Hartmann, Feisel, & Schober, 2010, p. 170).

In recent years, there has been a notable increase in the number of articles and books relating to Talent Management since organizations worldwide regard Talent Management as a high-priority issue (Iles, Preece, & Chuai, 2010). This is especially true for multinational companies since intensified global competition for talent has grown from the country level to the global level (Scullion, Collins, & Caligiuri, 2010). In the fast-growing emerging markets, the demand for distinctive types of managerial talent has been furthered (Scullion, Collings, & Gunnigle, 2007).

As one of the largest growing economies in the world, the “war for talent” has been fierce in China. Most of the Fortune 500 companies have established subsidiaries in China. They must recruit, develop and retain the talent they need to fulfill company business objectives. Many multinational companies have introduced their Talent Management practices to their Chinese branches, hoping that doing so will bring in the talent they need. Some of these programs work very well, while others may not work at all. Different cultures, workforce characteristics, economic development stages and market environments make it difficult to “copy” all of the best-practices in other regions to Chinese companies.

With the intention of adding in-depth insights into the Talent Management practices of MNCs in China, and contributing to the literatures on building conceptual and theoretical frameworks of Talent Management in China, researchers have conducted studies on Talent Management in China MNCs. These studies have laid solid foundations for future academic studies in this field.
Chapter Three
Methodology

The purpose of this study was to investigate the Talent Management status and Talent Management practices of selected human resource professionals in middle- to large-sized manufacturing multinational companies in China. The following research questions were addressed in this study:

Research Question 1: What is the current status of “Talent Management” in the middle- to large-sized manufacturing multinational companies in which the selected human resource professionals are working?

1.1 How is “Talent Management” defined by these multinational companies?

1.2 Why do these companies establish a Talent Management program?

1.3 What is HR’s role in company Talent Management initiatives?

1.4 Do Chinese company top executives (including CEOs and other C-level officers) participate in Talent Management? If, so, what role do they play?

Research Question Two: How do these selected human resource professionals manage talent for these middle- to large-sized manufacturing multinational companies in China?

2.1 How does the Talent Management strategy align with the business strategy in these companies?

2.2 Do the companies use a competency model in the Talent Management programs? How do they use the competency model in the Talent Management programs?

2.3 How do these companies recruit their talent?
2.4 How do these companies develop their talent?

2.5 How do these companies retain their talent?

2.6 Do these companies include Talent Management in their performance management system?

How do these companies evaluate their Talent Management effectiveness?

Research findings will help in creating a portrait of the current status of Talent Management practices in middle- to large-sized manufacturing multinational companies in China. In comparing these findings with identified practices in other regions, the researcher also identified similarities and differences between Talent Management practices in China and in other regions, especially in developed countries.

**Study Design**

In his book on case study research, Yin (2003b) described study design as the logical sequence linking data to research questions and research findings. A study design reflects the customized approach and strategies adopted by the researcher in conducting research.

According to Yin (2003a), a “case study” is defined as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not evident” (p. 13). The researcher adopted a multiple-case approach in this study based on the following considerations.

First, the case study is “the method of choice when the phenomenon under study is not readily distinguishable from its context” (Yin, 2003b, p. 4). There is a complex interaction between a phenomenon and its context. As revealed in the literature review, Talent Management is highly interactive with the organizational context and the external environment.
Second, Yin (2003a) listed the three criteria that should be taken into consideration when choosing research methods—the type of research question, the influence of the researcher on the actual behavioral event(s), and the degree to which the researcher cares about contemporary events. With regard to research questions, Yin suggested that “how” and “why” questions about a contemporary event give the researcher little control—this can be resolved using the case study approach. In this study, the research questions focused on “how” the human resource professionals currently implement Talent Management in multinational companies in China. The researcher’s key purpose was learning from instead of having control over informants being studied.

Stake (2005) mentioned that case study sought to identify and describe both what is common and what is particular about the case; the researcher is more concerned about the particular aspect. In this study, the researcher hoped to investigate Talent Management practices of human resource practitioners in China’s multinational companies and was more interested in discovering the uniqueness of this phenomenon and the environmental context of the phenomenon. All of the above considerations lend themselves to case study methods naturally.

The researcher used a multiple-case study rather than a single case study. Yin (2003b) suggested that a multiple-case study design uses the logic of replication. The researcher replicated the procedure for each case. And “as a general rule, qualitative researchers are reluctant to generalize from one case to another because the context of the case differs” (Creswell, 2007, p. 74).

**Unit of Analysis**

A qualitative study design specifies the unit of analysis to be studied. An appropriate unit of analysis decision directs sample size and sampling strategies (Patton, 2002, p. 228). Yin (2003b) said that the unit of analysis is related to the fundamental problem of defining what the ‘case’ is. Patton
further pointed out that “the key issue in selecting and making decisions about the appropriate unit of analysis is to decide what it is you want to be able to say something about at the end of the study” (Patton, 2002, p. 229).

The purpose of this study was to investigate the current Talent Management status and Talent Management practices of selected human resource professionals in middle- to large-sized manufacturing multinational companies in China. The researcher selected the individual human resource professional as the unit of analysis because the human resource professional is practicing Talent Management in the respective company and usually acts as the leader, owner and designer of Talent Management programs. This unit of analysis can also be justified by the fact that most surveys on Talent Management used human resources professionals as the target population and the human resources function as the targeted function. In most surveys and articles, the human resource professional’s role and practice was discussed. In previous research on Talent Management practice in China’s MNCs, human resource professionals have been identified as informants for the studies. Therefore, the researcher believed that Human Resource professionals who had been implementing Talent Management programs had a holistic view of Talent Management practice and could provide insightful information. The researcher collected data directly from the selected human resource professionals.

**Case Selection**

Yin (2003b) pointed out that selecting the case(s) to be studied is one of the most difficult steps in case study research since it goes beyond finding the most convenient or accessible site from which the researcher could collect data. Stake (2005) also indicated that “perhaps the most unusual aspect of case study in the social science and human service is the selection of cases to study…nothing is more important than making a representative selection of case” (p. 450).
Seawright and Gerring (2008) argued that case selection in case study research has the same twin objectives as random sampling; that is, one desires: (1) a representative sample and (2) useful variation on the dimensions of theoretical interest. One’s choice of cases is therefore driven by the way a case is situated along these dimensions within the population of interest (p. 296). A qualitative study focuses in-depth on relatively small, purposefully selected samples. From those information-rich cases, the researcher gains insight and an in-depth understanding rather than empirical generalizations (Patton, 2002).

The purpose of this study was to investigate the Talent Management status and Talent Management practices of selected human resource professionals in middle- to large-sized manufacturing multinational companies in China. The case selection was based on the following considerations:

1. Human resource professionals usually act as leader, owner, and designer of a company’s Talent Management program(s). Therefore, Human Resource professionals who had been implementing Talent Management programs had a holistic view of Talent Management programs in their organizations and could provide insightful information.

2. The researcher believed that Human Resource professionals working in multinational companies could provide useful information because multinational companies (MNCs) were most likely to adopt Talent Management practice given that Talent Management was a concept that emerged relatively recently. In state-owned companies, labor management could represent more in a “hybrid” nature (Iles, Chuai & Preece, 2010, p. 183). A multinational company here was defined as a company operating in one country which substantially owns overseas assets which it managed actively under a system of coherent decision-making policy (Hartmann, Feisel, & Schober, 2010, p. 172).
3. Focusing only on middle- to large-sized manufacturing multinational companies helped to reduce extra variables in this research study. As learned from the literature review, Talent Management is highly interactive with the type of companies in which it is implemented. Based on a previous study on Talent Management practices in MNCs in China, large-sized companies were found to be more likely to adopt a structured approach toward Talent Management (Hartmann, Feisel, & Schober, 2010).

4. In China, so-called tier-one cities, such as Shanghai, Beijing, and Guangzhou, have attracted a large number of MNCs and talented people as well. Based on previous studies of Talent Management practice in MNCs in China, the researchers found “Talent Management would be the agenda of organizations in these cities” (Iles, Chuai & Preece, 2010). So the researcher believed the human resource practitioners working for MNCs in Shanghai and the surrounding area would face more Talent Management challenges and opportunities in practicing Talent Management.

5. Based on the previous literature review, technical and leadership talent are in short supply in China’s talent market, and the manufacturing companies that require technical expertise rather than intensive labor in production are more likely to be impacted by the talent supply and rising labor cost. As a consequence this type of company is more likely to focus on managing their talents.

To guide case selection, the researcher developed a list of criteria:

1. Is the informant a human resource professional who has knowledge about Talent Management?

2. Does the informant work for a multinational manufacturing company as defined in this study?
3. Does the selected multinational company require technical expertise rather than intensive labor in production?

4. Does the selected multinational company have more than 500 employees?

5. Has the selected multinational company been operating sustainably and generating sustainable business results?

6. Does the China subsidy locate in an economic center area, e.g. Shanghai?

7. Has the selected multinational company been implementing Talent Management practices in the China subsidiary?

8. Has the human resource professional been implementing Talent Management in the organization for at least three years?

Patton (2002) claimed that a qualitative study was full of ambiguities (p. 242) so it was difficult to dismiss this ambiguity when talking about sample size in qualitative research. However, he also argued that the rule for qualitative sample size was “there are no rules… (sample size) depends on what you want to know, the purpose of the inquiry, what’s at stake, what will be useful, what will have credibility, and what can be done with available time and resource.” In addition, “the validity, meaningfulness, and insights generated form qualitative inquiry have more to do with the information richness of the cases selected and the observation/analytical capabilities of the researcher than with sample size” (p. 245).

Yin suggested that the multiple-case study should follow replicated logic rather than sampling logic, so it was difficult to apply typical sample size criteria in this type of study. To achieve the purpose of the study, the researcher should think of it as a reflection of the number of case replications that he/she would like to have in the study (Yin, 2003a, p. 50). Yin believed that the selection of the number of replications depended on the researcher’s certainty about the multiple
case results. The researcher focused on selecting information-rich cases and analyzed the cases to
determine the findings reached for the desired purposes.

The cases finally selected for this study were four human resource professionals who had
been deploying Talent Management activities in their organizations. To control extraneous variation,
which helps to define the limits for generalizing the findings (Eisenhardt, 1989), the cases
selected shared some common characteristics. The four Human Resource professionals all had more
than 10 years of experiences in the human resource field and had profound knowledge about Talent
Management. The organizations in which they were working had origins in developed countries
(mainly the U.S. and Europe). The selected companies represented textile and material, service
science, specialty chemical, and the applied chemical industry. The companies were all recognized
as leading companies in their respective industry and had been generating sustainable revenues in
recent years. The companies had been conducting business in China for more than 20 years and had
manufacturing sites in China. They all claimed that their Chinese subsidiaries required employees
with technical expertise.

To enhance the trustworthiness of the study, a business leader was also identified from the
same company in which the selected Human Resource professional worked and was contacted for an
interview by the researcher. The information provided by the business leader had been used to
triangulate with the human resource professionals. The business leaders were selected based on the
following criteria:

1. Was the business leader the head of an independent business team or unit?
2. Had the business leader been with the company for more than 3 years?
3. Had the business leader been involved in the talent management activities implemented
   by the human resource professional?
4. Had the business leader deployed talent management in his/her team together with the human resource professional?

Based on the criteria, four business leaders (site managers, chief finance officer, sales director) was identified and interviewed by the researcher in addition to human resource professionals.

**Case Study Protocol**

A case study protocol should be developed before the study since “having a case study protocol is desirable under all circumstances, but it is essential for multiple-case design” (Yin, 1994, p. 63). For Yin (1994), “a case study protocol is more than an instrument. The protocol contains the instrument but also contains the procedures and general rules that should be followed in using the instrument” (p. 63).

For this study, a case study protocol was developed as detailed in Appendix A. The research protocol was made up of five parts: 1). Purpose of the study; 2). Research methods; 3). Field procedures; 4). Interview guide; and 5). Case study report guide. The case protocol provided detailed procedures and guidelines for this multiple-case study.

**Data Collection Methods**

Yin (2003b) considered the case study to be a method not accompanied by a preferred form of data collection. In his summary of data collection activities for the case study approach, Creswell (2007) suggested that the researcher should collect documents and records and conduct interviews and observations.
To achieve the purpose of this study, the researcher explored the experiences of Human Resources professionals who had been implementing Talent Management programs in their own companies. The data were collected from interviews as primary data. The researcher tape-recorded the interviews with the approval of the interviewees. The researcher also studied relevant company websites and documents as secondary data to have better understanding of the background of the companies in which the selected human resource professional was working. The data thus were primarily qualitative.

**Instrument Design**

As previously stated, the study addressed two primary research questions: “What is the current status of ‘Talent Management’ in the middle- to large-sized manufacturing multinational companies that the selected human resource professionals are working for?” and “How do these selected human resource professionals manage talent for these middle- to large-sized manufacturing multinational companies in China?” The research questions focused on “how” aspects of the Talent Management practices of selected human resource professionals. The exploratory nature of questions influenced the researcher’s decision to employ the semi-structured interview as the main data collection method.

To collect meaningful data from the interviewees and to facilitate developing answers to the research questions, an interview guide was used during all conducted interviews (refer to Appendix B for the details of the Interview Guide). The interview questions were developed based on the research questions and the literature review conducted by the researcher. The connection between the research questions and the interview questions designed to answer the research questions is demonstrated in Table 3-1.
An expert review of the interview guide was completed before the researcher used the instrument in the field. The interviews were conducted either in Chinese or English based on the interviewees’ requirements. The English interview guide was used for all interviews based on interviewees’ permissions.
**Human Subjects Review**

Regardless of the approach taken in the inquiry, permissions needed to be obtained from a human subjects review board. The board reviewed the research study for any potential harmful impacts on and risks to participants (Creswell, 2007, p. 123). The researcher had submitted the study plan to the Penn State Institutional Review Board for review before collecting data. An approved consent form was attached as Appendix C.

In order to protect the human subjects involved in this study and taking the Asian cultural norm into consideration, individual identities and the company names were held in the strictest confidence. Access to the original data was limited to the researcher only.

**Entering the Field**

In many research studies, researchers are not able to get access to potential participants directly but have to negotiate access through a diverse group of gatekeepers (Sanghera & Thapar-Bjrkert, 2007). Gatekeepers can be defined as those who possess the power to provide, either directly or indirectly, access to key resources (people, logistics, information or situation) needed to do research (Campbell, Gray, Meletis, Abbott & Silver, 2006, Sanghera & Thapar-Bjrkert, 2007). In their works on qualitative research, especially in business organizations, Valentine (2001) and Skelton (2001) found that a gatekeeper could range from a secretary who controlled a researcher’s access to a senior manager to a higher-level manager who controlled access to all his/her subordinates in a business organization.

Gatekeepers can be seen as useful because they can help identify participants for a study (Campbell et al., 2006). However, Sanghera and Thapar-Bjrkert (2007) and Sixsmith, Boneham and Goldring (2003) found that each participant in a study could be a gatekeeper him or herself as he/she
possessed the potential of disclose information of next level of participants. If gatekeepers do not have knowledge or consent of those to be studied, they are more likely to point the researcher to a narrow sample of individuals (Sanghera & Thapar-Bjerkert, 2007), and then the study will be controlled by the gatekeepers who work on their own agenda and try to impact the research with their own version of “reality” (Sixsmith, Boneham & Goldring, 2003). The relationship between the researcher and gatekeepers goes beyond “gaining access to needed resources”. Campbell et al. (2006) suggested that researchers should more overtly consider the power of gatekeeper in the field… [and] “instead of the door model of gatekeepers providing access, we need a ‘revolving door ‘ model in which access is always up for negotiation (p. 117).

Campbell et al.’s suggestion was echoed in Berwich, Ogle and Wright’s study in Asia in 2003. During their study process, the researchers had to continually negotiate with their identified potential gatekeepers who finally turned out to be the supporter and sponsor of their next study in Asia. So Berwick, Ogle and Wright (2003) concluded that the quality of the networking relationship determined whether a potential gatekeeper would really be a gatekeeper. Keeping a constant flow of communication and negotiation with identified potential gatekeepers and influencing them may be a critical part of a research study.

Berwich, Ogle and Wright’s case study possessed special meaning for the researcher of this study, since their study was conducted in Macau, an Asian cultural environment. In their report, the researchers focused on their specific experiences and reflected on working in this “special” cultural environment. They found that gatekeepers in Macau were not always what they appear to be and excellence in developing a research network could produce unusually robust results (Berwich, Ogle & Wright, 2003, p. 57). The researchers also reported that they paid special attention to the concept of “protecting face” and “the system” during their research process, which might be a unique
characteristic of conducting research in the Asian cultural environment. Even though the researcher of this study conducted her research in cities different from Berwich, Ogle and Wright’s research field, their study in a similar Asian cultural helped to inform the researcher that paying due respect to the norm and social system was critical to her study.

The researcher had considered the relationships and networking respected in Asian culture and started from the organization, which was a middle-sized multinational company in which she had been working. She made initial contact with the human resource professionals in the company and asked their permission to interview them and then asked for their recommendations on next contacts and potential participants. The researcher asked each contact for recommendations for next potential contacts during the preparation phase of the study.

To retain the potential participants, the researcher had to use two strategies. First, the researcher shared knowledge with the participants since “it is vital to share knowledge and insights gained during the analysis of findings” (Sixsmith, Boneham & Goldring, 2003, p. 587). The researcher kept close contact with the participants and would share with them the findings from this study after the researcher analyzed all collected data and drew conclusions. Second, the researcher maintained credibility and trust since “continually negotiating access depends on the quality of the interpersonal relationship between the researcher and the participants” (Sixsmith, Bonehame & Goldring, 2003, p. 588). The researcher shared clearly the research purpose, process and critical role of each informant with the interviewees. Besides, the researcher presented herself to interviewees as a human resource professional working in a leading multinational company who was working to complete a doctoral degree in a renowned program in the U.S.; in so doing, she gained their trust. The strategies supported the researcher’s efforts to gain access to selected human resource professionals and collected meaningful data from them.
Study Flow

To illustrate her study flow, a case study flow (see Table 3-2) was created by the researcher based on Yin’s case study design (2003b).

Table 3-2  
*Case Study Flow*

<table>
<thead>
<tr>
<th>Phase</th>
<th>Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase I</td>
<td>Step 1: Developed research questions to guide this study.</td>
</tr>
<tr>
<td></td>
<td>Step 2: Designed a case study protocol to guide the field study and an interview guide to be implemented in the field was developed.</td>
</tr>
<tr>
<td></td>
<td>Step 3: Conducted expert review on interview guide and revised the interview guide.</td>
</tr>
<tr>
<td></td>
<td>Step 4: Translated the interview guide into Chinese and confirmed the translation.</td>
</tr>
<tr>
<td></td>
<td>Step 5: Pilot tested the interview guide.</td>
</tr>
<tr>
<td></td>
<td>Step 6: Revised the interview guide.</td>
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<tr>
<td></td>
<td>Step 8: Initiated contact with the human resource professionals who work for multinational companies the researcher had access to and obtained approval for interview.</td>
</tr>
<tr>
<td></td>
<td>Step 9: Explained to the selected human resource professionals the details of the study and confirmed with the human resource professionals they were right candidates for the interview.</td>
</tr>
<tr>
<td></td>
<td>Step 10: Asked the human resource professionals to recommend a business leader in the same organization for interview.</td>
</tr>
<tr>
<td></td>
<td>Step 11: Explained to the business leaders who were recommended by the human resource professionals about the study and confirmed they were right candidates for the interview.</td>
</tr>
<tr>
<td></td>
<td>Step 12: Scheduled the interview dates and confirmed interview approach (face to face or via phone) with the human resource professionals and business leaders who confirmed the interview request.</td>
</tr>
<tr>
<td></td>
<td>Step 13: Studied the companies which the selected human resource professionals work for by visiting company official website and other public information.</td>
</tr>
<tr>
<td>Phase II</td>
<td>Step 1: Conducted interview with the selected human resource professionals and business leaders either via phone or face to face. Tape recorded each interview.</td>
</tr>
<tr>
<td></td>
<td>Step 2: Studied supplementary resources - company website, available articles, documents on the organizations that the selected human resource professionals working for.</td>
</tr>
<tr>
<td>Phase III</td>
<td>Step 1: Transcribed and translated all the tape-recorded interviews.</td>
</tr>
<tr>
<td></td>
<td>Step 2: Confirmed the transcriptions and translations.</td>
</tr>
<tr>
<td></td>
<td>Step 3: Analyzed the transcriptions.</td>
</tr>
<tr>
<td></td>
<td>Step 4: Wrote case report.</td>
</tr>
<tr>
<td></td>
<td>Step 5: Drew case study summary.</td>
</tr>
</tbody>
</table>
**Pilot Test**

A pilot test (or pilot study) is defined as a “mini version of a full-scale study” as well as a specific pre-test of a particular research instrument (e.g., a questionnaire, interview schedule, etc.). The advantage of conducting a pilot test is that it may provide advance warning of where the main research can fail, where research protocols may not be followed, or whether proposed methods or instruments are inappropriate or too complicated (Teijingen & Hundley, 2001, p. 1).

The researcher used one human resource professional who shared similar characteristics with the target population to conduct the pilot test. The researcher reported the pilot test results in her final report. In this research, the researcher used the human resource professional who worked for company A as the pilot test.

Based on findings from the pilot test, the researcher adjusted the wording of some interview questions so the interviewees could provide information on what the researcher wanted to know. Also from the pilot test, the researcher discovered that the selected business leader did not get involved in some specific Talent Management activities (Succession Planning). Though the Business Leader’s perspective did reflect the reality of Talent Management practices in some organizations, the researcher had been alerted to select qualified Business Leaders who could provide qualified data for this study.

**Data Analysis**

Data analysis is the process of examining, categorizing, tabulating, testing, and recombining evidence so that empirically based conclusions may be made (Yin, 2003). For this study, the researcher followed the procedure of preparing the data and then analyzing information via within-case analysis and cross-case analysis to analyze the collected data.
Prepare Data

To get the data ready, all the tape-recorded interviews were transcribed. Official website information and company documents were also noted and notes from the websites and documents were typed. The researcher read the transcription through to get an overall impression of the material. Then based on the literature review and the researcher’s study questions, a coding scheme was developed. Then the data were cleaned so that interviewee identities and confidential information were removed. After that, the researcher developed open codes to code text chunks into categories based on the coding scheme. After the coding was done, the researcher built up a case study database. Then the data were presented and findings were concluded.

Within-Case Analysis

A within-case analysis is a direct description of a single instance from which meaning may be drawn without looking at other cases. It involves pulling the data apart and putting them back together in a more meaningful way (Crestwell, 2007, p. 163). As Eisenhardt (1989) pointed out, this process allows the unique patterns of each case to emerge before investigators move to generalize patterns across cases. In addition, it gives investigators a rich familiarity with each case. In this study, the researcher wrote about the rich details of each case and adopted the pattern-matching approach to identify within-group similarities and differences in each case.

Cross Case Analysis

Yin (2003b) advocated cross-case synthesis as an important analytical technique, especially when the researcher is conducting a multiple-case study. He suggested that researchers should look for similarities and differences among the cases and then develop naturalistic generalizations from
the data analysis. In this study, the researcher compared similarities and differences across cases and presented the results in tabular format.

**Trustworthiness of the Research**

In any qualitative research project, four issues of trustworthiness demand attention: credibility, transferability, dependability, and confirmability (Guba, 1981). In this study, trustworthiness was enhanced through various strategies.

**Credibility**

Credibility is an evaluation of whether or not the research findings represent a “credible” conceptual interpretation of the data drawn from the participants’ original data (Lincoln & Guba, 1985). It establishes how confident the researcher is with the truth of the findings based on the research design, informants and context. To ensure credibility of this study, the following strategies were used by the researcher.

Prolonged engagement has been identified by Lincoln and Guba (1985) as an important strategy to allow the researcher to check perspectives and allowed informants to become accustomed to the researcher. In this study, the researcher spent time learning from the websites and all available public information regarding the companies in which the selected human resource professionals were working—this occurred throughout the study process from case selection until report writing. The researcher made initial contact with the selected human resource professional through another human resource professional with whom the selected human resource professional was quite familiar and trusted. Then researcher spent time establishing a relationship of trust with the human resource professional through several phone calls before conducting the interview. Then the researcher
collected data through an hour-long in-depth interview with each of the four human resource professionals. The researcher kept in contact with the human resource professionals after the interview and engaged them through the report writing and reviewing process.

Based on the idea of the convergence of multiple perspectives for mutual confirmation of data to ensure that all aspects of a phenomenon have been investigated (Knafl & Breitmayer, 1989), triangulation is a powerful strategy for enhancing the credibility of the research. In this study, two-way triangulation was built in the design. First, as Patton (1997) suggested, collecting data from different sources is a method of triangulation. In this study, triangulation across informants was conducted. The researcher collected data from business leaders who were working for the same MNCs as the selected human resource professional. Interview data collected from selected human resource professionals were triangulated with the interview data collected from business leaders. Second, as recommended by Shenton (2004), the sampling of a range of people in different organizations may be employed to reduce the effect on the study of particular local factors peculiar to one institution (p. 66). In this study, the multi-case study design enabled the researcher to collect data from four different human resource professionals and identify repeated themes across the different cases.

Lincoln and Guba (1985) considered member checks an important provision to bolster a study’s credibility. Checking the accuracy of collected data can take place during the course and at the end of the data collection (Shenton, 2004, p. 68). In this study, the selected human resource professionals were invited to review the transcribed interviews. They were required to check whether the transcribed words matched the ideas as intended. They were also asked to offer reasons for particular patterns observed by the researcher through the interviews so as to develop a formative understanding.
Thick description of the phenomenon was another strategy employed by the researcher, since “detailed description in this area can be an important provision for promoting credibility as it helps to convey the actual situations that have been investigated and, to an extent, the contexts that surround them” (Shenton, 2004, p. 69). In this study, the researcher provided a detailed description of each case in order to provide ample information to readers and determine the extent to which the overall findings are true.

The researcher’s self-reflection and desire to evaluate the study as it develops was another strategy to enhance credibility. This is based on the fact that the research situations are very dynamic, and the researcher is part of the research and cannot separate from it (Krefting, 1991, p. 188). Lincoln and Guba (1985) recommended that researchers describe and interpret their own behaviors and experiences within a research context through a field journal. In this study, the researcher kept a field journal as recommended by Lincoln and Guba which not only included the schedule and logistics of the study but reflections on the researchers’ thoughts, feelings, and ideas generated from interactions with informants.

The credibility of the researcher is especially important in a qualitative study (Patton, 1990). The researcher of this study had worked as a human resource professional in MNCs for more than 13 years and conducted Talent Management-related programs the companies in which she worked. She had studied in a renowned program with an emphasis on Organization Development in a U.S. university for four years. The researcher had profound knowledge of the Talent Management field.

**Transferability**

Transferability in qualitative research has to do with how well the threats to external validity have been managed. According to Yin, external validity deals with the problem of knowing whether
a study’s findings are generalizable beyond the immediate case study. Lincoln and Guba (1985) indicated that transferability is the responsibility of the person who hopes to transfer the findings to another situation or population, not that of the researcher of the original study. Lincoln and Guba recommended making the researcher responsible for providing an adequate database to allow transferability judgments to be made by others. In this study, the researcher employed the strategy of providing dense background information about the informants in order to allow others to assess the transferability of the findings. For each company in which the selected human resource professional was working, the company profile, business in China, company culture, organization structure and size, and typical talent management practices collected from a company’s official websites and other public resources, was presented in great details to the readers.

Dependability

According to Guba (1981), dependability relates to the consistency of findings. To enhance dependability, Lincoln and Guba (1985) suggested that the processes within the study should be described in detail to allow another researcher to repeat the study in the future. Further, this allows the reader to assess the extent to which proper research practices have been followed. In this study, the researcher provided a detailed description of the research methodology and implementation, case selection, case study flow, data gathering and data analysis. The detailed step-by-step description was intended to help future researchers to develop a thorough understanding of the study methods.

Confirmability

Confirmability ensures that, as much as possible, the research findings are the result of the experience of the informants rather than the characteristics and preferences of the researcher
(Shenton, 2004, p. 72). Triangulation is important in ensuring confirmability and reducing researcher bias. An external audit is recommended by Lincoln and Guba (1985) as an important strategy to ensure confirmability. The auditor considers the process of research as well as the data, findings, interpretations and recommendations (Lincoln & Guba, 1985). Lincoln and Guba recommended that research records, including raw data, data analysis, production, instrument development, process notes, be kept for audit. In this study, the researcher kept all raw data, detailed transcriptions, constant reflections and other memos. An external auditor was invited to join the researcher from the beginning of the study. The auditor was also a human resource professional and worked in a multinational company in Shanghai. The auditor checked the research consistently from beginning to end. She reviewed the study design, study instrument, data transcriptions, data analysis and findings. She provided feedback to the researcher through the course of the study. She also asked “why” decisions had been made by the researcher throughout the research process.

In addition, the researcher revealed the assumptions and study limitations in this report and provided an in-depth description of the methodology as recommended Shenton (2004) as strategies to enhance confirmability.

**Summary**

This chapter contains information on the methodological approach used in this study. First, the research questions were presented. Then the study design, sampling strategy, data analysis, researcher’s assumptions and ethical considerations were presented. A discussion of the methods and strategies used to improve the trustworthiness of this study concludes this chapter.
Chapter Four

Data Analysis

This chapter consists of five sections. Sections one to four offer a within-case analysis of each of the four cases. Section Five is a cross-case analysis that includes identification of common themes across the four cases. Each within-case analysis is composed of two subsections: a case overview and a within-case analysis. The within-case analysis subsection is organized according to the research questions.

Case A:


Case Overview

Background

Company A is a U.S.-based advanced textiles and materials processing company that has been in existence for 120 years. It is the industry’s market leader, with twice the market share of the next largest competitor, and also enjoys a significant price premium in most markets. It has two core businesses. Machine Clothing is the world’s leading producer of custom-designed fabrics and belts essential to production in the paper, nonwovens, and other process industries. The second core business is Engineered Composites, which is a rapidly growing supplier of highly engineered composite parts for the aerospace industry. Until 2013, the company operated 18 plants in 11 countries, employed more than 4,000 people worldwide, and was listed on the New York Stock Exchange. The company’s sales in 2012 were USD 760 million.
The company’s global strategy is “Focus and lead”—that is, focus on markets in which its core capabilities in advanced textiles and materials provide the basis for sustainable advantage, and in those markets, strive for total leadership, which means getting the best products and services first to market, with the highest quality and reliability, and at the lowest costs of operation possible. The company set its near-term objective as *execute*, and long-term objective as focusing on *cash flow and grow*.

**Business in China**

The company started business operations in 1990. In 1995, the company established a production plant in Southern China, followed by a sales office in Shanghai. Later the company invested USD100 million in China, building another manufacturing facility in Eastern China in 2008. The new facility also serves as the headquarters for its Pacific Business Corridor. The China plant was its biggest single investment in its hundred-year history. Establishing the plant in China enabled the company to provide a strong local supply to accelerate its business growth in the region. It also reflects the company’s strategy of continued focus on and investment in differentiating itself through products and field service with the leading papermakers in regions around the world, continually matching its capacity to demand around the world and steadily and incrementally enhancing productivity.

**Company Culture**

Company employees described their company culture as “scrupulous” as a technology company. The company manufactures products and engages in research and development, so as a manufacturer, it is “down to earth”. Since the company does not wish to position itself as labor-intensive but rather prefers to be viewed as a “technical-based” manufacturer, it does not have a
large employee population. The company enjoys a “family-like” culture, with a lot of employees feeling very loyal to the company. The company’s global executives are mostly nurtured within the organization. This is somewhat different from some large U.S. companies that prefer to hire professional managers from outside the firm. In this company, most employees have been working together for many years and they know each other very well. Though the company has its own performance management system, employees do not feel under great performance pressure. Employees are more relaxed and share this big family feeling among them.

**Organization Structure**

The company claims to have a lean and flat organization and is structured based on a matrix, functional system. For example, the China Manufacturing Site Manager in China reports directly to the Global Operations Vice President.

**HR Structure**

The HR team located in China is responsible for HR operations in the Asia subsidiaries. The Asia Human Resources head reports directly to the global HR head, the Vice President of Human Resources. Meanwhile, in China, the Human Resources team has peer relationships with the business units it supports in China.

**Company’s Official Statement on Talent Management**

On the company website, the company states that it is a company offering equal employee opportunity. According to its employees, the company used to develop its leaders within the company. Almost all of its global senior leaders were nurtured internally. This is partly due to the scope of the industry and there is limited talent pool available in market. The company’s family-like culture also supported this Talent Management approach.
Within-Case Analysis

Background of the Interviewed Subjects

**HR Professional.** The HR professional is the company’s Asia & Pacific Human Resources Leader. She is responsible for leading the HR team that serves company subsidiaries in Asia and the Pacific region. She also established the site in the Yangtze Delta area together with a small group of ten managers. She personally witnessed the growth of the company’s site and business in China. Before her employment with this company, she served as an HR professional in another large-sized multinational company in China. She holds a master’s degree in business from a European business school.

**Business Leader.** The Business Leader is the Plant Manager of the company’s manufacturing site in China. He has been with this company for more than 4 years and is responsible for the site with more than 200 employees. Before employment with the company, this Business Leader also served as the operation manager at another large-sized multinational company.

Table 4-1

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*Research Question 1: What is the current status of “Talent Management” in the middle- to large-sized manufacturing multinational companies in which the selected human resource professionals are working?*

1.1 How is “Talent Management” defined by these multinational companies?
The company does not have “official” definitions of “Talent” or “Talent Management” shared by company employees. According to the HR Leader, the company did not regard “defining it” as a priority.

**Definition of “Talent”**

Based on managers’ perspectives and understanding, “Talent” has been regarded as the group of people with the business skills, competencies, knowledge and expertise to contribute positively to business results. In facing tough economic environment, managers believe that people with a creative mind can help to grow the business, reduce costs and improve product quality. Talent goes beyond those on a managerial role.

Representative quotes from the interviews are offered below:

**HR:** “Talent” is this group of people who possess the business skills, competencies, knowledge and experiences which can contribute to business result. They do not have to be limited to leadership only.

**Business:** “Talent” from my observation of cases in our company, should be able to support business growth. The person who can optimize our business model is of value to the organization. To operation, people with creative ideas – who can help reduce cost, improve quality, and can help transfer good management concepts from other industry is talent.

**Definition of “Talent Management”**

Since there is no specific definition of “Talent Management”, there can be different definitions from different points of view. From the HR point-of-view, it is an integration of the In and Out process which starts with defining needs (including job profile and required candidate profile), followed by hiring, on boarding, training and development, performance management, recognition, and managing out those not matching company needs. Talent Management should be demonstrated in the company culture—that is, by how employees perceive their work environment.
For business, the cycle is simpler. It is about developing the talent and retaining them within the organization. This is due in part to the reality of a very limited talent pool in the industry. In addition, organization structure differs among companies so it may be difficult to find exact matching talent externally. The focus of Talent Management is more from within the organization.

Representative quotes from the interviews are offered below:

HR: From HR perspective, “Talent Management” system has this in and out process. The overall processes and cycle form the Talent Management system. From an organization point-of-view, it is a cycle. While from individual’s point-of-view, it is in and out. From Business point-of-view, if you need business output then you must have the input. The “input” here should be Talent.

Business: From my perspective, “Talent Management” includes two parts one is develop internal employees who are with potential; while the other is to sustain them in the site that is retention. So “Talent Management” includes two parts: develop and retention.

1.2 Why do these companies establish a Talent Management program?

The purpose of a Talent Management program is to achieve a business goal. The company needs its core competency to achieve its business strategy and goals. The core competency of the company does not come from capital investment since even local billionaires can easily do that. The competitive edge also does not come from technology because it cannot 100% guarantee the success of the business in China. So the only factor that determines success comes from talent—those who can maintain the unique culture because doing so guarantees the company’s continued existence.

From the business side, Talent Management contributes to getting the right people to produce the niche products offered by the company since it is difficult to find the right talent from other companies or industries. Meanwhile, through the talent development process, they can evaluate the talent’s capability.

Representative quotes from the interviews are offered below:
HR: To our company, **Talent Management is the key to achieve business goal.** Our organization must possess the core competency to achieve the business goal. **To building up the core competency, we must have people to perform. I believe the core competitive priority of your organization is the talent - whether you have this group people, who own this unique mechanism, this culture.** Like our company which has a hundred year long history. The unique culture contributes to its existence till now. **Money is easy to come by, while culture is difficult to get.**

Business: **Our products are very niche, it was very difficult for me to hire suitable personnel from market.** I did not have much chance to hire externally. **Secondly, this industry is relatively enclosed, so it is difficult to hire outside the industry.**

1.3 What is HR’s role in company Talent Management initiatives?

HR has a leadership role in Talent Management and is responsible for driving the process. Meanwhile, HR collaborates with business leaders since the latter works with employees on day-to-day basis. The HR leader in this case study company used an analogy of a soccer team to explain their role—that is, HR is the key striker and the business leaders are the teammates.

From the business leader’s point-of-view, he thought the collaboration was based on the needs of business and HR’s role and responsibility. However, he expected HR to set a standard system and improve alignment among different sites, besides driving the current process. The standardized system would align the sites currently with different cultures and understandings of Talent Management. In this way, HR would bring more value to the company.

Representative quotes from the interviews are offered below:

HR: My role is **to lead and drive the Talent Management Process. My business partners are my co-workers since they are working with their team on day-to-day basis. I drive the process but also collaborate with the team.** Like a soccer team, **I am the key striker, but I also have to collaborate with my team. HR is the player in the field not the coach on the bench.**

Business: **HR has driven some Talent Management program. I got feeling that we had a collaborative relationship during talent related programs.** From my perspective, we did need these programs to help foster some good employees. **HR happened to have this type of responsibility, which means we had matching needs and thus formed this collaborative relationship.** From my perspective, **it will be ideal if HR can build up a system. We have different culture and understanding of Talent Management in different sites. If we can have a good system,**
standardized deployment, we all execute following the same rule, then the outcome will be great. By doing so, we can also reduce the variation among different sites.

1.4 Do Chinese company top executives (including CEOs and other C-level officers) participate in Talent Management? If so, what role do they play?

HR and the site Business Leader have different opinions on C-Level involvement in Talent Management.

HR believed that the CEO and board members cared about Talent Management. Expectations cascaded down to their subordinates. Their expectations drove vice presidents to become involved in Talent Management initiatives. So HR’s leadership in Talent Management actually stemmed from C-level support. In this company the CEO and board members had been the source of all Talent Management initiatives so their involvement was demonstrated before Talent Management programs. This type of involvement ensured that the programs were being carried out sustainably.

Meanwhile, HR believed the senior leaders set the direction for the Talent Management. The global leaders provided a general operations model while local leaders ensured Talent Management initiatives were within organization scope. The board members and senior leaders also engaged in the talent review process and individual development planning and deployment of the talent, making their involvement necessary.

HR believed Talent Management was a typical HR process—that is, business leaders should not be the ones driving the process since they cared more about outcomes. HR should be the one to establish the process to ensure the company has a talent supply. Then the business leaders were brought on board by HR to influence skill identification and development. Business leaders also focused more on deliverables and cared about talent supply only when there was a talent shortage.
The site business leader did not see C-levels “walk the talk” because communications from the executive level was more about the balance sheet and cash flow. Most Talent Management was driven at the local organization level.

Representative quotes from the interviews are offered below:

HR: In my company, CEO and Board member cared about Talent Management. CEO and board member had defined Talent Management on their TO-DO list, their involvement was done before everything happened. They did not have to use their influence to help HR when we deploy the strategy. I have been work closely with my boss, the HRVP. He knows very well which model fits best with the business. But the solution should be worked out by local team. The local management team provided me with the general direction as I have to ensure my direction is correct. There are certain Talent Management programs require Board Member periodical review. Other programs like Talent IDP requires senior leader participation.

I think Talent Management is a typical HR process so (Business Leaders) would not drive the process. On the other hand, Business Leaders would be quite concern the output of the system. Business leaders are busy working on the deliverables, they do not have much time to think about these Talent Management initiatives. As HR, we should build up the foundation and only by then Talent Management would obtain the attention of business leaders. We have to use strong influence to drive business leaders onboard the talent review platform to ensure the organization is prepared for any talent needs.

Business: I did not think our CEO or C-Level executives involved much in the talent development efforts, because I observed most of the initiatives have been driven by each region. We had quarterly CEO video conference. Every time they talked about Cash Flow. I did not think they spent many efforts on talent.

Research Question Two: How do these selected human resource professionals manage talent for these middle- to large-sized manufacturing multinational companies in China?

2.1 How does the Talent Management strategy align with the business strategy in these companies?

HR believed the Business Strategy included Talent Strategy. HR Talent Management should be part of the Business Strategy. This was echoed by the Business Leader, who believed that at the company level talent strategy is aligned with business strategy. For example, one of this company’s 5 vision statements had to do with engagement. The company conducted an engagement survey
every year and analyzed the results to identify areas for improvement. But neither the HR or the
Business Leader mentioned whether Talent Strategy planning was conducted at the site level.

Representative quotes from the interviews are offered below:

HR: *My understanding is Business Strategy should include Talent Strategy. HR Talent
Management should be part of Business Strategy.*

Business: *The talent strategy is aligned with business strategy.*

2.2 Do the companies use a competency model in the Talent Management programs? How do
they use the competency model in the Talent Management programs??

The company had a competency framework that included 12 competencies. It was used in
hiring and high-potential candidate identification. For example, in hiring, HR would work with
business to identify the top 3 key competencies for the position. All candidates were rated based on
the identified competencies to identify the best fit.

On the other side, the Business leader thought the framework did not clearly link with the
company and business strategy. For example, “lead with vision” and “customer focus” were
essential to the company but how they were integrated with the company’s current strategy and
future vision was not clear to him. He expected to see a “unique” competency model for the
company.

Meanwhile, in applying the competency model in Talent Management, the business leader
hoped to be able to find a more quantitative measurement based on the competency framework. He
thought the current measurement was a bit vague and intangible, which resulted in managers using
their “gut feeling” to evaluate talent, resulting in different opinions on the same person.

Representative quotes from the interviews are offered below:
HR: We do have *our company competency framework, it is a list of competencies*. We had called small group to identify *top 3 competencies for hiring*. We rated the candidates based on the identified competencies to determine which candidate was the best fit.

Business: *Our company competency model consists of 12 items. Each of them looks quite right individually. However, when they are put together, the logic (between them) is not that strong. Meanwhile, I also found the linkage between the 12 items is not strong either. It will be good if the competency model will be unique to our organization. It can be built upon the 12 competency items and integrates with company current status and long-term strategy or vision. It can be the “essential” 4 to 5 competencies instead of 12. Twelve points are too much to me. I cannot remember that much.*

I hope we can *measure any high-potential employee with this model quantitatively*. Sometimes, we *got some feeling but could not measure precisely*. If we use the “intangible” *measurements, then different people could have different perspective and it was not fair enough.*

2.3 How do these companies recruit their talent?

The company used different strategies to attract external talent. Since the company was a leader in the industry, the company brand was a key attraction. On the other hand, for general professional groups like HR and finance, the company and team culture were key. High standard professionalism, open team and Talent Management were attractions. With regard to operational employees, the company offered a high “return to their work”. For example, their wages were not as high as in other companies but their working hours were significantly less than in other companies. Meanwhile, for this group, referral was a good recruit channel.

From the business perspective, the expectation went beyond hiring from the industry talent pool since the industry did not offer a large talent pool. The business leader also believed the outside-industry pool offered more capable talent with different and innovative mindsets to help the company. The business leader also thought the organization structure and job design could be changed to leave more space for the recruiting of external talent if a few candidates could be found for some specific positions.
Representative quotes from the interviews are offered below:

HR: Different category of employees required different approach. Our company was famous in the industry. So for professional technical group, our company brand was the key attraction. While for general professional function like HR or Finance, then our company/team culture was the key. For example, for HR function, if the candidate learns we have high professionalism, and open atmosphere, then the candidate would be attracted. For operational employee, we relied more on our image. We had a lot of referral.

Business: Due to the nature of our industry, it is difficult for us to recruit externally. But for the longer term organization development, we have to find outstanding people externally. When we were compared with our competitors, we have been doing fine, but when we were compared with the outstanding companies in other industries, there is a big gap in our management concept. For some positions like Black Belt, we not necessary recruit from same industry but from other industry. But the management team would not think so.

2.4 How do these companies develop their talent?

According to HR, development should start with identified expectations—and from the business’s, not the individual employee’s, perspective. The first priority for any development program is to fit the business, followed by defining type of talent and level. After that, based on company resource availability, development programs are provided.

With regard to the developmental program, the company offers its talent a lot of hands-on developmental experiences, like rotation within the site or cross-sites or cross-geography. This has been used for quite long time and developed a large group of managers and professionals for the company. The company also ensured that best-practice and company success experiences were passed along and shared across the whole company.

However, the business leader’s concerns about learning within the company were confined to the potential growth of the talent. In addition, the mix-up of the talent with technical expertise and those with leadership potential into trajectories with similar developmental expectations and experiences would weaken leadership capability in the organization.
Representative quotes from the interviews are offered below:

HR: *At the beginning, we should set the expectation – we target business functions so the first priority is to fit business*, then how we do it. *So our development planning is to determined what type of talent is needed and at which level then provide them with resources that affordable to the company. It is not from individual’s perspective, but rather from business return.*

Business: All department managers had been developed through rotation among different sites. I think their development have been efficient and successful. The shortage of this type of development is also obvious – no matter how difficult you improve you cannot better than before since the structure has been here. We should separate the experts in product and technology from those management personnel. Management is one group while product is another group then company can leverage on their different expertise.

2.5 How do these companies retain their talent?

The most effective retention approach is to provide internal development opportunities such as within-site rotation or international assignment. Surely competitive compensation is also a key factor. Business leaders regarded compensation as a critical factor. Further, different groups of employees also were concerned about different considerations. For operators, safety and manager fairness were important. For general functions, the western management style was attractive. The company culture always attracted talent who stayed with the company.

Representative quotes from the interviews are offered below:

HR: I think *the most efficient approach has been providing internal development opportunity.* The original project team which established the new China site was hired by me. Till now the key positions of this site were still held by this group of people. The whole team helped to retain the key value we built together.

*For operators, the “good” work environment (attention to safety). The management is fair and transparent has been key retention factors. For General function, they found our business ethics fitted better with their personal value.*

Business: *I observed the company used within site rotation or international assignment. To help you develop through a changed environment. Surely HR will check the competitiveness of the compensation in market to retain the talent. To me, the most effective would be competitive compensation.*
2.6 Do these companies include Talent Management in their performance management system? How do these companies evaluate their Talent Management effectiveness?

The company used attrition rate and labor effectiveness to track operator groups. In addition, the company did not set specific Talent Management goals in the Talent Management system. Managers were evaluated according to their leadership competencies; one competency was their willingness to hire someone better than themselves. But the company did not evaluate whether the manager really hired someone like that in determining performance rating.

Representative quotes from the interviews are offered below:

HR: we did not set specific Talent Management goal in our Talent Management system. One of our core competencies is whether manager is willing to hire someone who are better than himself. And this is a required behavior of any managers. But this does not impact the manager’s performance rating. Our company used turnover rate in our Talent Management system especially for operator worker. The cost efficiency is easier to measure for operator group. While we do not have specific measures like how many key leadership positions have been filled by internal candidate or external candidate. Since our organization is not that large.

Business: To me, the best evaluation is business result. Another dimension is how many key position is held by people developed internally. I do not think (general) retention is a good indicator. Because talent have strong market value and attract external attention, so many times, the people left company were good employees. If company invested a lot on people but they left but this did not mean you have a bad talent system.
Case B:
Human Resource Professional Working in a U.S.-based Service Science Company

Case Overview

Background

The company was founded in the early 1900s. After one hundred years of development, the company now is a leader in service science with annual revenues of more than $17 billion globally. It employs approximately 50,000 individuals in 50 countries and offers products and services to pharmaceutical and biotech companies, hospitals and clinical diagnostic labs, universities, research institutions and government agencies, as well as environmental and industrial process control settings. It is a listed company on the New York Stock Exchange. Despite the uncertain economic environment, the company has enjoyed a steady revenue growth in these years.

Business in China

The company entered the Chinese market almost 30 years ago when one of its business units established a representative office in Shanghai. After three decades, the company expanded its branches in different regions in China. With 8 manufacturing sites in Shanghai, Beijing and Suzhou, 9 application development center in Shanghai and Beijing, and subsidiaries in major cities in China, this company has more than 2,600 Chinese employees. The company maintains its China headquarters in Shanghai.

Company Culture

The company is committed to making the world healthier, cleaner and safer, and its core values are Integrity, Enthusiasm, Engagement and Innovation. It has shared this vision with
employees through a company-wide campaign. The company makes an effort to ensure that its employees are aware of the company vision and core values. It also seeks to ensure that its employees are the best that they can be. Meanwhile, the company is results-oriented and performance-driven. It has put a lot of emphasis on aligning leadership competencies in every level of the organizational hierarchy. In China, the employee group culture can be described as pragmatic, transparent and result-driven.

**Organization Structure**

The company has merged with different companies through its hundred-year history, so it does not have a very strong U.S. headquarters, unlike many other multinational companies. The company structure is a country-based organization. For example in China, there is a Chinese president; under his supervision, there are 6 business unit leaders and 6–7 functional leaders.

**HR Structure**

The China HR team works closely with the global team. The China HR team’s first reporting line is China’s local business leader, that is, the China HR head reports directly to the China president. Meanwhile, HR also has a functional line, reporting to the Asia Regional HR leader. Within the China HR team, there are the HRBP and Central HR function teams. The China HR team supports the business units as their business partners. The central function is responsible for the development of different programs for HRBPs to implement in different business divisions.

**Company’s Official Statement on Talent Management**

On its official website, the company details its commitment to talent and results. The company needs talented and dedicated employees who are committed to making an impact every day. The company attributes its continuous growth to its ability to attract, develop and retain world-class talent who thrive in the company environment and share the company vision. The company
welcomes those candidates who are willing to share the company vision and are energized and hard-working. Meanwhile, the company also is committed to developing talent, rewarding achievement and growing together with its employees.

The company is seeking the best and brightest people ranging from experienced managers to early-career professionals to new graduates.

**Within-Case Analysis**

**Background of the Interviewed Subjects**

**HR Professional.** The Human Resource Leader is the company’s China HR Vice President. She has been working in HR for more than 10 years and has worked as an organization development professional in other large-sized multinational company.

**Business Leader.** The business leader is the Medical Device Business Unit head. He is now leading a 150-person commercial team in China. An HR business partner supports his business unit.

Table 4-2

*Selection and Background of HR Professionals and Business Leaders at Company B*

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**Research Question 1 - What is the current status of “Talent Management” in the middle- to large-sized manufacturing multinational companies in which the selected human resource professionals are working?**

1.1 How is “Talent Management” defined by these multinational companies?
Definition of Talent

The company does not share a global definition of “Talent”. The global organization conducts an annual assessment of its employees to identify High-Potential and Promotable employees. In the organization, both groups of employees are regarded as Talent.

In the organization, Talent is identified at different levels using different processes. In general, Talent must demonstrate outstanding performance and leadership competencies through the process of achieving performance results. Meanwhile, Talent should demonstrate potential capability. Learning agility and mobility, in addition to aspiration and ambition, are the keywords in describing potential capabilities in the company.

Representative quotes from the interviews are offered below:

HR: we have an annual assessment, and we do that globally. We identify HIPO through this process and the “Promotable” employee. In our company, both groups are regard as talent. Since we have a defined process, we can identify talent at different levels. We assess talent through 3 aspects – first, Outstanding Performance; second, Leadership Competency, i.e., how you achieve the performance; thirdly, the Potential Capability. For Potential Capability, we assess the candidate’s learning agility as well as mobility, these are the basic two elements, plus the candidate’s aspiration and ambition.

Business: I got the feeling that our company does not have an overall definition on “Talent”. But we have some detailed criteria for “Talent”. We have HR process to conduct detailed review on all the employees and try to identify HIPO and Promotable employee among them.

Definition of Talent Management

The company does not have a defined scope for Talent Management or globally shared comprehensive Talent Management processes or practices. Thus, based on the HR perspective, it can include the global talent review process, with follow-up programs conducted at the country level. Overall, it can include talent acquisition, that is, “how to find right talent”, and then identify and
develop, that is, “what programs to offer to those talent for their development” and retention, that is, “how we can keep them”.

Representative quotes from the interviews are offered below:

HR: “Talent Management” does not have a defined scope in our company. It includes mainly include the HR review process. For follow up actions, each country and region has own practice. We probably can say it includes Talent Acquisition, Identify and Development, Retention.

Business: I think Talent Management includes following areas. First is “How to find Right talent” and that is Recruitment. The second is “Talent Development and Planning”. What programs we can use to these identified talent to follow up the assessment process. The third area is Maintenance, the question is “how we can keep them”. So to me, Talent Management includes simply 3 linked areas – find the talent, develop the talent, and keep the talent.

1.2 Why do these companies establish a Talent Management program?

First, the company’s needs were increasing at a fast pace, especially in China, so there was a constant need for talent. Second, the company had high standards and performance levels. To meet these two needs, the company looked outside to recruit talent but more importantly, looked internally for talent because it could not obtain all of the best talent from the market or the fittest talent for open positions, especially the candidates with right technical knowledge.

Third, the company had internal needs to provide developmental resources and opportunities for internal talent, including manager coaching, developmental program, and cross-function and regional opportunities. Developmental opportunities also helped in retaining talent.

The Talent Management program helped the organization to find the right candidates externally and more importantly identify HIPO candidates internally, providing them with appropriate development plans to accelerate their development. With these resources they met and even exceeded company requirements. The company had the right talent to meet its fast-growing needs.
Representative quotes from the interviews are offered below:

HR: I think **Talent Management impact multiple aspects** in company. **Through talent development, the organization provides job development to employee especially HIPO and offer them more resource.** We can provide more promotion opportunity (cross BU, Function) to these internal talent. All the efforts are great motivation to these talent and thus enhanced the retention of this group of people. Second, from talent market point-of-view, we are the biggest company in the industry. **The size of our organization requires higher performance standard.** With our growth, business requires foster talent from within because they can difficulty be bought in the market. Some may exist in other big company but their technical part can be different.

Business: Our company includes our BU is **growing very fast.** Under this circumstance, **we always in great need of talent and we always cannot get enough, no matter in Quantity or Quality. One area that is more important is develop internally, because the market cannot offer the talent we need, and the market is so hot, we cannot always find the best talent.**

1.3 What is HR’s role in company Talent Management initiatives?

HR leaders regarded HR as the leader and owner of the Talent Management programs. In line with the leader and owner role, HR should:

a. Spend time and efforts on soliciting business strategy and expectations for talent.

b. Play a **Designer** role in Talent Management planning—that is, be responsible for strategizing about the type of talent to be developed and the approach to follow in developing them,

c. Drive the organization to execute the talent development plan. **HR should drive the Business Unit to foster enthusiasm for Talent Management and develop a mechanism for Talent Development. The business should take the initiative in driving self-learning and self-development. HR should drive business leader involvement.**

In summary, HR’s ownership of Talent Management did not mean that HR did it within the HR team; rather, ownership was demonstrated at the country level or BU level. **HR was there to drive results and to hold managers and employees accountable for the results.**

From the business leader’s view, Talent Management was owned by HR so that the HR team should be responsible for executing and championing talent-related initiatives and programs but not
act as the leader in overall Talent Management, since Talent Strategy is part of business strategy and talent needs are part of business needs. From a Business Unit perspective, Business should own overall talent initiatives. The business leader viewed talent as his top priority, including it in his business process while the HR Business Partner was the owner of the talent program that was part of the business unit strategic programs.

Representative quotes from the interviews are offered below:

HR: In “Talent Management” initiatives, HR should take the Leading Position. Since you are the leader, you should take ownership, then you would spend time to solicit business strategy and business expectation on talent. We plan what type of talent should be developed and how to develop them, we are the designer of the whole plan. Once the design is done, our role as leader is to drive the organization to execute the talent development well. HR should drive the Business Unit to foster the enthusiasm and a mechanism for Talent Development. HRBPs should drive business leader involvement. We own Talent Management does not mean we should do it by ourselves. HR ownership is demonstrated through at China level or BU level,

Business: For HR Talent Strategy, this has been developed through joint discussion among HR and business units. From talent strategy plan and execution, the owner should be HR department. During the process of execution, HR needs great support from business unit. I do not think HR is the leader because HR is coordinating Talent Management programs. Talent Management is part of business process - it is an essential piece of meeting business goals. From this point-of-view, most talent related initiative execution and champion should be conducted by HRBP or HR Managers. Business is the owner of talent initiatives, I assigned HRBP as owner of this sub-program. From another aspect, from current condition of our business, talent is our single biggest gap at this time. Talent is base of Business plan and it determines the long-term growth of business with that Talent is the number one business priority.

1.4 Do Chinese company top executives (including CEOs and other C-level officers) participate in Talent Management? If, so, what role do they play?

All company executives have been actively involved in Talent Management programs. For example, the company has three talent pool levels, so executives and business leaders participate in different levels of talent review and provide support to the identified talent to accelerate their development. This type of involvement requires significant efforts and time from the entire
leadership team so HR has structured the system for executives and business leaders to be involved in a more systematic manner.

Nowadays, business leaders all know and accept the concept that Talent Management is part of their responsibilities as company leaders. However, things can get complicated when business leaders must be engaged in Talent Management program planning and outcomes. The extent of the time and efforts they can spare for these activities can be a problem. Rather than letting managers conduct Talent Management activities randomly depending on their availability, HR should place more effort on making Talent Management a systematic approach for the entire organization and plan the required resource well. While this system has not been around for very long, thus far we have observed good involvement and collaboration from the business side.

Representative quotes from the interviews are offered below:

**HR: All senior leaders are involved in Talent Management actively. They participated in Talent Management initiative organized by HR actively. For overall Talent Management, China HR tried best to well structure and achieve result instead of one program here and one program there, one action by one action. The Talent Management required a lot of business involvement and HRBPs should well plan, plan their resource. If you ask one leader whether Talent Management is part of his job, I believe no one would say No, it is not since it is a well-accepted concept. However, how much time and efforts he can spare is important. That is why I said HR should structure the system. HR needs to define this talent’s development gap and which means to improve it. It can be leader provide frequent mentoring or coaching. How frequent it should be and how to do it should be defined by HR and aligned with line manager and senior managers. So far, our leaders can be engaged very well. However, with more leader are being developed and more frequent engagement is required we should wait to see if leaders can keep the participant frequency.**

**Business: Our China President, of our company has profound understanding of Talent Management. The China president supports the Talent Management through guiding HR and business units heads. Other senior leaders also provided us with great support and involved in our planning and deployment. They acted as mentors in our HIPO program. So I would say the senior executives are supporting us through their personal involvement. With regards to me, I would involve at different stage of the HR process, for some I involve more while for some I involved less. For example, I involve more in talent strategy plan, while at deployment stage, I think we need more other people get involved.**
Research Question Two: How do these selected human resource professionals manage talent for these middle- to large-sized manufacturing multinational companies in China?

2.1 How does the Talent Management strategy align with the business strategy in these companies?

Companies believe that business strategy and talent strategy are equally important yet business strategy is often pointed to first because business needs determine talent needs. Thus, talent needs and development needs are guided by business strategy.

To identify the talent strategy, HR participates in business strategy planning meetings with company business leaders. When business leaders talk about market strategy, product strategy, and the like for the next three to five years, organization structure, required talent mix, and capability requirements also are discussed in this process. After each business unit forms its strategy, HR puts needs together in a group and then identifies required organization changes and talent requirements. In this process, HR works out the talent strategy together with business leaders, who are willing to work out a talent strategy with HR. In a recent leadership meeting, all business leaders identified talent needs as their first priority.

After the talent strategy is ready, HR sits down with business leaders to see if the talent development approach meets talent needs. This process ensures business leader engagement in talent development activities since development takes time and leadership involvement. They need to integrate development in their day-to-day work.

Representative quotes from the interviews are offered below:

HR: In my mind, business strategy and talent strategy is of equal importance while Business Strategy always goes first. Based on different Business Strategy, you need different Talent Strategy. So it should be Business Strategy to guide our Talent Needs and Talent Development Needs. Usually, when we talk about Business strategy, we always mention organization structure, required people make-up and skill requirement through this discussion process. We have different Business Unit and different Business Strategy, we will group together to see how organization should be
changed and what are the requirements on Talent. Business leaders are first of all, willing to work on Talent Strategy together with HR. They put Talent as one of their top priority. It requires business to sit together with HR to discuss. We had a lot of development methods and we should see whether all these means can meet the needs. Secondly, Business Leader involvement is very important. HR can provide a framework and some developmental program.

Business: For Talent Strategy, this has been developed through joint discussion among HR and business units. When we developed Talent Strategy, we will check what our needs are and we develop a strategy and action plan together with HR.

2.2 Do the companies use a competency model in the Talent Management programs? How do they use the competency model in the Talent Management programs?

The company is now using a competency model with eight competencies. For each competency, there is a globally aligned description matching different levels in the organization.

The competency model has been at the core of the company and HR activities. For Talent Management activities, the competency model:

a. Defines the essential and important capabilities required in the company.

b. Provides a common language and measurement for managers to assess their employees.

c. Offers a guideline for high-potential assessment and development;

d. Offers a guideline for all employees who wish to develop themselves and be able to contribute to the organization.

To help local managers and employees gain a better understanding of this competency model, the China HR team enriched the competency description. At the global level, functional competencies are being defined to capture the expertise requirements for each function.

Representative quotes from the interviews are offered below:

HR: we have an 8-item competency model. Global offer a simple description and local need to enrich the description to help managers to understand it. Competency model is the core of our company the core of HR activity. It defined the essential and important capabilities required in our company. When a manager assess an employee, he should use the same measurement as the
It gave us same wording. Understanding of the competency should be strengthened among manager and employee alike. We will set up special competence for some specific functions at global level. These competence are more related to the functional expertise.

2.3 How do these companies recruit their talent?

The company defines a clear strategy for obtaining talent despite external economic conditions. The company should be prosperous and have a strong talent brand that is well regarded by other companies in the industry. Building a company brand is not a pure “marketing event” but rather starts from building the company’s own capabilities. Being number one in the industry and having possessing top-notch talent in the market is a huge attraction to candidates.

At the same time, efforts to attract talent should start from within. The company invests generously in internal talent management; employees with required skills have a broad career development platform and for this reason, among others, they are willing to stay. A company that can keep its own talent offers external talent a good reason to join the company.

Talent attraction does not occur through “promotion” but as a result of a solid methodology in the company—a clear vision, a shared company culture and employee bonding, a special spiritual connection, a systematic management system and the continuous development of employees..

The company also faced the challenge of a limited talent pool and soaring compensation packages especially for local top executive and technical expertise positions. Due to high demand and limited supply, some available candidates really do not possess qualifications that match the compensation package being requested by them. Even qualified candidates must be reviewed with a company’s overall labor cost control, internal balance, and cost effectiveness in mind. So it is not “I will pay whatever the candidate asked for to get him/her on board”. Luckily, the company had a large internal talent pool to mitigate this challenge, which is why it made efforts to develop its internal talent.
Representative quotes from the interviews are offered below:

HR: *I think no matter the economy is prosperous or down, company should have a clear strategy. Our company should be regarded as prosper and have a great talent branding by the companies in the same industry. This brand does not rely on promotion or how much market promotion but rather building up our own organization capability. If you are regarded as the number one in the industry and can provide the top notch talent in the market, you will find a lot of people want to join in your company. Meanwhile, we spend so much on our talent. They will be hesitate to leave since they are not so sure the new company would spend that much on talent development. Company can only attract talent through solid methodology, company culture and internal employee connection and form a special spiritual connection, a systematic management and continuous development and improvement opportunities. To a company of our organization size, we review our workforce structure and labor cost, we would not be that desperate to get talent without cost consideration. In addition, to a company with large employee population and complicate organization structure, we also have to consider internal balance and cost effectiveness. We have an internal talent pool for us to choose from and develop within.*

Business: To attract talent externally, *one key factor is company overall banding – everyone want to work for a large company and a good company. More importantly, the company can offer development opportunity to the employees. We would share with our candidate that our company offers a broader development platform and our business is expanding fast. If the employee has good capability and development potential, he will never worry that he would have no development opportunity, there is no glass ceiling in this organization.*

2.4 How do these companies develop their talent?

**Identify the Internal Talent**

The company had three levels in its talent pool. For different levels of talent, HR hosted different assessments at different times. Through the assessment, each talent group’s current stage and future stage was defined. The assessment activities involved business leaders at different levels. For all assessments, the competency model was used to assess HIPO candidates. The candidates were assessed by their Performance, Leadership Competencies and Potential (which included Learning Agility, Mobility and Aspirations). The assessment required a close collaboration between HR and business leaders, including company executives. The company offered developmental experiences that matched identified employees’ need.
Organizational Career Development Approach

Talent development has two aspects: one from the organization perspective and the other based on the development of those individuals identified as talent. The former relates to the organization goal, while the latter fits with the individual’s personal career aspirations. Effective talent development requires aligning individual aspirations with business goals, and realizing personal career goals through the achieving of organization goals.

This process requires a continual look at what the company needs or lacks in organization capability. For example, if the organization needs innovation capability, then the questions will be: “how is Innovation defined in our industry? What skills are missing (so we cannot innovate)? Or if the organization lacks an innovative culture, is this due to the lack of an innovation system or learning agility? After obtaining answers, HR and business must assess the current state of the talent to find weaknesses and then improve them. A significant amount of observation of talent’s behavior and feedback from managers is needed, too. Communication with the talent should involve communication on their strengths and gaps, company needs and their development direction.

If alignment cannot be achieved between the organization and the individual talent, then the company must respect employees’ choices. The company will place the talent in proper positions based on their choices and facilitate capabilities that contribute to the organization.

Representative quotes from the interviews are offered below:

HR: Talent development can be perceived from two aspects one is from organization and the other is from the development of the individuals’ talent. The former relates to the organization goal, the later the individual’s personal career aspiration. The key is we can align the individual aspiration with the business goal, realize personal career goal through achieve organization goal.

Business: I think the most important thing is to align personal development goal with company and business development goals and the company needs is more important. The 1st thing is whether the individual willing to develop, or which direction he wants to develop. If he did not want to develop towards the direction as company needs then no matter how much training or career coaching will only lead to wrong direction or waste of our time and resources.
Development Resources in the Organization

The company was committed to developing employees at all levels through programs such as Role of the Leader, Developing Emerging Leaders and Global Leadership Program. External training courses included MBA program—a mini EMBA for some HIPO.

The company also provided opportunities to high-potential employees to participate in rotations that exposed them to different businesses and functions throughout the company. Identified future leaders were assigned executive mentors, a coach, challenging assignments and organizational exposure to develop them into well-rounded future leaders.

Effective Talent Development

First, “effective” in the company was defined as development—that is, whether the developed talent can effectively support business growth. As the HR leader put it, “effectiveness of talent development was not measured by how many people we had promoted, not even how many talent had been transferred”, because “these are merely HR perspective”. “If the company failed to achieve its business goal then the talent development activities also failed”

The true objective of Talent Development should be to enable the business to upgrade to another level in the next five years. The business had a clear plan for when to achieve business goals. HR has to look into the skills lacking in the organization. Talent development should develop organizational capability. This means that if the company develops 20 HIPO but none really possess the skills really needed by the organization, then Talent Development has failed.

The HR team strove to use the most efficient approach to develop the talent needed by the organization. The company had a lot of resources—assessment tools and development tools. The most important thing was adaptation. For example, if coaching, assessment center and job rotation
were good enough for a specific talent, then that was enough. The objective was not to count how many methods HR was using, which put the cart before the horse.

Talent development is not a one-time deal. Development is achieved through day-to-day accumulation and long-time coaching from managers. To ensure the effectiveness of talent development, line manager and senior manager involvement was required.

Representative quotes from the interviews are offered below:

HR: I think the effectiveness of talent development is not measured by how many people we have promoted, not even how many talent have been transferred. These are all HR perspective. The effectiveness of talent development is determined by whether the developed talent can effectively support business growth. If no one left our company, but our failed to achieve our business goal then our talent development also failed. Sometimes Talent Development can miss the real objective but focus on the so called matrix. The real objective is our business will upgraded to another level in future 5 years. The business has a clear plan on when to achieve what. Business has some clear business numbers to be achieved. To achieve the business numbers, we must have a path to get there. If we need a new business model then we need some new skills, and people to do the business. We have to look into the skills we miss. Talent development should develop this type of capability. We can develop 20 HIPO but if they do not possess the skills we needed then Talent Development still failed as it missed the objective.

The most important thing is adaptation. For example, if coaching, assessment center and job rotation is good enough for a specific talent development then that’s enough. I do not have to count how many methods we have been using and let business know how much work HR have done. I think it is put the cart before the horse.

Business: company strategy and plan won’t change due to individual’s career aspiration, because this is company strategy or business strategy. Under this circumstance, the key is how to leverage each talent’s capability. We hope everyone can achieve optimal development in the organization, put their capability into full play. For everyone going through the development program, apply what they have learned is critical. Practicing helped them to gain better understanding of what they have acquired through training program and then it will become part of their own capabilities. The essential for talent development is learn and then practice, with coaching to support the development.

2.5 How do these companies retain their talent?
According to this business, the employee groups to be retained include both the HIPO group and those employees who contribute to company business results. The HIPOs set the foundation for the company’s leadership future. Other employees have the talent to do their jobs but insufficient motivation or potential to develop to the next level. The company still needs them because they are the foundation of the company’s day-to-day operations and maintains the company’s stability.

**Build the Employer Brand**

For the company to retain talent, the company should also develop its employer brand externally. This company was building its image as the number one company in its market. Its employee group possessed top-notch technology and professionalism in the industry. The company brand represented its great talent system. No other competitive company could offer a similar work environment and professional environment to its employees.

Representative quotes from the interviews are offered below:

HR: *There are some large companies like GE, who does not offer the highest pay in market. However, they still can keep their talent. It is because their brand represents the great talent system they have. Employees can learn a lot of business processes in the company. The companies like GE do not pay high salary but they spend a lot on development. We are building our company into this type of organization.*

**Provide What Employee Need**

Employees have different needs at different career stages and based on their personal value system. To retain them, the company should provide what the employees need the most.

For those talent seeking personal growth and development, the company should provide the right training, developmental opportunities, challenging assignments and new project opportunities. In short, the company should ensure that they are continually growing and moving forward. For this group of employees, development opportunities and growth are critical to staying.
For another group of employees seeking balance in life, whether a work-life balance or work-return balance, the company should offer proper pay for the amount of work they do or allow them to maintain a balanced lifestyle so that they will be satisfied and stay with the organization.

Representative quotes from the interviews are offered below:

Business: one category of employee need is the desire for development. This group of people have high motivation and we should provide them with platform, resources and opportunity. Another category is seeking balance. They do not seek aggressive development – “I am comfortable on my current position and I do not want promotion.” So if they can get more money for the same amount of work to do, they would be happy about it. I think this is somewhat fair.

2.6 Do these companies include Talent Management in their performance management system?

How do these companies evaluate their Talent Management effectiveness?

Current Practice

At the organization level, the company had a talent retention measure but not detailed measurement. At the global level, matrices include: “what is the ratio of managers promoted internally”. The company did have this type of measurement but did not put KPI into company performance. In addition, the attrition rate was for a general employee group; however, an attrition rate for the talent group could tell us the condition of our organization.

At the individual manager level, managers had Talent Management goals in their performance measurement. But this goal does not take much weight in the final performance review. The reason may be that so many factors can impact employee development. Further, it is so difficult to measure Talent Management quantitatively or objectively.

The business leader thought the manager’s mindset on Talent Management as a performance goal also contributed to this issue. The company business had grown so fast that everyone was under great pressure. When there was a time conflict, everyone made business the priority consciously or unconsciously. Talent Development takes time and focuses on long-term growth. It is for the future.
At the current stage, there was conflict (between this long-term outcome and short-term business outcomes), leading team leaders to shift focus to short-term targets. Managers did not spend enough time on Talent Management.

Representative quotes from the interviews are offered below:

HR: we can observe how the individual develop but there are so many factors impact one single talent's development. So I tend to agree to use high level matrix, meanwhile, we should ensure the talent pool is fluid meaning people can get in and get out. I do not think we need a fixed measure but should ensure a high level matrix is there. Till now non of this matrix is included in any leaders’ performance goal.

Business: For example, how many coaching sessions I have done? How many development programs I have completed? And what was the outcome of those activities? It was really difficult to measure the outcomes. You can only measure it qualitatively, which impacted the assessment of this matrix.

What Can be Used to Measure Effectiveness?

The effectiveness of Talent Management should be measured according to the following:

a. Whether it can support business growth.

b. Whether talent and talent pool can match business development needs.

c. Whether there is/are internal or external candidate(s) to fill key positions.

d. If key positions are always open

e. How many of these key positions have been filled by people promoted internally, and how many have been hired externally – to see if our culture and talent development program has been successful and truly help employees to mature in their jobs.
Case C:

Human Resource Professional Working in a Europe-based Global Company
in the Applied Chemistry Industry

Case Overview

Background

Founded in the late 1800s in Germany, the company now has about 47,000 people in 75 countries. It has the leading brands and technologies in three business areas - Laundry & Home Care, Beauty Care and Adhesive Technologies. In 2013, global sales reached 16,350 million Euro, 44% of this total stemmed from emerging markets which have been the leading sales areas.

The company’s vision is to become “A global leader in brands and technologies”. Its values include putting customers at the center of what the company does; challenging and rewarding people; driving excellent sustainable financial performance; and commitment to leadership in sustainability as well as building the company’s future on its family business foundation.

The company’s business strategy is to outperform the competition as a globalized company with simplified operations and a highly inspired team. It seeks to reach 20 billion Euro sales with 10 billion in emerging markets.

Business in China

The company began its business in China in 1990 with the goal of providing service to its business partners’ operations in China. After 20 more years of expansion and growth, the company has 20 offices and manufacturing sites in China and around 10,000 Chinese employees working in these facilities. The China headquarters is now located in Shanghai.

Company Culture
The company’s origin was a European “family business”. But with the company’s top executives came from capital market-driven enterprises, the company changed its style. The company used to enjoy small but stable business growth each year, but now is following a U.S. company style—results-driven and pursuing aggressive business growth.

The company claimed its employees were “play to win” and shared motivation, ambition, and passion. The company’s success stemmed from people with entrepreneurial spirit who were willing to search for new ideas, the desire to challenge the status quo and relentlessly driven to find better and more innovative solutions and had the passion to meet all customer requirements.

**Organization Structure**

The company evolved through time, changing from Business Unit-centric to geography-centric, with the Business Unit following the product concept, while functional teams focused on functional alignment. For example, the Finance team changed from finance controllers working separately in business units and reporting to the BU head to a centralized Finance Service center reporting to the China CFO directly.

The China operation could be described as “localized” as compared to other strong centralized global companies. This meant that local organizations were empowered to run the business almost like an independent organization and be fully accountable for the deliverables. The company made local organizations drive themselves rather than being driven to achieve the deliverables.

**HR Structure**

The HR team was divided into a central excellence team and HR Business Partners responsible for supporting different business units and service functions. The Human Resource leaders reported directly to the China HR Head. The China HR team was empowered to fulfill their
role and responsibilities in this organization. The team was required to follow several major initiatives from the global level and was empowered to conduct any HR-related initiatives they believed would support business in China.

**Company’s Official Statement on Talent Management**

**Company Philosophy on Talent Management**

The company seeks highly qualified, highly motivated people ranging from fresh graduates to experienced professionals. The talent, as required by the company, should be able to see exciting opportunities in global variations, strengthen the company’s global team and be flexible and actively strive for success. The company offers both management and specialist career paths.

The company attaches great importance to job rotations because it believes doing so gives employees a fresh insight. The company holds employees accountable for taking an entrepreneurial approach to this. Employees must seek out new opportunities, and enhance company capacity for innovation. On the whole, the company hopes these strengths may be systematically developed via the Talent Management process

**Global Talent Management Process**

**Performance Feedback**

Employees take responsibility from their first day. The company expects employees to fulfill their potential and thus fulfill their job. During the process, the company provides detailed and informal performance feedback on an ongoing basis.

**Talent Assessment and Development**

Managers make an initial assessment of their employees’ performance and potential at the Development Round Table by following global standardized criteria.
Then the manager and employee hold a Development Dialogue—a confidential meeting in which they discuss the results and set targets. These discussions serve as a foundation for personal career planning and prepare various resources for the employee to use in order to enhance professional expertise, feel fulfilled on the job and plan for his/her next career moves.

**Development Resources**

The company has a signature career development philosophy – Triple Two. For selected candidates to build professional and personal experiences, they should work at least in two different roles in two different countries and two different business areas.

For its high-potential leaders and high performers, the company’s global academy provides a leadership development curriculum through partnering with international business schools like Thunderbird, IESE and the Harvard Business School.

For general employees, the company offers a range of training courses covering soft skills like “cross culture management” to language classes to personalized coaching sessions. The company also offers vocational education to employees through formal educational institutions and internal expertise-sharing.

With the resources offered to employees at different levels, the company hopes to build a high-performing global team that not only optimizes products but improves everyday as a whole global unit.

**Within-Case Analysis**

**Background of the Interviewed Subjects**

**HR Professional.** The HR professional had worked for the company for more than 10 years and on various HR roles – from manufacturing site HR manager, to Business Unit HR Director, to HR Business Partner for Supporting Function.
**Business Leader.** The business leader also had been working for the company for more than 10 years. She held a Chief Finance Officer role in the company.

Table 4-3

*Selection and Background of HR Professionals and Business Leaders at Company C*

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*Research Question 1 - What is the current status of “Talent Management” in the middle- to large-sized manufacturing multinational companies in which the selected human resource professionals are working?*

1.1 How is “Talent Management” defined by these multinational companies?

**Definition of Talent**

The company did not have an official definition for “Talent”. The HR leader believed “Talent” was not limited to one specific group of people with special expertise but rather to the collective capability, experiences and wisdom of all employees in an organization.

To the business leader, the meaning of “Talent” referred to desired competencies linked to the company Competency Model. She wanted the definition to be detailed and observable, which included competencies, observable behavior and motivation since the behaviors were what the company needed. The business leader thought that even with this definition it was really difficult to engage in a scientific and precise evaluation of Talent.

Representative quotes from the interviews are offered below:
HR: *I did not think our company had an “official” definition of “talent”*. But based on my experiences working as an HR in this company for more than 10 years, *I would say “Talent” was defined beyond the group of people who came with special expertise. In general, “talent” should be the collective capability, experiences and wisdom of all the employees we hired in this company.*

Business: *We wanted definition of Talent to be in more detail, because what you really need was the behavior or motivation of the person. We hope to include all these into the (definition) – competence, skills should all be included and observable. But it was really difficult to have a scientific and precise evaluation.*

**Definition of Talent Management**

In line with the company’s official description of Talent Management, Talent Management was regarded as a system that started with defining a position and then moving on to identifying the right candidate to fill it. The next stages were performance management, expertise development, and efforts to engage in recognition, retain and motivate. In the HR’s language, the brief definition of “Talent Management” had three segments—“getting in (the company), manage (the talent) then exist (the company).”

Among the 3 segments, manage took a large portion of the efforts. It requires an identification system based on a solid competency model. It also requires tools to help identified talent to work out their career plan. During the career planning process, the talent are matching company objective with their own career objectives. It requires ongoing feedback and adjustment. Well structured Talent Management program will accelerated the talent development process. At the same time, the manage portion should be linked with Get In and Exit form a system.

Representative quotes from the interviews are offered below:

HR: *“Talent Management” started with define a position which might have never exist before then acquired someone to fill this position. Followed that was how to manage, develop or retain and motivate and recognition. All these activities linked together were “Talent Management”. In our own language is “get in (the company), manage (the talent) then exist (the company), which could be a brief definition of “Talent Management”. I think there had been a lot of efforts and initiatives within “Manage talent” piece – how it linked to “Get in (the company) and how it consist with “Exit the company”.*
“Talent Management” should include a very good identification system so you can identify. For identify talent you must have a good model. You also need tools to help those talent to work out their career plan. When you working out the Career Plan, you are somehow matching company objective with this individual’s career objective. Following that was continuous ongoing feedback and adjust process - adjust plan according to company environment. Talent Management turned the activities into a positive cycle.

1.2 Why do these companies establish a Talent Management program?

All companies engaging in Talent Management activities and initiatives were business-driven. The company was held accountable for its revenue which brought added value to shareholders by delivering greater gains than they would receive if they invested their money elsewhere. The company was under great pressure to deliver. It needed organization capabilities and the right talent to realize its business plans. Meanwhile, since the organization was going through changes, the Talent Management helped the functional teams to define jobs and required competencies, and to match the right personnel with the jobs and identify their gaps and strengths. In that sense, Talent Management was used to map employee groups to the changed organization structure.

Representative quotes from the interviews are offered below:

HR: All our Talent related initiatives, activities, strategies had been business-driven. Each BU was required to manage its own revenue, which we called it EVA (economic value added). It was a constant comparison between company invest in one particular BU or invest this amount of money in stock market. So we were under great pressure to make more than stock market could return to our shareholders.

Business: It was for company business purpose. Our Finance Controllers used to have their own “territory” and in their own “territory” they had been generalists. But at that time, in a shared service center, we had to be more process driven, and had more expertise in some specific field. To some extent, the new organization, new position required changed competence. We had to map this group of people to their new job. During this process, we had to define the position, define the competence, define the gap and then set up the transfer plan. (it was more for organization change purpose).

1.3 What is HR’s role in company Talent Management initiatives?
The HR was positioned as a partner in the company’s Talent Management activities. Business and functional leaders are the driving force in a company’s Talent Management initiatives.

As a Business Partner, HR supported Business leaders in doing the following:

1. Provide appropriate theoretical concepts, tools and data to business and functional leaders based on HR knowledge and expertise on Talent Management topics. With this information leaders can make sound talent decisions based on ample data and follow the right decision-making process.

2. Provide perspective from HR’s point-of-view to business leaders in Talent Strategy planning and dealing with talent-related issues. Business and functional leaders may have “blind spots” when they approach talent topics from a business point-of-view. HR can provide HR perspectives to help business and functional leaders to form an objective and comprehensive view of Talent Management. Then decisions may be based on ample information and communication.

3. Correct the team’s collective weakness. The business leader can determine the ways in which the team functions and the team atmosphere within the team. During the process of forming or maintaining team atmosphere and mechanisms, the leader and team members can miss some important elements. HR can help leaders to identify problems and work on improvements.

Representative quotes from the interviews are offered below:

HR: I think overall HR played a Partner role in strategic planning and Talent Management initiatives. During strategic planning process, both business leaders and HR had pre-mature thoughts. Then the decision was made based on discussion. And most of the decision was made through this debate approach.

Business: I believe the driving force in Talent Management should be the BU leader. I had emphasized HR professionalism. There had been many good concepts, models etc had been developed through years of research and practice no matter it had been statistics or theoretical concepts. HR should let BU head know what to refer to when made decision so the decision making or thinking process can be improved. HR should provide different perspective. We all have our own perspective which could be limited. As partner, HR should help business leaders to approach talent issues with a objective and comprehensive view. We hoped that each decision was made based on ample information and communication and tried our best to avoid or reduce any
A “blind spot” in our information. A team’s chemistry was determined by the team leader. BU head determined how the BU employees look like. HR should help BU head to correct some team collective weakness. HR could help BU head to identify problems.

1.4 Do Chinese company top executives (including CEOs and other C-level officers) participate in Talent Management? If so, what role do they play?

Involvement depended on the type of Talent Management activity and the mindset of the senior executives.

In global Talent Management processes that include clear requirements for senior leader participation and responsibility, senior leaders must participate and fulfill their roles and responsibilities.

For locally initiated Talent Management activities, involvement can vary. The maturity of the leaders and understanding of Talent Management determine how and in what ways leaders are involved.

Mature leaders who believe in talent and that business performance is related to talent would be more than willing to be involved in Talent Management. Leaders will be the driving force in Talent Management – setting the expectations and goals, spending time and efforts on Talent Management activities to gain first-hand information. For these leaders, Talent Management is a must. Working with these managers, HR can provide input – the appropriate process, best-practices in the market, programs tailored to meet business needs.

For some immature leaders and business leaders who put business results as the first priority, things can get complicated. Under pressure to deliver results, senior leaders can forgo Talent Management or join in “pleasant” activities welcomed by managers and employees while avoiding other activities that require their efforts and tough decisions.
While working with them, HR should be persuasive since HR cannot force business leaders to do anything. The HR team should be able to show the senior leader the short-term or long-term benefits of the program. HR also should be committed to persistence – if HR believes it is right and needed by the organization and business, then HR should do its best to make it happen. HR needs to help business leaders see things from the business perspective. HR should demonstrate business benefits to them.

Representative quotes from the interviews are offered below:

HR: Talent Management initiative takes HR a lot of persuasion since we could not force the business leaders to do anything. Meanwhile, there also required HR a lot of persistence because we believed it was right and needed by the organization and business. HR had to sell Talent Management initiative. The business leaders are business people, they got this “Why I should buy your idea” notion in their mind. On the other hand, leadership maturity also mattered, if the initiatives not cascade down from global then they may not see the needs to do it. They do not easily buy-in any ideas. If the initiative is a “pleasant thing” they are willing to do it. If it is “not-so-pleasant” thing (like lay off) then some leaders will use any excuse to avoid it.

Business: I think it is a must for company senior executives been involved in Talent Management. If an executive believe in talent and believe business performance related to these talent, he/she would be more than willing to spend time on these talent, to gain first-hand information. To me it is a must. The Talent Management goal must be set by me. While how to do these and how to make things better should be HR’s expertise. HR can input – tell me the process, other company’s process and experiences, whether we should learn from that or we needed to tailor make to meet our needs.

Research Question Two: How do these selected human resource professionals manage talent for these middle- to large-sized manufacturing multinational companies in China?

2.1 How does the Talent Management strategy align with the business strategy in these companies?

HR leaders participate in business leadership meetings so that this group can learn business needs on site. For example, business leaders made the decision to centralize the commercial team so as to enhance its overall capacity and deliver more results. There were a lot of changes in the teams
and some discussed dismissing some sales teams. This was driven by business needs, not HR’s decision to reduce the headcount. Business leaders reviewed the team’s performance and made the tough people decisions. All in all, HR participates in decision-making, Talent Management strategy, and programs that are business driven.

Representative quotes from the interviews are offered below:

**HR:** *I had been attending BU leadership meeting. Each year, HR sat in the Business strategy planning meeting. It was not like Business leaders finished the business strategy and then you were told “how many people we needed this year”, it was not like that. We sat together with business leaders, then you could see right there what had been the business needs. Most of the TALENT MANAGEMENT initiatives have been business driven.*

2.2 Do the companies use a competency model in the Talent Management programs? How do they use the competency model in the Talent Management programs?

**The Model**

The company follows a 12-competency Competency Model. This model links behavior and company culture together. The company championed awareness of the competency model throughout the organization. Two-day sessions have been organized for leaders to learn about the model and how to demonstrate competency in their work. The company took these learning sessions seriously. Pre-work and post-work were assigned to participants who were then asked to debrief during the sessions. The participants were required to bring their real-life case to the session for role-play so the participants knew how to apply the learning in day-to-day work. Feedback and comments were provided during the sessions. The participants also were asked to develop an action plan after the learning and their progress had been tracked.

**Application in Talent Management**
To use the competency model in Talent Management, HR developed supporting documents to “back up” the competency model. The documents included vivid descriptions of each competency and descriptions of required behaviors for each leadership level, so that a leader can easily find behavior requirements corresponding to his leadership level. For example, with regard to “Influencing” skills, a senior HR head must possess “lobbying” skills. Those in a site HR role only needed to be “capable to express his idea on what to do”. Higher-level managers and site HR need “Influencing” skills to “provide data support in addition to expressing ideas” (reference). For HR individual contributors, the “Influencing” skill included providing feedback to others.

In China, HR further elaborated manager behavior, identifying typical behaviors and then summarizing the essential behaviors. A profound competency inventory enabled each employee group to pinpoint the required observable behaviors and deliverables. Some business units selected the essential six competencies on which to focus rather than working on all 12 competencies.

Representative quotes from the interviews are offered below:

HR: In our global brochure, the competency definitions were simple, like an essential book. There were several description for each competency and a simple description on each skill. But we had a profound supporting document to back up the competency model. There had been vivid description on each competency. In addition, there had been clear description on the required behavior for each leadership level. Each leadership level could find the corresponding competency behaviors.

Business: Competency models had different layers – what competency and how they were demonstrated. Competency must be “translate” into behavior. So we could be more objective in assess talent. For example, competencies like “Communication, Conflict handling, High Energy Level” could only be assessed with detailed observable behavior. When the details had been worked out, it had to be applied.

2.3 How do these companies recruit their talent?
While company branding is important, it is important to remember that the competitors in the industry are also top global companies. For this and related reasons, it is difficult for a company to attract talent with company branding only.

**Differentiate from Competitors**

The company differentiated itself from competitors in the market. For example, the company structure empowered local organizations and teams to conduct operations based on their own discretion, so employees had the authority and power to make decisions. Employees can develop their capabilities quickly with empowerment from the organization. While competitors had strict global processes to follow, employees do not achieve much by simply following procedures.

**Project Strong Company Image**

The company needed a solid business performance to demonstrate its strong organization capability and the superior management skill of company executives. Company executives needed to serve as role models for required company values and behaviors. Performing in this manner sends a strong message throughout and outside the company and tells external candidates what the company leadership and the employee group look like.

**Build an Attractive Work Environment**

The work environment is a key to attracting talent—whether team members can interact effectively with line managers and peers determines job satisfaction. The Talent Management atmosphere and team culture can directly impact employee work in the team. In fact, the micro-environment of the team can be more important than the company brand.

**Know What Talent is Needed**

HR engages in debriefings with the business to understand its needs, and to identify the right type of talent needed. The company focuses on strong leadership so when recruiting managerial
roles, the company targets top talent in the market. Even for trainee programs, the company recruited from CEIBS (a top business school in Shanghai and Asia) for candidates. For average positions, HR will map a proper position profile and candidate profile.

**Provide What the Candidate needs**

The most valued attraction is career opportunities offered through the team and whether these opportunities match with the individual. Money can be an attraction to new starters but not that critical to mature candidates. Besides, the company conducts salary benchmarks each year, and finds that there is little difference between what the company offers and other companies can offer. But the company philosophy is “we do not attract talent with money.”

Representative quotes from the interviews are offered below:

HR: **We had a good company brand.** However, considering our competitors include P&G, Uniliver then I have to say they also have very strong company image in market. **Then we have to differentiate our company in talent market. The position also matters. On managerial position, we always want the best candidate in market. I think the most important thing is the career opportunities offered through this team and whether these opportunities match with the individual. Besides, we conduct salary benchmark each year, there is no big difference between our offer and market could offer. Our company did not attract through money.**

Business: **I think Corporate Branding is intangible. Every BU has different leader so the work environment can be totally different. The work environment is key – whether one could interact effectively with line manager and peers so to gain job satisfaction. Attract talent with solid things not a mere brand. Meanwhile, company performance should be solid as well. It represented the strong capability of the whole company management team, the correctness of the strategy and the direction. If the above mentioned is all right then role model in the company was very important. How the role models make decision and motivate others can set up general tone of the company.**

2.4 How do these companies develop their talent?

**Systematic Review**

The company focused on a few talent development processes.

The first process is a “Target Dialogue”, which is a company performance management system. It divides performance into three parts—global target, business unit target and individual
target. The rating is precise—one number after the decimal point. After the rating, the employee can check the bonus range by comparing the result against a matrix. The ratio among the three parts could be adjusted to reflect business strategy. For example, if this year we focus on global deliverables, then the global target might take up to 50% of the entire target.

Another process is “Manager Review”—the Organization Development team oversees and facilitates the entire process. The company identifies higher-performing and high-potential employees through this process.

The third process is “Manager competency assessment”, which is also a global-driven review. This review is based on the 12 competencies in the company’s Competency Model. Managers are required to conduct the competency behavior description for their subordinates each year.

The fourth is “Leadership Dialogue”, which requires subordinates to rate their manager anonymously. The ratings then are collected and reviewed by a third party in Germany. After the anonymous rating, managers are encouraged to talk with subordinates during an HR-facilitated discussion.

Organizational Career Development

For developmental efforts to be effective, it is most important to align between where the company needs the talent and whether the talent is willing to grow in that direction. Efficiency also requires the development of clear objectives – how the company planned the talent’s career. Then the company will provide the resources required to help the employee to meet that objective.

Targeted Development

The company’s signature “Triple 2 program” provides candidates who aim to be promoted to a senior leadership role with the opportunity to work in at least in two different roles, in two different countries and two different business areas. Someone assigned to a different function
demonstrates to others his/her desire to meet a high career development goal. This candidate’s assignment may be very difficult. Unlike other companies, such an assignment must be linked to a career goal/move and an achievement.

Whether the developmental experiences offered to talent are education, training, coaching, assignments or something else, they must help the employee to achieve the identified objective. Effectiveness is not measured by the number of experiences or program offered.

2.5 How do these companies retain their talent?

The company needs to keep those can make contributions to the organizations. To retain talent, the company invests generously in employees, providing them with training and learning opportunities. Meanwhile, the company also offers career opportunities. Employees have opportunities to be transferred; opportunities within the company will keep them always searching for their next career move in the organization.

Other intangible factors also come into play. Managers, especially skillful managers, can use emotional bonds and close personnel relationships to keep the talent. Sometimes they will skip a level to provide personal care to a talent.

Representative quotes from the interviews are offered below:

HR: In general, our company invested a lot on our employees – offering a lot of learning and training opportunities. There had been a lot of career opportunities – one of my team members took a managerial role when she was still under 30. Besides, if employees could get transfer opportunity or got stretch opportunities they would not look externally. In addition, matured and capable managers could retain talent with emotional bond and close relationship and personal care.

Business: At times of organization change, you have to conduct a lot of communication and provide system to support retain talent. The company still needs to focus on develop employees and provide them with opportunities.
Do these companies include Talent Management in their performance management system? How do these companies evaluate their Talent Management effectiveness?

**Current Measurement and Concern**

The company engages in leader competency assessment, the goal of which is to determine whether they can demonstrate the required leadership behavior. However, this measurement does not have a direct impact – the individual leaders’ salary increment and bonus are not impacted by this rating. The consequence takes time to show—if a leader consistently misses a leadership behavior goal his career movement will be impacted.

Business leaders can set team performance as the manager’s Talent Management KPI. This includes how the manager developed their team to enhance the team capability so as to achieve better performance.

Representative quotes from the interviews are offered below:

**HR:** I think Talent Management requirements were evaluated through leaders’ competency assessment – whether the leader has the capability to demonstrate the required behavior. This type of assessment did not have any impact on the individual’s performance rating but more related to his long-term career development in the company so it was not that “powerful” in the short-term since you could not see the direct link to individual’s bonus or salary increment.

**Business:** I set Talent Management related KPI to my team leaders mainly focus on team performance perspectives. Due to limited headcount, some manager only had couple of direct reports and none of them had been really outstanding, which the leader probably could do nothing about. So I would evaluate leader on their plan of develop their team, and how they would measure their team development. I would not measure based on single talent, because it was too limited. For a 2,000 employee organization, you might get 30 HIPOs. It was far from enough if you focus on these 30 talent. You needed to take care of top 10, the 30 to 70 % in middle. The top talent should be managed, the whole team performance should also be managed as well. Meanwhile, I also evaluate whether the leader set up right tone for the team and continue driving...
high performance. There always some KPI we had to measure and could measure. But I could not measure by how many people had been promoted or transferred to other functions because not everyone had this opportunity.

**Talent Management System Evaluation**

The purpose of setting up the Talent Management system and its goals should be reviewed when the company tries to evaluate Talent Management results. If the defined purposes have been served, then the Talent Management system can be rated as successful. Talent requirements and expectations should be defined by the business while HR can provide inputs. Further, the company should allow a longer period of time to “check results” because talent takes time to develop. Just in case business asks for “quick” results, HR should adjust Talent Management approach to meet the requests.

Representative quotes from the interviews are offered below:

HR: If I have to evaluate a Talent Management system, then I had to go back to see that purpose this system aim to serve. If the system serve that purpose then it was a good TALENT MANAGEMENT system. Business strategy determine talent strategy. If business strategy is a business with vision – not just short term business result and our talent strategy was developed surrounding it then there should not be much worries about it. If the business seeking short-term result, then you could only deliver short-term result since you are part of the business organization.

Business: I would allow 2-3 years before measure the effectiveness of Talent Management system. You identified talent with you system and then put them on the development track and follow up from time to time. After 2-3 years you would see if they made any progress/ change. If they progressed or changed then that was the directly measurement. If someone had been identified as HIPO, I must invest time on this talent myself. For talent development, whether the individual is capable for the position and job competency requirement should be identified the BU leader and assessed by business leader The BU leader had clear idea about the expectation of a job and then be able to tell how large was the capability gap for an individual and thus be able to help the individual to improve.
Case D

Human Resource Professional Working in a U.S.-based Chemical Company

Case Overview

Background

The company is a chemical company established more than 60 years ago in the United States. Until 2013 the company had 12,000 employees working across the globe. In 2013, the company’s global sales reached more than USD 5 billion.

In recent years, overall economic uncertainty and an oversupply in the market have impacted the company’s business. The company is now taking the initiative to strengthen its capabilities to get close to customers and meet customer needs at accelerated speeds.

Business in China

The company’s first representative office in China was set up more than 30 years ago. Until recently the company had established manufacturing sites and offices in major cities in China and hired around 2,000 employees in China. Its China headquarters are located in Shanghai.

Company Culture

The company culture can be described as stable and employee-caring. Due to its leading position in the industry, the company enjoyed stable business growth in the past. Like most other companies in the chemical industry, the company is a bit reserved and not that aggressive in doing business.

The company also cares for employees’ development, championing their efforts to take the initiative in pursuing their career development. Employees are encouraged to discuss career aspirations with managers. The company usually will provide the employee with career opportunities if their needs have been recognized by managers.
**Organization Structure**

The company is structured according to functions. Within each function there is a global team and local team. Most business operations and talent-related activities are driven by functions.

**HR Structure**

Human Resources is a Function and has its own reporting line. Within the Human Resource function, there are global team and geographic teams. The HR team consists of Center of Excellence and HR Business Partner roles.

As a geographic team, China HR has its own COE and HRBP who support China organizations. All China HR team members are under the supervision of China HR Head who reports directly to the HR VP.

**Company Official Statement on Talent Management**

The company regards employees as the source of ideas, actions and performance. Employees can best achieve their full potential in an environment of fairness and respect, self-fulfillment, teamwork and dedication to excellence.

The company offers reasons why candidates and employees should join and stay with the company—the freedom to chart their own career path, competitive compensation and benefits. More importantly the employees work for great causes, with company offerings contributing to efforts to make a difference for customers and communities as well as the sustainability of the world.

On its official website, the company maps different paths for candidates ranging from college co-ops, interns, and new graduates to experienced professionals. Many employees started as co-ops and later grew into professionals or took managerial roles in the company.

**Within-Case Analysis**

**Background of the Interviewed Subjects**
**HR Professional.** The HR professional works for China Human Resource team. She has more than 10 years experience working as an HR specialist in different Fortune 500 multinational companies.

**Business Leader.** The business leader is the Business Manager of the company in China. He has been working in different roles on different functions.

Table 4–4

*Selection and Background of HR Professionals and Business Leaders at Company D*

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*Research Question 1 - What is the current status of “Talent Management” in the middle- to large-sized manufacturing multinational companies in which the selected human resource professionals are working?*

1.1 How is “Talent Management” defined by these multinational companies?

**Definition of Talent**

There is no specific definition of Talent in the company. The company uses criteria to assess employees’ performance and to identify High-Potential employees. There is a streamlined definition of High-Potentials at different job levels. For example, for employees at certain levels, the High-Potentials are defined as being promotable.

**Definition of Talent Management**

The company has an annual Talent Management cycle that indicates the Talent Management-related actions and their connections. The Talent Management cycle includes four steps—

In the Talent Management cycle, the year starts with a performance review of the previous year and goal-setting for the current year. Through this process, the company assesses how employees progressed against their goals and behavior expectations. Based on the employee’s performance results, the company determines the appropriate recognition during “Salary Planning”. The results from the first two steps become the input for Talent and Succession Planning.

Talent Review and Succession Planning is a process by which the company conducts a review of employees using a standardized centralized system and process. This process includes an overall review of employee performance, behaviors, potential, retention risk and impact on business. Taking this opportunity, the managers are required to document and refresh the skill/competency and development plans for their direct reports.

Development Planning is conducted after the Succession Planning is complete. It is a follow-up step that utilizes output from the previous steps to target the right development areas for employees to develop on their job and in preparing for their next career moves.

This “Talent Management Cycle” has been posted on the company intranet and been introduced to managers in all Talent Management-related activities and programs.

Though the company has definitions, criteria and systems in place, managers and employees still need time to familiarize themselves with this system. As business leaders put it, the managers needed time to sit together to discuss and align their understanding of the definition to conduct talent reviews.

Representative quotes from the interviews are offered below:

HR: We have a global defined Talent Management cycle. It defines the ongoing process of Talent Management in a year and it includes four parts – Performance Management,
recognition and rewards, Talent Review and Succession Planning, Development Planning. During Talent Review and Succession Planning, the managers will define HIPOs. The process is facilitated by HR. The HIPOs have a definition based on the levels. We have been using this globally aligned system for not a much long time ago so HR has to educate managers to help their understanding so they are capable to utilize this system.

Business: For the definitions, when we have cross-functional talent review sessions, we always spent the first 15 minutes debate on the talent definition. Even the definition is in place, there is still some confusion surrounds it. For the definition of HIPO, it is not 100% applicable in all the situations. Even within the same site, we had different perspectives and understanding on this. For example, the definition is “the person is capable of moving up 2 levels within 3 to 5 years.” That is very difficult to assess.

1.2 Why do these companies establish a Talent Management program?

The company regards talent as its most important asset in ensuring its business success. The company is now facing a long market since being impacted by the volatile economic conditions. Under these circumstances the organization needs a different business strategy. To implement the business strategy, the company needs different ways of doing business and different sets of capabilities and stronger expertise.

The Talent Management system helps the company to engage in an overall review of its organizational capabilities, talent needs and gaps. It also help the organization to define its competitive advantage and map follow-up initiatives.

Representative quotes from the interviews are offered below:

HR: Whenever we talk about Talent Management, we always mentioned that employee is our company’s greatest asset. So to ensure we achieve the business results, we must manage the assets well. We must plan well, know where we are good at and where we need to improve. The company should have this picture in mind. The organization can utilize the expertise, or develop the expertise needed, or get the new expertise outside the company.

Business: At this time, especially with business strategy change,. There must be changes in capabilities that must be supported. For some functions who have changed job requirements, they need to change their capabilities and behavior. There will be change and we must adapt to this.

1.3 What is HR’s role in company Talent Management initiatives?
HR is the champion of Talent Management and driver of all related activities. The champion and driver roles for HR should:

1. Educate managers and employees on the rationale for Talent Management and define everyone’s roles and responsibilities in the process;
2. Map out the process and facilitate the managers through a process and complete the Talent Management process effectively;
3. Ensure that Talent Management activities are completed in line with the global standard criteria and process; and
4. Engage and collaborate with managers in the process and hold them accountable for the results.

On the whole, HR now is still the driving force behind and initiator of many Talent Management activities.

Representative quotes from the interviews are offered below:

**HR:** *HR is the initiator and driver of Talent Management initiatives. Then we collaborate with business to conduct the programs. Surely, we listen to business needs. As key drivers in the organization, business follows HR in Talent Management initiatives at current stage. Sometimes they will complain and sometimes HR has to drive business to complete Talent Management related activities.*

**Business:** *HR is the initiator and driver of a lot of talent related initiatives. HR should be in light of all these and help develop the skills and capabilities needed by the business.*

1.4 Do Chinese company top executives (including CEOs and other C-level officers) participate in Talent Management? If, so, what role do they play?

Company executives participate in Talent Management activities in two ways.

**Global Talent Management Activities**

As global or geographic leaders, they have roles and responsibilities in the Talent Management process. They conduct performance reviews for their subordinates and recognize achievements.
They are involved at different levels of the talent review, calibration and succession planning. They also join in other regular talent development-related activities such as workforce planning, functional excellence, promotion, and special assignments.

**Participate by Invitation**

Company executives are always actively involved in geographic or site-level Talent Development programs. For example, it is almost a tradition for company executives to meet and talk to local leaders or high-potential employees to discuss their careers, share their developmental experiences, and communicate on company strategies and vision. They spend time in company development programs as facilitators or mentors. This direct interaction between company executive and local talent has been highly welcomed. Their participation in leadership development programs has been a great motivation to participants.

Representative quotes from the interviews are offered below:

**HR:** Business leaders involved their time in Talent Review and Succession Planning activities. They also served on cross-functional talent review activities. Meanwhile, they also mentoring key talent. I know a lot of them are mentoring several leadership HIPOs. They also facilitate leadership workshops, act as coach for employees. Though these activities are beyond the company regular Talent Management activities, the executives are willing to do that. It is part of our company tradition.

**Business:** We used to host these leadership forums and have company executives to come in and share their insights, leadership experiences and address employee concerns. This is a great resource to local leader development. It has been deployed in different sites, and has always welcomed by participants.

**Research Question Two: How do these selected human resource professionals manage talent for these middle- to large-sized manufacturing multinational companies in China?**

2.1 How does the Talent Management strategy align with the business strategy in these companies?
No specific Talent Strategy has been defined by the company except for the Talent Management system. The global HR team is working on this and will engage external experts in the process.

HR Business Partners join business meetings and closely work with Business Leaders, so they have the first-hand information of what the business needs to ensure that Talent Management activities are in line with business needs. If a specific talent need emerges from business discussions, the HRBPs will address this on site or bring it back to the HR team for solutions.

On the whole, there is no overall talent strategy. HR is trying its best to link talent activities to support business needs.

Representative quotes from the interviews are offered below:

**HR:** At current stage, there is no clearly defined Talent Strategy based for the organization. It depends on HR personnel work closely with business to understanding and collaboration with business to meet business needs. Our HRBPs join in business meeting on regular basis, they should be able to bring back business voice and needs.

**Business:** There is no formal rule on we should include Talent topic when we talk about business. But there are talent related initiatives going on and some business strategy require people to acquire different skills or need development support. So HRBP who join in the site leadership meeting will get the information and identify solutions from HR perspectives.

2.2 Do the companies use a competency model in the Talent Management programs? How do they use the competency model in the Talent Management programs?

**The Model**

The company has its own competency model which was co-developed with a renowned consulting firm. It is a very comprehensive list of competencies for all employees in company. The competencies has been grouped to cover the essential skills and capabilities areas required by the company.
The company has put the competency framework, the definition of each competency, and the development “how to” on the company intranet. For each competency, there are links to company developmental resources.

**Using Competency in Talent Management**

In the Talent Management process, the managers are required to conduct competency reviews of all their subordinates. The competencies are also being used in talent development. Managers and employees are required to work together to map out the required top 5 competencies for a specific job, and then conduct an assessment of each employee’s current competency level. Based on the gap between the employee competency level and actual competency required by the position, the employee and manager work out developmental actions.

From the company side, for each training courses, there are clearly defined competencies as the course objectives.

Since the company established this competency model not long time ago, the managers and employees are becoming familiar with the competency term and definition and build links with their functions and roles. Based on the Business Leader, the competency definition is a bit general. When the managers use the definition to assess or describe talent or talent needs, it is difficult for others to capture the real meaning, so in most cases, in a talent review or calibration meeting, managers still use their own words to describe talent.

Representative quotes from the interviews are offered below:

HR: We have a competency model in place for everyone in the company. It has been mapped for our company by an external consulting firm. *The competency model has been served as foundation for Talent Management. It is used in Performance goal setting, managers use it for setting behavior goals for their employees. Managers also are required to evaluate their subordinates’ competencies during talent review. We also use that in talent development activities, for most of the developmental programs, we identify specific competencies as program objectives.* We educated all managers on this competencies models when launch the competency model. Till now, managers have awareness of the model. Employees are getting use to using the competency terms.
Some functions are looking into their functional key competencies as foundation for their functional excellence. It still takes time for managers and employee to get used to this competency model. We also need to build more connection between this competency model with business goals and organization capability needs. So managers and employees can apply it more efficiently when they talk about talent, development, job requirements etc.

Business: I remember last year we had a review on what was required for the organization. The outcome was listed as competencies needed to be developed. There had been a lot of confusions and lack of understanding of what the organization really needed to develop if simply look at this competency list. We got the feeling that the list reflected what we might need, but we could not get a clear idea. We have specific needs on technical and soft skills that cannot be captured by the very generic definition of the competencies. We need it clear what type of behavior and competencies are required for a specific level or type of roles.

2.3 How do these companies recruit their talent?

The company business offers niche products, which means that the company needs the right type of capabilities while controlling total labor costs. The company approaches this issue through workforce planning and tactical recruiting measures.

HR works with the business to define overall employee numbers and capabilities needed for the function team, and then determines where the positions and capabilities will be. HR then has a debriefing with business to identify job needs, value to the business and candidate profiling.

The company uses different tactics in recruit candidates. First, it focuses on building a strong, top employer branding. This includes competing in top employer selection and promoting this branding by leveraging public and social media and networks (e.g., LinkedIn).

The company attracts different employee groups by disseminating information on career futures and competitive compensation and benefits. Caring for employees, a company Talent Management system, opportunities in career development and personal capability enhancement through expanded responsibilities, and working with local and global teams with high expertise are all attractive to professional candidates.
For junior positions and operational roles, the company closely works with universities to provide co-op and intern opportunities. In China, the sites have worked with universities and technical schools to build a young talent pool and offer them internship opportunities. The company can evaluate them after their internship and build a young talent pool.

Representative quotes from the interviews are offered below:

HR: *Successful recruit from careful planning, we should take care of labor cost because that link to company profitability.*  So we have to work closely with business to *define exact how many employees we need and where to place them.*  *If there is an opening, we will have a through discussion with the hiring manager to find out the value of the job to the team, the requirement of team – the detailed profile.*  Sometimes managers will make changes to ensure the new role will bring more value to the team.  *In acquisition, our employee branding surely is an attraction.*  *For those candidates in the industry, they know very well of our position in the market.*  Besides, we are now leveraging all types of social media and social network platform to build up our strong brand in market so those who may not know about our company, will start to get family with us.  We will share company Talent Management system, the career opportunities through the position, and outlook our company and business, of this position, our employee caring tradition with the candidates.  *Current employee group is also a great resource,*  they can help us to map the talent in market, provide referrals and build connection with candidates.  More importantly, they help the company create the work environment the company is proud of and to attract talent in market.

Business: *for candidates familiar with our company, they will appreciate our company for sure, for them our brand is attractive.*  *For younger people, they do not know our company, we need to look for new ways to attract them.*  *We should collaborate with universities to provide trainee program.*

2.4 How do these companies develop their talent?

**Talent Development Overview**

Talent Development is not only about development programs. Further, it not just about individual employee development—it’s also about building company capabilities needed to deliver business results, sustain growth, and maintain a competitive advantage into the future.

Talent Development starts with employee performance, especially if that individual is delivering more than expected. By assessing performance, the company knows whether the
individual is capable on the job, reasons for improvement, and whether the individual can move on to the next level.

Next comes assessment, where the company conducts a talent review and succession planning. This is a globally aligned process, meaning that the same system, timeline, and criteria are used across the company to review employees and identify high-potentials and successors. This is a company-wide activity—managers at every level are involved at different stages. From this exercise, the company identifies where the talent and gaps are, and where talented people are needed most.

Beyond this company-level assessment, the company provides user-friendly assessment tools for its employees and managers to use in development planning. This open resource may be used by managers and employees at any time.

After the Talent Review and Succession Planning, the company needs to follow up. Then comes the development planning part or strategic searching for talent externally.

**Development Philosophy and Resource**

The company development philosophy is the most effective development, whether for short-term capability development or long-term career moves. It is based on the offering of hands-on experiences. Development is not necessarily achieved through a big project or a degree program; each small step that stretches the individual’s capability will count toward reaching a career goal.

Employees’ ultimate responsibility is to identify the proper development path and resources, to demonstrate expertise and aspiration, and to link personal goals with company needs.

This particular company offered various developmental resources, such as a mentor, coaching, special projects, rotations, relocations, and assignment and training programs. The focus was the high-potential group, those who had demonstrated expected behaviors or candidates for future leadership positions.
HR together with managers, and sometimes senior managers, worked together to identify development resources for the HIPOs and successors. The company had several senior leaders working on various functions and taking on different assignments through the years.

Among front-line leaders, the ability to help employees identify proper development opportunities and provide career coaching still needed improvement. Meanwhile, some employees still felt a bit awkward talking about their career goals and especially their aspirations to work in different roles. They did not know how to locate the right development methods and solicit needed resources. Further, their managers were not equipped to help them.

Representative quotes from the interviews are offered below:

HR: *As said we have a comprehensive cycle for organizations to measure talent. Correspondingly, we have a comprehensive cycle for employee to develop within the organization. We educate our employees to follow 10-20-70 development rules. We encourage different career development approaches “vertical” is not the only way, horizontal, is also a career option. We offer special assignment, projects, mentoring, coaching and learning opportunities for employees at different levels. There is no specific program that works the best, but we did observe that some employees who has worked for companies for 10+ years are now be assigned a country level roles after learning experiences, role change. But there is no specific programs that work the best. Make the right connection, more exposure, deliver good results and make impression can be the ingredient of success in our company.*

Business: *We assigned the HIPOS to certain program or initiative which started their leadership capabilities from a small scale then to a larger scale. For example, they were assigned to lead a strategic project, they needed to form their team and got their people on board and then influence people. Or they might be assigned to lead specific project or they formed those functional work groups. You need to start with acquitting people with small assignment to practice the leadership in smaller scales before assign real managerial, leadership role to them. We think this is pretty successful. I don’t think we need tailor-made or generic program for our HIPOs. We do not need a specific HIPO program for HIPOs, the key is to help them to leverage different resources here and there to help them develop.*

2.5 How do these companies retain their talent?

Career opportunity plus a caring environment and reward package keep the talent with the company. The company maintained its tradition of caring about employees and their development
needs, including their career development needs. The company also championed its development philosophy among employees. People were willing to move from a managerial role to an individual contributor’s role to get a different level of experiences.

The company built a comprehensive Talent Management process and educated managers on supporting their subordinates in development and engagement. The cross-functional and geographic development platforms in the company sought to offer more career opportunities within the company.

Representative quotes from the interviews are offered below:

HR: *We want to keep the HIPOs that is for sure. We also want to keep those who are high performers.* These two groups are overlapping but not necessary the same. *The company offers benefits, career opportunities to them. It is depend on the employees’ needs and how the line manager leverage on the resources the company can offer. Manager skills can be key here. Our company saw the a low turnover rate in the past years. However, we lost some of our HIPO and High performer due to their unmet career development needs and un-clear career future in the organization.* As the overall society is under great pressure of living a better life and higher living cost. *As we educate the managers and employees on career development philosophy and approaches to build up individual capabilities, we see some employee are now flexible in moving from leadership role to a individual role as far as the job help them gain new knowledge or skills which means add their personally values.*

Business: *Here in China, especially younger generations, they get impatient regardless what you offer them, they just want to move to different company to get totally different experiences. What we can do is to provide internal opportunities to these people, to provide different experiences to them. For example, providing them with cross-function opportunity can be a catch.*

2.6 Do these companies include Talent Management in their performance management system?

How do these companies evaluate their Talent Management effectiveness?

The company included managing employee performance and supporting employee development in the manager’s role and responsibilities, so it was part of the performance management system. However, the degree of emphasis/weight placed on this in the final performance review and rating really depended on the individual supervisor’s mindset.
From the business side, the evaluation of Talent Management linked back to business – Return on investment in people and workforce productivity. The business side also cared about turnover and retention—not only the number but the number of talent that stayed or left.

Representative quotes from the interviews are offered below:

HR: *We have this performance management and develop subordinate requirement in manager’s performance goal. But how much weight the supervisor will put on this goal in the final rating or whether the supervisor will provide feedback and discuss with the manger on this goal really depend on the supervisor’s mindset and his/her own insights on Talent Management.* I know some senior leaders take this goal seriously and put a lot emphasis on building a high performing and high capability team. They also provide coaching and constant feedback to team leaders under his/her supervision. While for some other managers, the business results is most important goal. If the business goal is achieved then everything will be fine.

Business: *Turnover and retention rate is what I like to see. We should look at quality as well as quantity - that really triggers the Talent Management. I’d like to see retain the good people we need. I’d also like to see the business result - I can produce the same with less people, or my people can produce more.* Cost over return is what company executive want to see. China employees are growing on their level and on their salary, then we also are expecting them to return at the same level. *Productivity is what we should keep on measure.*
### Cross-Case Analysis

Company profiles for the four cases are compared in Table 4-5.

#### Table 4-5

**Comparison of Company Profiles of the Four Cases**

<table>
<thead>
<tr>
<th>Company Profiles</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Place of Origin</td>
<td>United States</td>
<td>United States</td>
<td>Europe</td>
<td>United States</td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td>Advanced textiles and materials processing</td>
<td>Science Service</td>
<td>Applied Chemistry</td>
<td>Chemical Industry</td>
</tr>
<tr>
<td><strong>History</strong></td>
<td>120 years</td>
<td>110 years</td>
<td>120 Years</td>
<td>About 60 years</td>
</tr>
<tr>
<td><strong>Employee Number</strong></td>
<td>4,000</td>
<td>50,000</td>
<td>47,000</td>
<td>12,000</td>
</tr>
<tr>
<td><strong>Global Sales</strong></td>
<td>USD 760 million in 2013</td>
<td>USD 17 billion</td>
<td>Euro 16,000 million</td>
<td>USD 5 billion</td>
</tr>
<tr>
<td><strong>Company Development</strong></td>
<td>Matured</td>
<td>Matured</td>
<td>Matured</td>
<td>Matured</td>
</tr>
<tr>
<td><strong>China Organization</strong></td>
<td>Started in 1990</td>
<td>Started in 1985</td>
<td>Started in 1990</td>
<td>Started in 1980</td>
</tr>
<tr>
<td><strong>Category of China Subsidiary</strong></td>
<td>Wholly owned</td>
<td>Wholly owned</td>
<td>Wholly owned</td>
<td>Wholly owned</td>
</tr>
<tr>
<td><strong>Company Culture</strong></td>
<td>&quot;scrupulous&quot; as a technology company. Employees are down-to-earth. The company enjoys a big-family like atmosphere</td>
<td>pragmatic, communicate openly and result-driven.</td>
<td>Founded on Europe &quot;family business&quot; but now more aggressive and encourage &quot;play to win&quot; and share motivation, ambition, passion and entrepreneurial spirit</td>
<td>Stable. Not as aggressive as other industries</td>
</tr>
<tr>
<td><strong>Organization Structure</strong></td>
<td>A lean and flat organization and structured based on a matrix, functional system.</td>
<td>Country based organization. Under country head, there is business and functional leaders.</td>
<td>Geography centric, in which Business Unit follow the product concept, while functional teams focus on functional alignment</td>
<td>Functional based structure. Within function there is global and geographic operation team</td>
</tr>
<tr>
<td><strong>HR Structure</strong></td>
<td>Functional reporting line. Asia HR Head reports to Global HR VP</td>
<td>Country reporting line. HR first report to China President, then report to Asia Regional Head</td>
<td>Functional Reporting Line. All HR Report to HR head</td>
<td>Functional reporting line. China HR Team reports to Chin HR head who report to Global HRVP</td>
</tr>
<tr>
<td><strong>Official Talent Management Statement</strong></td>
<td>On the company website, the company states that it is company offering equal employment opportunity.</td>
<td>Company is committed on talents and results. The company needs talented and dedicated employees who commit to making an impact every day. The company attributes its continuous growth to its ability to attract, develop and retain world-class talent who thrived in the company environment and share company vision.</td>
<td>The talent, as required by the company, should be able to see exciting opportunities in global variation, can also strengthen the company global team and being flexible and actively strive for success. The company offer both management and specialist career paths for employees</td>
<td>The company regards employees as the source of ideas, actions and performance. Employees can best achieve their full potential in an environment of fairness and respect, self-fulfillment, teamwork and dedication to excellence.</td>
</tr>
</tbody>
</table>
The four multinational companies have their origins in developed countries and are all in the mature stages of their existence. Though in different industries, they all enjoy leading positions in their respective industry markets. Their business scopes include product and solution development, manufacturing and sales. They all have commercial and manufacturing sites in China and expanded business across China. Again, while in different industries, three of the four companies were described by Human Resource professionals working for them as being impacted by volatile economic conditions. Only one Human Resource professional claimed that the company was still growing fast and achieving outstanding business results.

The four companies had different organizational structure—some were more functionally aligned and some were geographic-based. As a consequence, HR teams had different reporting lines.

Answers to Research Question 1 - What is the current status of “Talent Management” in the middle-to large-sized manufacturing multinational companies in which the selected human resource professionals are working?

1.1 How is “Talent Management” defined by these multinational companies?
### Table 4–6

**General Definition of Talent Management**

<table>
<thead>
<tr>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
</tr>
</thead>
</table>

None of these four companies had an official definition of Talent. Perceptions of HR professionals can be divided into two distinctive categories—Talent refers to people or Talent refers to collective experiences, skills and capabilities of the organization. Three out of the four companies used the following: “Talent refers to a specific group of identified high-performing, high-potential, highly motivated people who also share company culture and possess the desired skills, attributes that required by the company”.
With regard to the definition of Talent Management, the companies were divided into two categories – Talent Management includes all HR management practices, including attracting, developing, and retaining talent. The second was that Talent Management involved managing employees from the time they entered the organization, through performance management, development, etc., until their separation from the organization.

1.2 Why do these companies establish a Talent Management program?

Table 4–7

*Company Objectives in Establishing Talent Management*

<table>
<thead>
<tr>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR</td>
<td>Talent management is established to achieve business goal. The company needs its core competency to achieve its business strategy and goal. The core competency of company is not capital or technology but the talents who can keep the unique culture of the company.</td>
<td>First, through Talent Management, the company can get the right type of people with the right capabilities to produce the high-standard products the company offers to its customer. Secondly, through this system, company build a platform for HIPOs to grow and provide them with more growing opportunities.</td>
<td>All Talent Management activities are business driven. The business are under great pressure to deliver business results to our shareholders. People has been regarded as the greatest assets to ensure company can achieve business results and sustainable business growth. So Talent Management is to manage this great asset for the company to achieve its business success. Company utilized Talent Management efforts to initial changes to help company to meet customer needs and sustain company competitive advantage.</td>
</tr>
<tr>
<td>Business</td>
<td>Talent Management is for get the right people to produce the niche products the company offers as it is so hard to find the right talent in market.</td>
<td>To meet the fast growing business needs, the company needs people both in quantity and quality. Through Talent Management company gets talents both externally and internally.</td>
<td>To help company make changes. To map the required competencies and match right people to new organization.</td>
</tr>
</tbody>
</table>
With regard to this question, HR professionals in the four companies unanimously answered, “to meet business goal”. Business leaders were more specific: they hoped to get the right people or the desired competencies. Their ultimate purpose was still business results and outcome.

1.3 What is HR’s role in company Talent Management initiatives?

Table 4-8

**HR’s Role in Talent Management in These Companies**

<table>
<thead>
<tr>
<th></th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HR</strong></td>
<td>HR is the leader and driver of Talent Management programs. HR collaborates with business in deploy Talent Management related initiatives.</td>
<td>HR is the leader and take ownership of Talent Management. HR should drive business to foster the enthusiasm and build up the mechanism.</td>
<td>HR is the Partner to business in Talent Management related initiatives - HR should be persuasive, persistent, and sell the Talent Management programs to the leaders, the programs would benefit the organization.</td>
<td>HR is the Initiator, driver and facilitator in the Talent Management initiative. HR is also involved in Talent Management related strategy setting.</td>
</tr>
<tr>
<td>Business</td>
<td>HR is driving Talent Management process and programs and business collaborates with them. It will be great the HR can also build up aligned system to the company.</td>
<td>HR and business collaborated in Talent strategic planning. The Business should set up the expectation and objective, while HR own the planning and execution</td>
<td>Business Leader should be the driving force. While HR as Business Partner should provide perception, provide reference and help.</td>
<td>HR is the Initiator and Driver of Talent Management.</td>
</tr>
</tbody>
</table>

All of the HR professionals agreed that HR is the driving force in Talent Management in their company. In Companies B and C, the Business Leaders claimed that they should lead Talent Management-related activities and set expectations for Talent, while HR personnel should own the process and program based on HR expertise on the Talent-related topics.

1.4 Do Chinese company top executives (including CEOs and other C-level officers) participate in Talent Management? If, so, what role do they play?
Table 4.9

**Company Executive Involvement in Talent Management in These Companies**

<table>
<thead>
<tr>
<th></th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
</tr>
</thead>
</table>
| HR                   | - The board defined the value proposition of Talent Management to the organization and cascade down the message.  
- Provide strategic guidance and set Talent Management program expectation and objectives  
- Participate in regular Talent Review and Planning activity as reviewer  
- Join in workforce planning, succession planning etc. based on business needs. | - The executive participate in Talent Review and other defined Talent related activities  
- The better the Talent Management is structured, the more likely the resource can be leveraged  
- The mindset of "Talent Management is executive's work responsibility" is different from real involvement, sometimes delivery business result is on the top of the to-do list. | - In a business-driven company, get senior executive involvement can be hard unless the short-term or long-term benefit is clear to them.  
- The expected involvement should be the executives make decision and HR will be responsible for design and structure the system, activity, guideline. | - Company top executives get involved in regular company level Talent Management activities including Talent Review, Succession Planning, workforce planning.  
- Participate in developmental programs by invitation, for example hold leadership forum, facilitate leadership workshop, coaching or mentoring HIPOs etc.  
- It is a tradition of the company leaders to contribute to develop other leaders and employees in this company |
| Business             | Did not observe much involvement from executive level:  
- Most of the Talent Development initiatives have been driven by local organization;  
- Talk about cash flow and balance sheet, hardly talk about talent or people | - The senior leader delivered expectation and educate his subordinate  
- Other senior leaders provide support, e.g. act as mentor for others.  
- As business leader, would like to participate in strategic planning.  
The real development program probably need more other resource. | - Executive level involvement is a must in Talent Management.  
- Executives involved through - setting expectation and goals for Talent Management.  
- Observe and nurture the HIPO candidates  
- HR should plan what to do and how to do, provide input for executives to make good decision and involve efficiently. | - I know myself and other executives are participate in Talent Review and Succession Planning  
- We have these leadership forum that having company executive to talk to our local leaders. |

As HR professionals indicated, the CEO and other senior managers’ roles in Talent Management can be categorized into three major categories:

1. **Determine the strategic position of Talent Management and champion the activity in the organization.** The HR professional in Company A believed executives defined the meaning of Talent Management in the company and empowered HR to conduct Talent Management-related initiatives.

2. **Set expectations and goals for Talent Management.** Business Leaders in Companies B and C were willing to participate in defining Talent Management strategies and setting expectations.

3. **Get personally involved in Talent Management-related activities.** HR professionals in all four companies mentioned that the top executives were involved in company-wide Talent Management
activities such as succession planning and management and talent review. In companies B and D, top management also acted as a mentor for other leaders and provided personal care to company talent.

However, the degree of top management or managers’ involvement in Talent Management varied from organization to organization. Business leaders did not think the company’s top executives really cared about Talent Management since they had difficulty talking about this topic. The HR professional in company B agreed that business leaders were aware of the importance of Talent Management but was concerned that business leaders’ involvement would be in question if they were required to follow a defined plan and be held accountable for results of Talent Management activity. Her concern was manifested in the business leader’s statement that extra resources would be required for Talent Management programs besides his personal involvement.

In company C, which was a business-driven organization, HR had to “sell” to business leaders Talent Management and especially those programs beyond the global standard for the Talent Management process. Meanwhile, HR also noted that senior-level involvement was linked to the leader’s maturity.

In company D, a company with an employee-centric culture, both HR and business leaders agreed that company executives were willing to participate in and contribute to Talent Management activities.

Research Question Two: How do these selected human resource professionals manage talent for these middle- to large-sized manufacturing multinational companies in China?

2.1 How does the Talent Management strategy align with business strategy in these companies?
**Table 4-10**

*Talent Management Alignment with Business Strategy in These Companies*

<table>
<thead>
<tr>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR Talent Management should be part of Business Strategy. A successful Business Strategy (planning) should invite HR to join in decision making.</td>
<td>Talent Strategy is of equal importance to business strategy. Business strategy should go ahead of talent strategy because business needs determine talent needs. When we set business goal for the future 5 years, we also discuss future needs on organization capabilities, organization structure and employees capability. HR involvement in business strategy discussion can ensure Talent Management activities can serve business purpose. And engage business leaders in Talent Management.</td>
<td>All the Talent Management decisions are business driven. The organization is under pressure of delivering business result for share holder. When we identify business need different capabilities, HR helps business to take proper talent related measures to ensure meeting the changed needs.</td>
<td>Company HRBPs sit in Business Leadership meeting and bring back the business needs. HR then decide on what are the talent needs and how we can meet the needs. The business identified the needs to serve our customer better, HR helped to identify necessary organization changes to meet this strategic needs.</td>
</tr>
</tbody>
</table>

**Business**

The talent strategy is aligned with business strategy. One of our company’s vision is Employee Engagement, which means the company focuses on employees. Our company conduct Engagement Survey every year. The survey data had been analyzed to see in which areas there were opportunities for improvement. Follow up actions had been planned.

Our business is growing very fast, the organization need a lot of talented people from external market and within the company. Company talent goal is very clear - find the matching candidate, accelerating their development so they can meet or exceed the expectation and bring value to the company.

The company need to deliver on expectation and need matching organization structure.

We have business goal setting meetings, but Talent Management may not be a specific topic. Our site HRBP is invited to this meeting, so HRBP can have idea on what business needs are.

On the whole, all four Human Resource professionals agreed that talent strategy should be aligned with business strategy. At company B, it was clear that talent concerns were at the top of the list of business concerns. At company C, business was the driving force; talent strategy focused on the need to meet business requirements since the organization was accountable for delivery. At company D, HR collected information on business needs and then used this information in developing the HR plan. At company A, the exact practice was a bit vague; it seemed that the site-level manager might have not been involved in talent strategy discussions or aware of them.
2.2 Do the companies use a competency model in the Talent Management programs? How do they use the competency model in the Talent Management programs?

Table 4–11

Competency Model and Usage in Talent Management in These Companies

<table>
<thead>
<tr>
<th></th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR</td>
<td>The company has its own competency model. It is a 12-competency model.</td>
<td>The company has its own competency model. It is an 8-competency model.</td>
<td>The company has its own competency model. It is a 12-competency model.</td>
<td>Our company has its list of competencies which have been mapped out for our company. The competencies are regarded as essential DAN to ensure success in the organization.</td>
</tr>
<tr>
<td>How to use the</td>
<td>HR has been using it in hiring and HIPO identification.</td>
<td>The competency model is the core of HR practice in the company. It is used</td>
<td>For each specific leadership level, there are corresponding expected behaviors. The company championed the competency model among managers to enhance their leadership skills.</td>
<td>The competency serves as foundation of Talent Management system - to define behavior goal in performance management, define job requirements in career ladder, assess employee capabilities, and define development needs.</td>
</tr>
<tr>
<td>model</td>
<td></td>
<td>beyond talent review and HIPO identification and development. General employees can use it as guideline in their own development.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business</td>
<td>The company has its own competency model. It looks generic since these competencies seem essential to every company. It does not directly link to company business strategy.</td>
<td>I think the company is experimenting with different type of models.</td>
<td>Our company has this competency model.</td>
<td>Company has this list of competencies.</td>
</tr>
<tr>
<td>How to use the</td>
<td>In talent assessment, it cannot provide a precise measurement since each rater has his own understanding of the competency. Twelve competencies are too many, several competencies are good enough.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>model</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

When talking about the competency model, HR professionals’ opinions did not triangulate with business leaders’. The HR professionals were all quite familiar with their company competency model and believed it had served as the foundation of Talent Management programs and activities. They all mentioned that competencies had been used in various Talent Management programs.
According to business leaders, awareness and acceptance of the competency model was not the same as expressed by HR. The business leaders’ major concerns regarding competency models were:

1). *Scope of the model.* Two business leaders thought their competency model contained too many items;

2). *Company strategy alignment.* The seemingly generic competency term needed to be “bridged” with the company culture and company business strategy.

3). *Competency model not tangible to business.* The competency model did not help them efficiently identify talent needed by business. The competency definition was either too generic or too vague. They could use it to describe an employee or evaluate people using the competency definition.

2.3 How do these companies recruit their talent?
Table 4-12

Talent Attraction Practices in These Companies

<table>
<thead>
<tr>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Company leading position in the industry is an attraction to professionals and technical personnel.</td>
<td>- The company builds its brand as a leader in industry, being prosper and has the best in class talent in the industry.</td>
<td>- With company competitors are also famous multinational companies, the company differentiates itself through capability development and career development opportunities that it can offer through its localized organization structure.</td>
<td>- Conduct workforce planning to know where and what type of job is needed in the organization</td>
</tr>
<tr>
<td>- For different group of employees, different attract approach:</td>
<td>- Build The fame of developing internal talents</td>
<td>- Know the type of candidate company needs and identify appropriate candidate pool</td>
<td>- Build a &quot;top employer&quot; brand in talent market and champion this brand within and outside the organization</td>
</tr>
<tr>
<td>a. For professionals, especially in general function, the engaging, highly professional company/team atmosphere is key;</td>
<td>- Have a strategy for recruiting and build solid methods, company culture and internal employee connection and form a special spiritual connection among employees</td>
<td>- Conduct salary survey to match up with market compensation offering</td>
<td>- For senior professional employees, using company caring culture, systematic Talent Management and developmental opportunities, highly professional team to attract candidates</td>
</tr>
<tr>
<td>b. For operation/production personnel, the return on their work, work-life balance is key.</td>
<td>- Take total labor cost and internal balance is taken into hiring consideration</td>
<td>- Build a “top employer” brand in talent market and champion this brand within and outside the organization</td>
<td>- For junior level candidates, work with universities and technical schools to provide them with intern opportunities</td>
</tr>
<tr>
<td>HR</td>
<td>Business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- The company has a tradition of develop from within or at least hire with in industry</td>
<td>- Company overall branding of being large and recognized as a good employer in the market</td>
<td>- Corporate branding can be intangible</td>
<td>- For people in our industry, company leading position is attractive</td>
</tr>
<tr>
<td>- Very limited talent pool available that can hardly meet business needs</td>
<td>- Provide more career opportunities than other company based on our fast growing business</td>
<td>- Function/team environment, effective interaction among team members and job satisfactions are key to attract people</td>
<td>- For those not familiar with the company, show them the many career opportunities and developmental programs to them</td>
</tr>
<tr>
<td>- The company should look outside the industry and sometimes change its business structure to attract talents</td>
<td>- Solid company performance and company senior leader role model project strong image to external candidate</td>
<td>- Solid company performance and company senior leader role model project strong image to external candidate</td>
<td>- For junior and operational positions, provide intern opportunities</td>
</tr>
</tbody>
</table>

These companies shared several practices:

1.) Building a company brand was cited by HR as an important approach in attracting talent.

2.) Being a leading company in their respective industry and companies’ image as having the best-in-class talent in the industry were also cited by HR as attraction factors.

3.) Differentiated attraction methods for different groups—in recruiting experienced professional employees, companies used career opportunity and company culture to attract them. For starters, the company used a competitive package to meet their needs.

4.) Since the companies are all technology-based manufacturing companies, they shared a need to hire niche talent to meet business needs, so correctly profiling position requirements and pinpointing the candidate pool was critical to them.
Meanwhile, it was obvious that Business Leaders were not so keen about company branding. Rather, a company’s strong business performance and internal culture and atmosphere, and career opportunities seemed to matter to Business leaders. Business Leaders in Company C even dismissed company branding as inefficient in attracting talent but cited team atmosphere, effective interactions among team member and job satisfaction as important elements.

2.4 How do these companies develop their talent?

Table 4–13

Practice of Developing Talent in These Companies

<table>
<thead>
<tr>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Development starts with &quot;know the expectations&quot; that is business needs</td>
<td>- Effective Development means the talent is developed to effectively support business.</td>
<td>- Systematic review to determine the developmental needs</td>
<td>- Development is a system that include assess, identify, planning, developmental experience, feedback.</td>
</tr>
<tr>
<td>- Provide developmental experience based on needs and available resources</td>
<td>- talent Development should develop organization capability not an individual</td>
<td>- Match HIPO career goal with company needs</td>
<td>- most development comes from hands-on experience and start from current job</td>
</tr>
<tr>
<td>- Offer hands-on developmental resources, e.g., Rotation, best practice sharing</td>
<td>- Leverage the existing resource efficiently (quality of developmental experience not the number matters most)</td>
<td>- Provide targeted developmental experience including map the required developmental experience before a internal candidate can be placed on a senior position, identify the expected outcome through each assignment and development experience</td>
<td>- Employees should be accountable for their career development</td>
</tr>
<tr>
<td>- Development takes time, line manager involvement and support from business is needed.</td>
<td>- - Effective Development means the talent is developed to effectively support business.</td>
<td>- Offer different development resource to HIPO, Manager and general employee group</td>
<td>- Developmental experience rather than developmental programs be planned for employee development</td>
</tr>
<tr>
<td>Business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Company should differentiate leadership HIPO from technical experts</td>
<td>- The company offering integrated resources, external program and internal coaching, mentoring</td>
<td>- Systematic review to determine the developmental needs</td>
<td>- Assign HIPOs with special project</td>
</tr>
<tr>
<td>- Develop talents only use internal resource has its own limitation</td>
<td>- Practice make perfect</td>
<td>- Match HIPO career goal with company needs</td>
<td>- Start from small scale development then to larger scale</td>
</tr>
<tr>
<td>- The employee should be willing to change and aspired to growth</td>
<td>- The employee’s development and career goal should align with business needs</td>
<td>- Be able to provide on-job experience plus intensive coaching from manager</td>
<td>- Have people developed through projects so they can accumulate skills through the process before place them on a higher level</td>
</tr>
</tbody>
</table>

HR and Business held different perspectives in this area, too. HR professionals in these companies felt that development was more important than developmental programs—a system that...
helped organizations to develop capabilities in order to meet business needs. Business leaders were more likely to define development as developmental programs and processes.

However, both HR and Business leaders agreed that hands-on experiences can be the most effective developmental experiences, along with job rotation. Special projects were cited as effective approaches in developing employee capabilities.

As HR professionals indicated, all companies have a succession planning process in place to identify high-potential employees and map their development path to match company business needs. Developmental resources may then be provided to these identified high-potentials to accelerate their development and ensure their readiness for more senior positions.

2.5 How do these companies retain their talent?

Table 4–14

Talent Retention Practices in These Companies

<table>
<thead>
<tr>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company culture</td>
<td>Build company image that the company has the top management system and top talent in industry</td>
<td>Invest generously on talent development</td>
<td>Company culture of caring for employees and take care of their development needs</td>
</tr>
<tr>
<td>- Good work environment (safety, fair treatment, leadership skill)</td>
<td>- Always provide the space for talents to grow</td>
<td>- Open up career opportunity; employee won't leave if they can develop capability and stretch assignment within the company</td>
<td>- Champion the company development philosophy that &quot;up is not the only way&quot;</td>
</tr>
<tr>
<td>- Ethics</td>
<td></td>
<td>- Build up emotional connection with employees</td>
<td>- Build Talent Management system and educate managers to support employee growth</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A fair performance management system</td>
<td>Provide employees with what they need</td>
<td>- In case of organization change, a lot of communication is required</td>
<td>- Take care of employee to insure their careers are not jeopardized if their development do not carry out as planned due to changed business needs</td>
</tr>
<tr>
<td>- Recognize employee contribution</td>
<td>a. give career opportunity and challenge to those seeking career development;</td>
<td>- Invest on employee development by any means</td>
<td>- Offer career opportunity internally and cross functional career opportunity to younger generation</td>
</tr>
<tr>
<td>- Competitive compensation</td>
<td>b. provide work-life balance to return on work to those seeking balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Training and development program that accelerate employee development</td>
<td></td>
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</tr>
</tbody>
</table>

Career opportunity and Development Opportunity have been cited as important retention strategy by all interviewees. Company culture, work environment, communication, caring from
company which directly link to employees’ experiences in the organization have been regarded as important factors to retain talent as well. Only Business Leader in Company A and B mentioned provide attractive compensation to employees who regard monetary return as important as a retain strategy.

While HR Professionals emphasized company branding’s impact on employee retention, none of the business leaders mentioned it in their answers.

2.6 Do these companies include Talent Management in their performance management system?

How do these companies evaluate their Talent Management effectiveness?

Table 4 – 15 Practice of Evaluate Talent in These Companies

<table>
<thead>
<tr>
<th></th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR</td>
<td>- The company does not set specific talent management goal in talent system</td>
<td>- The company does not set Talent Management as a performance goal.</td>
<td>- The company assess managers' leadership competency – whether the leader has the capability to demonstrate the required behavior. But this does not have much direct impact on manager's annual performance rating.</td>
<td>- The company set 'managing performance' and 'develop subordinate' in manager performance goal.</td>
</tr>
<tr>
<td></td>
<td>- One of the manager core competency is &quot;willing to hire someone who are better than themselve&quot; but company does not evaluate manager on this due to the difficulty to do that.</td>
<td>- The company measure Talent Retention rate but it is not a detailed measurement. At global level, the company has some metrics, for example, what is the ratio of managers are promoted internally.</td>
<td>- If the manager consistently fail to meet the leadership assessment then his career in company will be impacted in the long run.</td>
<td>- The track and rating of manager performance on Talent Management really depend on the supervisors' mindset towards talent management.</td>
</tr>
<tr>
<td></td>
<td>- Company uses turnover rate especially for operator worker.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- The cost efficiency is easier to measure for operator group.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business</td>
<td>We do not set any Talent related KPI in company performance system.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The best evaluation should be business result.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- The company set some Talent Management related goal in performance system but not sure about the weight of this goal in overall performance rating.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- The problem is it is hard to measure talent management outcomes quantitatively.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- The company is growing so fast, the managers are focus on business, so they always put business first when there is not enough time for do both (business and Talent Development).</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Three out of four companies set up Talent-related performance or behavior goals for their manager group. However, none of the HR professionals were confident that the performance goal would really motivate the manager to manage talent as expected.
HR professionals in Companies B and C mentioned that turnover rate and ratio of internal promotion were used to track Talent Management results but none were satisfied with these measures.

Both HR professionals and Business Leaders cited the difficulty in measuring Talent Management outcomes quantitatively as the reason for the difficulty in measuring Talent Management outcomes. However, all agreed that business results should be the ultimate measure of Talent Management but it had been difficult to build a link between the two.

Currently, companies tracked turnover rate, talent retention, internal promotion rate, and workforce productivity as indicators of their Talent Management efforts.
Chapter Five
Study Summaries, Conclusions and Recommendations

Study Summary

The purpose of this study was to investigate the Talent Management status and Talent Management practices of selected human resource professionals in middle- to large-sized manufacturing multinational companies in China. The following research questions were addressed in this study:

Research Question 1: What is the current status of “Talent Management” in the middle- to large-sized manufacturing multinational companies in which the selected human resource professionals are working?

1.1 How is “Talent Management” defined by these multinational companies?

1.2 Why do these companies establish a Talent Management program?

1.3 What is HR’s role in company Talent Management initiatives?

1.4 Do Chinese company top executives (including CEOs and other C-level officers) participate in Talent Management? If so, what role do they play?

Research Question Two: How do these selected human resource professionals manage talent for these middle- to large-sized manufacturing multinational companies in China?

2.1 How does the Talent Management strategy align with the business strategy in these companies?

2.2 Do the companies use a competency model in the Talent Management programs? How do they use the competency model in the Talent Management programs?

2.3 How do these companies recruit their talent?
2.4 How do these companies develop their talent?
2.5 How do these companies retain their talent?
2.6 Do these companies include Talent Management in their performance management system? How do these companies evaluate their Talent Management effectiveness?

The study was guided by the researcher’s literature review on Talent Management in multinational companies (MNCs). The study followed a multi-case study design—four Human Resource professionals working for middle- to large-sized multinational companies were selected and studied.

The researcher collected data through interviews with selected Human Resource professionals and Business Leaders from the companies in which the selected Human Resource professionals were working. The researcher also studied documents and company websites to gain in-depth information on the selected companies and their talent management practices. The interviews served as a source of primary data, while documents and company website content were sources of secondary data.

The researcher selected Human Resource professionals who were familiar with and overseeing Talent Management systems in their companies and Business Leaders who were heads of independent business units and had been involved in their companies’ Talent Management activities.

To enhance data quality and the entire study, the researcher used the following strategies:

a. When selecting interviewees, the researcher conducted a prescreening to ensure that the interviewees were knowledgeable about Talent Management practices and had been involved in the Talent Management activities in their organizations.

b. The primary data were collected from Human Resource professionals and Business Leaders in each company so the triangulation within each case across informants was
made by comparison and contrast of personal opinions based on responsibility for different functions.

c. The multi-case design provided the researcher the opportunity to triangulate the data from four different cases to identify similarities and unique qualities among the cases.

To enhance the trustworthiness of the study, the researcher adopted the strategies of prolonged engagement, triangulation, member check, thick description of the cases, dense background information description, field journal and self-reflection, detailed study processes description, and audit by an external auditor throughout the study.

The researcher conducted and presented findings from a within-case analysis and cross-case analysis in the previous chapter.

**Conclusions**

In this section, the study findings are compared with the summaries from the previous literature review and then summarized according to these comparisons.

Research Question 1 - What is the current status of “Talent Management” in the middle- to large-sized manufacturing multinational companies in which the selected human resource professionals are working?

1.1 How is “Talent Management” defined by these multinational companies?

“Talent Management” has been a buzzword for more than a decade. MeKinsey (2006) found that most companies cited talented people as the single most important managerial preoccupation based on two global surveys administrated in 2006. A look at the practice of Talent Management in organizations first requires definitions of “Talent” and “Talent Management”.
Talent

None of the four companies had an official definition for “Talent”. The definitions cited by the HR professionals can be divided into two categories:

a. “Talent” refers to a specific group of people. HR professional in Company A indicated that Talent referred to “a group of employees with the business skills, competencies, knowledge and expertise to contribute to business results”. In companies B and D, the HR professionals identified high-potential employees by evaluating employees’ performance, potential, learning agility, mobility, and aspirations.

b. “Talent” referred to the collective capabilities of all employees in the organization. The HR professional in company C indicted that Talent was regarded as the collective capabilities, experiences, and wisdom of all employees in the organization.

Gallardo-Gallardo, Dries, and Gonzalez-Cruz (2013) proposed two approaches to define Talent: Objective and Subjective. The Objective approach views Talent as the characteristics (natural ability, mastery, commitment and fit) of people. The Subjective approach regards Talent as people. Gallardo-Gallardo, Dries, and Gonzalez-Cruz suggested that in the world of work the two approaches can inform each other in that the Objective Approach specifies which personal characteristics to look for when identifying Talent, whereas the Subjective Approach provokes important discussions about cut-offs and norms (p. 297).

It is obvious that Human Resource professionals in Companies A, B and D adopted the integrated Objective and Subjective approaches towards Talent. More specifically, they adopted the Exclusive Approach, that is, Talent is an elite group of employees who are high-potential plus high performers. To the HR professionals in these three companies, Talent is the group of employees
who are high-potential and high-performing, possessing the right set of characteristics and fit with company business needs.

Though HR professionals in company C regarded Talent as the collective capabilities, experiences, and wisdom of all employees in the organization, which is close to an “Objective Approach”, some HR practices adopted by the company, as cited by the HR professional, still distinguished employees according to their performance and potential.

**Talent Management**

Inheriting the unclear definition of “Talent”, “Talent Management” has been defined differently in these four companies. As cited by HR professionals, two of the companies did not have an official definition or description of Talent Management in their organizations. The HR professionals’ perspective on the definition and scope of Talent Management can be divided into two groups:

a. Talent Management includes all HR management practices, including attracting, developing and retaining talent. Human Resource professionals in Companies B and D both described Talent Management as including a series of human resource management related activities and processes.

b. Talent Management is managing employees from the time they enter the organization, through performance management, development, etc., until they separate from the organization. HR professionals from companies A and C described Talent Management as relating to the employee life cycle in the organization.
Both perspectives have been included in the four streams identified in Lewis and Heckman’s (2006) review on Talent Management. Even holding different perspectives on Talent or Talent Management, the HR professionals all comfortably included typical Human Resource management practices such as attracting, developing, and retaining Talent in their description of Talent Management practice they used in the organizations.

1.2 Why do these companies establish a Talent Management program?

Consulting firm reports claimed that Talent Management is regarded as the top priority in multinational organizations because it contributes significantly to achieve companies’ performance goal and maintain competitive advantage.

All of the HR professionals and Business Leaders interviewed cited the challenge of obtaining the required talent to meet business needs which, as the literature review revealed, is a situation facing China: a short-supply of qualified talent.

The four Human Resource professionals interviewed unanimously agreed that the purpose of establishing Talent Management in their organization was to “achieve business goal”. They believed Talent Management would help the company to get the people with the right capabilities to “produce high standard products”, “deliver against business goal” and “sustain the business growth”. Human Resource professionals and Business Leaders from companies C and D mentioned that Talent Management efforts supported their organization’s change efforts to meet external market challenges and offer better services to customers.

This finding also echoes those from researches conducted by Boston Consulting Group and McKinsey that today’s global organizations are focusing time and attention on maximizing the value of their workforce and managing their talent strategically.
1.3 What is HR’s role in company Talent Management initiatives?

All of the HR professionals agreed that HR is the driving force of Talent Management in their company. HR initiates policy, designs process, provides consultation and owns the process and execution of the Talent Management program.

As mentioned by the HR professional in company B, the “Leader” and “Owner” roles include:

a. Solicit feedback from business strategy and expectation on talent.

b. Be the designer of Talent Management plan, process and programs

c. Drive the organization to execute the talent development plan.

This finding is very close to the findings from the Economist Intelligence Unit (2006) study and Rothwell (2010) book that HR is mainly responsible for executing Talent Management strategy, act as the custodians of the Talent Management process and provide guidance and perspective on the programs. HR ensures that Talent Management efforts move in the right direction.

1.4 Do Chinese company top executives (including CEOs and other C-level officers) participate in Talent Management? If so, what role do they play?

Based on the interviewees’ accounts, CEOs and senior executives play three major roles in Talent Management:

Define and Champion Talent Management

This role involves determining the strategic position of Talent Management and championing it in the organization. As the HR professional in Company A said, the company executive gave meaning to Talent Management and empowered HR to conduct Talent Management-related initiatives.
This finding is in line with Rothwell (2010) finding, which stated that “the board and CEO should ensure that an effective succession planning and management program exists and working efficiently” (p.376).

**Set Goals and Expectations for Talent Management**

Business Leaders in Companies B and C expressed willingness to participate in defining Talent Management strategy and setting expectations. This echoes Rothwell’s (2010) definition of senior managers’ role as being responsible for establishing Talent Development objectives for his or her division and then meeting these goals.

**Participate in Talent Management Activities**

According to the Economist Intelligence Unit (2006) study on CEO’s role in Talent Management and DDI’s (2011) “Global Leadership Forecast 2011” report, in best-practice companies, senior executives are involved in Talent Management activities. Executives and managers spend a large amount of time on talent management, mentoring other leaders in the organization, developing high-potentials, playing a role in training, providing resources, and taking the lead in the systematic review of the top tier of managers.

HR professionals in all four companies mentioned that their top executives are involved in Talent Management activities such as succession planning and talent review. In companies B and D, top management members also act as mentor for other leaders and provide personal care to company talent.

However, senior managers’ willingness to participate in Talent Management does vary from organization to organization. As HR professional in company B mentioned, HR has to plan and
organize the process so that company senior managers know what is expected of them and what sorts of resources are required. In company C, the HR professional sometimes had to “sell” Talent Management to senior managers to solicit their involvement.

Research Question Two: How do these selected human resource professionals manage talent for these middle- to large-sized manufacturing multinational companies in China?

2.1 How does the Talent Management strategy align with business strategy in these companies?

Strategic alignment has been identified as an integral part of the Talent Management framework as proposed by Tarique and Schuler (2010). Lewis and Heckman (2006) defined talent as being strategic—it should be able to influence the development of strategy and shape organizational strategy rather than “simply respond[ing] quickly to the implications of strategy and Talent Management needed to develop a point-of-view regarding how talent decisions are made” (p. 145).

Strategy Alignment

In the four companies, the HR professionals believed that their talent strategy should be and was aligned with business strategy as demonstrated through:

- HR involvement in the business strategy planning process. HR professionals from all four companies agreed that an HR member should sit in the business strategy planning meeting and talent strategy should be on the agenda of business strategy planning.

- Talent Strategy should be developed by HR together with Business. All four HR professionals mentioned that after the business meeting, HR would collect business strategic plans and analyze them to identify common themes, and then decide on the required organization changes and talent management programs. Business Leaders are
willing to participate in this talent strategy planning meeting and set their expectations for
talent.

**Talent Strategy is Associated with Strategy, Structure, Culture and Execution**

Joyce and Slocum (2012) found that Talent by itself cannot produce performance directly unless Talent sustains the four foundational capabilities of strategy, structure, culture and execution. The four HR professionals mentioned Talent Management efforts used to maintain company culture, ensure the required talent supply, enhance required capabilities and enable organization changes.

**Business Strategy Ahead of Talent Strategy**

The HR professionals and Business Leaders in the four companies all agreed that business strategy and goals determine the talent strategy. In Company B, though, the HR professional and Business Leader both agreed that talent strategy and business strategy were of equal importance—ultimately, business needs still determine talent needs. It seems that the HR professionals in the four companies regard talent strategy as a quick response to business strategy and needs. Business determines how talent decisions should be made.

2.2 Do the companies use a competency model in the Talent Management programs? How do they use the competency model in the Talent Management programs?

Competency is “an underlying characteristic of a professional, and includes motives, traits and skills, aspects of one’s self-image and social roles or a body of knowledge, that results in effective performance in his/her professional” (Rothwell & Lindholm, 1999, p. 2). “Required competencies” was identified by Lewis and Heckman (2006) as another internal driver of Talent
Management in organizations. Organizations can achieve high-performance by building a right set of competencies in the workforce and deploying the competencies to particular jobs. The important tool for this is a competency framework (Green & Cheese, 2008).

HR professionals in this study all confirmed that their organizations had competency models. The competency models varied from an eight-competency model in Company C to a whole list of competencies in Company D. The models were developed especially for the companies either by mapping an existing external competency model or identified through a competency modeling process together with an external consulting firm.

**Competency Model & Talent Management**

In their work on Competency Identification, Modeling and Assessment, Rothwell and Lindholm (1999) pointed out that the “competency model will be applied by HR professionals to career issues, organizational issues, strategic issues and multicultural issues” since ‘competency based Human Resource Management will be the keystone in the bridge between individual career development and organization strategy” (p. 101).

In these four companies, HR professionals all confirmed that the competency model is the core of their Talent Management activities. The HR professionals agreed that the competency model defines the essential capabilities in the company and provides a common language and criteria for measuring employee qualifications and identifying high-potentials among employees. The competency model also serves as a guideline for general employee development and organization capability enhancement.

Boatman and Wellins (2011) found that many organizations have their own competency models, but only half use those competencies as the foundation for their talent management systems.
and apply the competencies consistently across the HR system. The HR professionals in this study were all aware of the importance of the competency model, but in reality none could give an actual account of applying the competency model consistently through all talent management-related activities.

**Tangible to Business**

the business leaders’ opinion did not triangulate with Human Resource professionals’ understanding of the competency model in this study. As business leader put it, the competency term was too generic and not linked with company culture or expected behaviors. The competency definition was regarded as vague and did not offer a clear description of organization capability or an individual’s expertise. The Business Leader in Company A thought the model was “not linked with company strategy or well connected with each other”. The Business Leader in Company D indicated that the company had tried to use the competency term to describe organization capability but the term did not make much sense and extra explanation was needed for employees.

A gap appears to remain in Business Leaders’ understanding and utilization of the competency model. To them, the definition of the competency model needs to be “translated” into observable behaviors and supported with clear descriptions and, as mentioned by both HR and Business Leaders, matched with different levels in the organization. In addition, the presence of too many competency terms confuses the Business Leaders and dilutes their attention. As stated by the Business Leader in company A, the competency model should focus on the essential competencies linked to the company vision, culture and expected behaviors.
The Boston Consulting Group’s (2012) “Creating People Advantage 2012” survey showed that in high-performing companies (defined as the top 10% of surveyed companies by profit margin and revenue growth), the competency model is updated and tangible to leaders.

It is obvious that HR professionals should build the connection between the competency model and world of work so managers can utilize the competency model efficiently as a common language when applying systematic tools to discuss, assess, evaluate, and develop talent in the organization to meet business needs.

**Champion the Model**

In company C, the HR professional claimed that the model served Talent Management well, because the competency model had a profound supporting document to explain each competency. Meanwhile, the company matched expected behaviors for each competency with job levels in the company. In China’s organizations, they further enriched the expected behavior library so that managers and employees could better understand the expected behavior based on the competency model. The business unit usually selected the top six competencies to focus on rather than working on all 12 competencies. The business leaders from company C also recognized the use of competency in the organization. The HR professional championed the competency model in company C. As revealed by the HR professional, two-day workshops had been organized to educate managers about the competency and how to apply it in their day-to-day work. The workshop was full of exercises and role-play. Follow-up actions were tracked after the workshop.

2.3 How do these companies recruit their talent?
Recruiting is not merely filling a vacancy. As Caye and Marten (2007) showed, the HR professionals identify talent who can rise in the organization. To meet business goals, the companies tap both internal and external talent pools strategically.

The four companies were all technology-based manufacturing companies that needed niche technical and leadership talent to meet business needs. All of the HR professionals and Business Leaders used the term “niche” talent in their interview and expressed concern about the limited technical and leadership talent pool available in the market. They all mentioned that they had experienced difficulty in finding enough senior management-level or top technical candidates in the market, and they had to pay a high price to get talent. To make things worse, some talent with high price tags might not possess qualifications that match the price.

**Build Employer Familiarity, Reputation and Image**

Collins (2007) found three dimensions of employer knowledge—employer familiarity, reputation and image, all of which have significant and independent direct relationships with applicant intention and decisions.

HR practitioners in the study all indicated that their company was among top-tier companies in their respective industries; their brand name can attract candidates familiar with the industry. In addition, they all attempted to build a strong company image. As the HR professional in Company B mentioned, the organization built its image as prosperous with fast-growing business, having a highly capable employee group and top talent in industry. This image was also recognized by other companies in the industry thus automatically attract the best talent to join the company.

**Differentiation in Market**
As the war for talent grows fiercer and most Fortune 500 companies have established their subsidiaries in China, companies are finding it difficult to recruit by simply using their company brand. The HR professional in Company C found that the other competitors in the industry also had a strong company brand. Under this circumstance, differentiating the company from others becomes critical. As the HR professionals discussed, a unique company culture, a more empowered employee group, and opportunities to accelerate capability development can distinguish the company from competitors in the field. The companies have to build tangible cores within their organization. The tangible factors include a clear vision, a shared company culture, good team atmosphere, employee bonding, and spiritual connections. Company executives modeling the company culture were regarded by both HR professionals and Business Leaders as important to forming the company image.

**Understand Talent Need and Pinpoint Talent Pool**

The Boston Consulting Group (BCG) (2012) and Development Dimension International (DDI) (2011) studies showed that best-practice companies profile employees who will enhance and/or foster organizational success and engage in research on the target talent pool to find the match.

This practice was echoed by Companies B, C and D. If there was vacancy in the company, the HR personnel would have a thorough debriefing with the manager to identify the type of capabilities needed and find the proper level of candidate. As the HR professional in Company C mentioned, for some positions they would focus on finding proper candidates who fit the overall structure of the team. However, the company would hunt for best-in-class leaders in the market because the company puts much emphasis on leadership.
Leverage Targeted Attraction Measure

Baum and Kabst (2013) studied the importance of working atmosphere, career opportunities, work-life comfort, task and payment attractiveness to candidates from different nations. They found that Career Perspective and Personal Development are the important factors to all applicants (mainly engineering students) from different nations, while Work-life comfort and Work atmosphere are perceived differently by applicants from different nation.

The HR professionals in the study also noted the different needs of different types of job candidates and leverage different attraction to meet the needs. For those looking for better compensation, efforts were made to attract them with company compensation and benefit packages, while for those who sought to pursue career growth, efforts were made to attract them with developmental opportunities. This does not mean the company should satisfy whatever the candidate asked for—the HR professional in company B mentioned internal balance and fairness. Besides, the HR professional in Company C indicated that companies would participate in salary surveys each year so that most companies had a good knowledge of external benchmarks and knew very well how much they could offer. This practice reflects the one of the findings from the Baum and Kabst (2013) study—that Compensation Attractiveness is the least influential aspect of employer image.

Apply New Recruit Approach

All of the companies in this study had a “career” section built-in company official website and installed a search engine for visitors to sort and search for specific open positions. In the “career” section, Companies B, C and D provide a vivid, detailed description of career development in the organization as well as company mission, vision and culture. Any job applicant can find most of what he/she want to learn about the company in the “career” section. Meanwhile, HR professionals
in this study also mentioned piloting the use of social media such as LinkedIn and Weibo (Chinese version of Twitter) to post jobs and approach a specific talent pool. This echoes the BCG (2012) finding that best-practice companies are more likely to regard social media as a valuable channel and use the company website as an opportunity to attract talent.

2.4 How do these companies develop their talent?

Though the HR professionals in this study spared no effort in attracting talent from external markets, they still faced a talent short-supply and a limited technical, leadership talent pool, so all resorted to their internal talent pool – developing their own talent from within.

A Learning Organization

Based on the study with the International Society for Performance Improvement, Rothwell, et al. (2004) found that “Planned on Job Training”, “In-house classroom courses tailor-made managers”, “In house programs offered by external” and “planned rotation program” were effective individual grooming methods. All HR professionals in this study mentioned that their companies offered all or at least some of the above-mentioned development resources to their employees in a systematic approach based on individual’s level and development needs in the company. Company C puts up all the available global developmental resource information on its official website for everyone’s free access. Company D sets up an internal website as a one-stop shop for all employees to access developmental resources including assessment tools, classroom training information, career planning tools, and recommended on-the-job and out-of-the-job development recommendations.

Systematic Approach to Identifying Development Needs
Human Resource professionals from all four companies mentioned that their companies conducted succession planning and high-potential identification processes as a global initiative. In addition to HR professionals, company senior leaders were also involved in the process. Through this process, the HR professionals could ensure that they knew who to develop and what to develop. The Succession Planning process described by the HR professionals partially aligns with the Systematic Succession Planning and Management model developed by Rothwell (2010).

All HR professionals mentioned that in identifying development needs, business and organization capability needs were considered and placed according to priority. The HR professionals conducted continuous organizational diagnosis to identify company capability gaps and areas for improvement to learn about organizational needs. Meanwhile, they also engaged in regular performance reviews and competency/expected behavior reviews with general employees to pinpoint areas of development.

The overall practice adopted by the HR professionals in this study somewhat reflected what Rothwell (2010) predicted—SP & M would:

- Prompt efforts by decision makers to find a flexible range of strategies to address organizational talent needs.
- Lead to an integrated retention impact
- Have a global impact
- Encourage the integration of effective succession issues with career-development issue.
- Become more fully integrated with selection decisions.
- Focus on leveraging talent as well as developing it.

**Organizational Career Development Approach**
Petrie (2011) found that development ownership has been transferring from organization to individual as people develop fastest when they feel responsible for their own progress. This finding was supported by HR professionals in this study. In Companies B, C and D, employees’ aspirations to grow and willingness to change were considered critical factors in the high-potential identification process.

At the same time, the HR professionals in this study all mentioned the alignment between personal career goals and company business needs as key to ensure that employees, especially high-potentials, accelerate their development in the organization and achieve their career objectives. HR professionals reinforced the notion of the importance of aligning company needs with high-potentials’ career needs. HR professionals in Companies A and C mentioned that those whose career goals were not aligned with the company’s would be gradually removed from the organization. Business leader from Company B also echoed this notion, stating that those who did not have an aligned development goal were removed from the accelerated development path.

**Hands-on Developmental Journey**

DDI’s study (2011) revealed that best-practice companies take advantage of “formal workshops, courses, seminars”, “coaching from managers”, “special projects or assignments” “move to a different position to develop targeted skills” in their leadership development efforts.

All HR professionals regarded development as an experience and journey that included both horizontal and vertical movement. This echoed Petrie’s (2011) study findings. The HR professionals adopted a more experiential developmental approach rather than traditional training or classroom learning. As noted by all HR professionals and Business Leaders in Companies B, C, and D, the experiential development approach enables employees to practice and institutionalize what
they learned in classroom training. As Business leaders in Company D mentioned, special projects offer managers the opportunity to practice leadership skill in small scale before being placed in important roles where failure would have a more severe impact on their career.

**Targeted Developmental Approach**

Though adopting almost all developmental approaches in their practice, when asked whether a more innovative developmental approach was needed, all HR professionals replied that the focus of Talent Development was not on finding a new approach but on getting the best mix to develop efficiently. This statement echoes Boatman and Wellins’ (2011) finding that in best-practice companies the key to effective development is a strategic mix of well-designed and well-executed methods. As the HR professional in Company B said, “the key is not counting how many developmental approaches HR has been using but how effective HR can help employee to meet the organizational and individual development needs”.

Business Leaders’ opinions on development approaches differed from those of HR professionals. According to Business Leaders in Companies A and B, formal training should be provided to employees while coaching from managers and rotation is a contingency plan when “there are limited resources due to cost cuts.”

2.5 How do these companies retain their talent?

**Career Development is Key**

When talking about Talent Development, all HR professionals mentioned that providing career development opportunity would also enhance Talent Retention. The HR professional in Company B pointed out the close connection between providing career moves (horizontal or vertical)
and internal job opportunities through Succession Planning and the likelihood of identified high-potential employees staying with the company. The HR professional in Company C mentioned that if the employees know they would have opportunities to enhance their capabilities in the current organization, they were more likely to stay with the company. The business leader also mentioned that providing cross-functional career moves would enhance retention of younger employee group.

The HR professionals’ retention practices are very close to those offered in the findings of Rothwell, Knight and Lindholm’s study on ISPI members; D’Amato and Harzfeldt’s (2008) study on European Manager retention; and the Boston Consulting Group’s (2012) study, all of which indicated that “offering leadership development, create a learning culture, clearly defined career path, reinforce career development discussion and build a strong performance management system” will help retain talent within the organization.

**Company Image and Culture Retains Employees**

“Company culture”, especially “team atmosphere”, “ample and direct communication” were cited by HR professionals and Business Leaders in this study as critical retention factors. As the Business Leader in Company C mentioned, whether the employee could interact efficiently with other members on the team and receive care from the manager and the company directly impacted that employee’s retention. The HR professional in Company B talked about strong company image—being a leading company in the industry and top-talent-in-industry employee group—and how this helped the organization to attract as well as retain talent.

**Differentiated Retention Strategy**

In organizations A and B, Business Leaders mentioned offering differentiated retention measures to different employee groups. Career development opportunities were attractive to
professional and high-end talent, but compensation and work-life balance still mattered to Chinese employees. This is in line with Hay Group (2007) study finding that Chinese employees still regard compensation as an important factor in job decisions.

In this study, none of the HR professionals cited compensation as the ultimate tool in retaining employees because in a middle- to large-sized multinational company, internal balance and overall labor cost-effectiveness were important considerations. Participation in a market salary survey has become a routine practice for HR professionals to ensure the organization maintaining its proper salary positioning and compensation competitiveness for specific job groups.

2.6 Do these companies include Talent Management in their performance management system?

How do these companies evaluate their Talent Management effectiveness?

**Quantitative Talent Management Goal**

Three out of four companies in this study indicated either including a talent management goal in managers’ performance goals (e.g., management is responsible for managing subordinates’ performance and providing proper feedback, or for supporting subordinates’ career development) or behavior expectations as related to managing talent in the team (e.g., the manager should be courageous enough to hire someone more experienced than himself, managers should provide fair and quality talent reviews). However, none of the HR professionals or Business Leaders was sure that failing to achieve this “talent” goal would have any impact on the people manager’s short-term performance rating. The Business Leader in Company B admitted that if a conflict occurred between delivering business results and working on talent management, some people managers would choose to deliver short-term business results since doing so had a direct impact on their short-term performance rating.
**Tangible Measurement**

At the organization level, the situation was not improving. HR professionals mentioned that attrition rate, talent retention rate, managers’ leadership competency assessment, and the productivity of manufacturing workers had been tracked. None of the HR professionals or Business Leaders expressed satisfaction with existing tracking/evaluation practices. However, all interviewees unanimously agreed that Talent Management outcomes should be linked to business results.

It seems that quantifying the economic value of people management is a tricky proposition for HR professionals (BCG, 2012, p. 38). HR professionals can learn from the best-practice companies by collecting all important data on people—employee engagement, attrition, diversity, skills development, job tenure, etc. (Kim et al., 2014, p. 111). Or they can start, as Rothwell (2010) suggested, with a series of questions to determine the audience, clarify the decision to be made, learn about client expectations and program objectives, and identify appropriate evaluation techniques.

**In Summary**

It has been more than one decade since the “war for talent” was coined by McKinsey Consultants (2001). Until now, despite its growing popularity and numerous publications, white papers, consulting reports and practitioner reflections on related topics, Talent Management still suffers from conceptual confusion due to the serious lack of clarity regarding its definition, scope and overall goal (Gallardo-Gallardo, Dries, & Gonzalez, 2013, p. 290). Ulrich (2011) indicated that the definition of “Talent” can mean whatever a business leader or HR professional wants it to mean, since everyone has his or her own idea of what the construct does or does not encompass. In this
study none of the companies had a Talent or Talent Management definition. Some HR professionals defined Talent Management as a system supported by models and tools, while others described it as input and output. One business leader described it as a series of activities to be conducted annually. Even HR professionals admitted that the definitions could differ according to different points-of-view.

Though lacking a clear definition of Talent or Talent Management, the HR professionals all regarded Talent Management as their organization’s strategic priority and agreed that Talent Management impacts business results.

All HR practitioners indicated that Talent Management was characterized by a strategic system that involves attracting, developing and retaining talent in the organization (Fegley, 2006, p. v).

In attracting, developing and retention of talent, the HR practitioners shared similar practices among themselves and the best-practices identified through academic and consulting firm research.

In the meantime, there were quite different opinions regarding the competency model and its application in Talent Management between HR professionals and Business Leaders. The lack of knowledge of competency model and how to utilize the model seriously impacted Business Leaders’ adoption of this important Talent Management tool and resource.

The biggest gap existed in the lack of efficient resources or tools with which to measure the effectiveness of Talent Management. As Tarque and Schuler (2010) noted “(there have been) limited research exists in which authors examined assessment of the effectiveness of an organization’s global Talent Management system” (p.130). Lacking proof of ROI or “quantified” results may impact Human Resource professionals’ capability to convince company leaders of the strategic importance of Talent Management initiatives and gain their endorsement.
Three out of four Human Resource professionals said that a certain amount of their Talent Management practices cascaded down from their global headquarters. All believed that the global guidelines and criteria, such as the competency model and definition, Talent definition and job evaluation, assessment tools, etc., helped to ensure fairness and alignment in defining and assessing Talent in their organization. However, these Human Resource professionals also believed that modification of global Talent Management practices was required to meet the specific needs of China’s Talent market. As one Human Resource professional put it, it was like attending a party; the host could define the dress code as “formal”, but it was up to the guests to determine whether wearing a dress or Qi Pao (a traditional Chinese lady’s gown) would make them look the most beautiful. The Human Resource professionals’ opinion was also endorsed by the Business Leaders.

It can be concluded that there is no significant difference between Human Resource professionals’ Talent Management practices in selected middle- to large-sized manufacturing companies in China and the Talent Management practices of HR professionals in other regions, especially in developed regions. However, HR professionals face the challenges of identifying their strategic approach to meet the challenges in the China market and help business leaders to adopt and utilize Talent Management practices (competency models, assessment, and developmental experiences) effectively. Human Resource professionals also have to solve the critical problem of proving to stakeholders the economic gains from Talent Management.

**Recommendations**

A number of recommendations for future research are offered here. Managerial implications are organized according to relevant audience: Human Resource professionals, company executives, educators.
For Future Research

Since this study was intended to ascertain the current status and practices of selected human resource professionals’ Talent Management practices in middle- to large-sized manufacturing multinational companies in China, the researcher focused on the selected human resource professionals’ practices. Data were collected through interviews with these selected human resource professionals from different middle- to large sized manufacturing multinational companies in China.

The limitations of this study are fourfold. First, since this study is one of the first attempts to learn more about Talent Management practices in multinational companies in China, the researcher focused on Human Resource professionals as the unit of analysis and did not try to identify Talent Management practices at the organizational level. It is difficult for organizations to directly apply findings from an organizational approach.

Second, the researcher collected data from Human Resource professionals, so she was not able to capture all other stakeholders’ experiences with Talent Management practices in their organizations.

Third, the study aimed to learn more about Talent Management practices in multinational companies; therefore, the manner in which Human Resource professionals in other types of enterprises (private-owned, state-owned, small-sized companies, etc.) practice Talent Management was not addressed by this study.

Last, the focus of this study was on Talent Management practices in China, so this study did not deal with Talent Management practices from a global perspective, although the best-practices in other regions of the world were used as benchmarks.
Future research can include an overview of how company culture, business models, organization size and other factors impact on Talent Management, and how to approach Talent Management at the organization-level to gain a better understanding of how organizations conduct Talent Management.

This study only involved organizations with headquarters outside China. A review of Talent Management practices in family-owned, private-owned and state-owned companies in China will provide a solid foundation for practitioners working in these organizations.

Future researchers also should study how Human Resource professionals in other types of enterprises (private-owned, family-owned, state-owned) practice Talent Management and compare the practices with those in multinational companies.

This study focused on Talent Management in China, yet other developing countries, such as India, Russia and Brazil are experiencing rapid development. Research on Talent Management practices in these countries as well as their differences and similarities will significantly contribute to the knowledge base.

As mentioned earlier, the Talent Management field first needs more theory to guide its work (Collings & Mellahi, 2009; Lewis & Heckman, 2006). More research on the Talent Management conceptual framework and theories and how they apply in Talent Management practice is much needed.

Managerial Implications

Study findings also have some practical implications. First, the researcher explored the definitions of Talent Management as perceived by Human Resources professionals and the reasons for which the organizations adopted Talent Management practices. The researcher also discussed the
roles of Human Resource practitioners in Talent Management-related activities. Second, the researcher explored the practices adopted by Human Resource professionals in managing Talent in their organizations, which included attracting, developing, and retaining talent and measuring Talent Management outcomes. Based on the study findings, it is recommended:

**For HR Professionals**

- **Be the Strategic Positioner.** Human Resource professionals should ensure that the organization “flies in the right direction” and senior HR personnel should be able to act as the “navigator to the plan” and give advice to company C-level about “where and how to fly” (Rothwell, 2010, p. 376). To accomplish this, the HR professional should understand the business context—the social, political, economic, environment, demographic and technology trends—and translate these into business impacts. The HR professional should also understand their own industry, as well as the vision and future of their own companies (Ulrich, 2012, p. 52). To do this, the HR professional should participate in business strategy meetings and translate that into business plans and goals. HR should talk to business leaders about Talent Management and use business terms to engage them such as tangible business impact descriptions.

- **Be the Capability Builder.** The HR professional orchestrates an effective and strong organization by defining and building organization capability. Capability represents what the organization is good at and known for. HR should work with the company management team to define values and meaning so that organization capability can reflect the values of employees (Ulrich, 2012, pp. 52–53). HR professionals should also be able to provide assessment, evaluation, track gaps and changes based on Talent
Management matrices and provide results to stakeholders for further Talent Management and business decision making.

- **Be the Custodians of Talent Management.** HR professionals should take ownership of the designing, planning and mapping out company Talent Management programs and activities; providing guidance and fresh thinking on this topic (EIU, 2006). HR professionals should be able to provide on-the-spot advice to management teams in their organization (Rothwell, 2010, p. 376), so it is important for HR professionals to become very familiar with the Talent Management resources on the market – tools, processes, best-practices, experts in the field, consulting firms with expertise, and educational institutions that provide relevant programs.

**For Company Executives**

- **Define and Champion Talent Management.** Senior executives undoubtedly will agree with the saying, “our people are our most important asset”. However, to some of them the place of “Talent Management” on their To-Do list does not match their statements (Joyce & Slocum, 2012, p. 183). To ensure Talent Management is effectively carried out and yields the desired results, the board members and CEO should be personally responsible for defining Talent Management’s value propositions and “fly the plane” themselves (Rothwell, 2010, p. 375). The executive team should include Talent Strategy in business strategy planning and put talent on the agenda at C-level meetings. They should talk the talk and walk the talk as well. They can include Talent Management-related topics in any meetings among themselves or at an employee forum with a large audience.
• **Set goals and expectations for Talent Management.** Talent Management is not a performance goal only for HR heads or HR teams. In best-practice companies, the executive team is responsible for Talent Management (EIU, 2006). Executives can have HR professionals design and work out the Talent Management system but they should set expectations by themselves and identify evaluation metrics together with HR professionals. They also should hold their subordinate managers accountable for managing talent in their team.

• **Be an active participant of Talent Management initiatives.** Executives can champion Talent Management through “walk the talk”. In best-practice companies, senior executives are “intimately” involved in develop high-potential talent and developing other leaders in the organization (Boatman & Wellins, 2011). The Executive can be a role-model for the organization and leave a strong legacy through his/her efforts.

**For Educators**

• Provide Talent Management-related courses for HR practitioners to enhance their expertise in the field. Both HR professionals and Business Leaders in this study pointed out that HR professional’s expertise in Talent Management field had a strong impact on obtaining Business Leader buy-in and ensuring the effectiveness of Talent Management programs.

• Design a Talent Management curriculum that bridges academic research and best-practices in the practitioner world. Findings from the literature review indicate that academic research can help dismiss the ambiguity and uncertainty around the Talent Management field by contributing to building a stronger theoretical framework.
Advanced degree or certificate programs on Talent Management or related emphases are required for professionals to get credentials for their own career advancement. These types of programs can help Human Resource professionals to understand what they need to know and do to be successful on the job and how they can get ready to bring more value to their organization through Talent Management efforts.
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Appendix A

Case Study Protocol

1. Purpose of This Study

The purpose of this study was to investigate the Talent Management status and Talent Management practices of selected Human Resource professionals in middle- to large-sized manufacturing multinational companies in China. The following research questions were addressed by this study:

Research Question 1: What is the current status of “Talent Management” in the middle- to large-sized manufacturing multinational companies in which the selected human resource professionals are working?

1.1 How is “Talent Management” defined by these multinational companies?

1.2 Why do these companies establish a Talent Management program?

1.3 What is HR’s role in company Talent Management initiatives?

1.4 Do Chinese company top executives (including CEOs and other C-level officers) participate in Talent Management? If, so, what role do they play?

Research Question Two: How do these selected human resource professionals manage talent for these middle- to large-sized manufacturing multinational companies in China?

2.1 How does the Talent Management strategy align with the business strategy in these companies?

2.2 Do the companies use a competency model in the Talent Management programs? How do they use the competency model in the Talent Management programs?
2.3 How do these companies recruit their talent?

2.4 How do these companies develop their talent?

2.5 How do these companies retain their talent?

2.6 Do these companies include Talent Management in their performance management system? How do these companies evaluate their Talent Management effectiveness?

The findings from this study helped to draw a picture of Talent Management practices in middle- to large-sized manufacturing multinational companies in China. Meanwhile, by comparing the findings with identified practices in other regions of the world especially in developed countries, the researcher identified similarities and differences between Talent Management practices in China and in other developed countries.

2. Research Methods

The researcher collected data from Human Resource professionals who had been practicing Talent Management in their companies. Data was collected through interviews with selected Human Resource professionals, and Business Leaders who worked for the same organizations the selected Human Resource professionals working for. The researcher also reviewed related documents (including but not limited to company documents, related research articles, reports, published professional association reports, published consulting company reports) on Talent Management programs in the companies in which the selected human resource professionals work.

3. Field Procedures

The interviews were conducted according to the following procedure:
1) Opening (greetings, self introduction, ice-breaking);

2) Briefed the interviewees on the purpose of the study, the general research questions and criteria for participant selection;

3) Explained the human subjects requirement and asked the interviewee if he/she wanted to participate and ask him/her to sign the consent form if needed;

4) Asked the interviewee for permission to start the interview;

5) Started the interview and asked the interview questions following the interview guide;

6) Asked for clarification if the interviewer had any questions and felt there was ambiguity in the reply;

7) Wrapped up the interview and asked whether the interviewee had any questions;

8) Thanked the interviewee for his/her time; and

9) Advised the interviewee about the follow-up procedure.

4 Interview Guide

The researcher used the same interview guide for all interviews with Human Resource professionals who had been implementing Talent Management programs in their companies. Refer to Appendix B for the detailed interview guide.

5. Case Study Report Guide

The researcher reported her case study as outlined below:

1) Case overview
   a. Background
   b. Business in China
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2) Within-case analysis

a. Background of the interviewee

b. Specific Talent Management definition

c. Status of Talent Management in the company

d. Talent Management practices in the company (strategy and planning, recruit, develop and retain).

3) Cross-case analysis

a. Similarity among the cases (definition of Talent Management, the status of Talent Management, Talent Management practices)

b. Differences among the cases (definition of Talent Management, the status of Talent Management, Talent Management practices)
Appendix B

Interview Instrument for Interviews with Human Resource Professionals

1. Opening:

   Thank you for agreeing to participate. My name is Yi Xue and I am a doctoral student doing a study on Talent Management practices in middle- to large-sized manufacturing multinational companies in China. The data collected from our interview today will contribute significantly to this study. This study is also my dissertation research. In the following forty-five to sixty minutes, I will ask you a series of questions on Talent Management practice in your company. Your identification will be kept in strictest confidentiality - your name, title and other personal information will be removed from my final report. Here is the consent form, you can read it first. Agreement to proceed with the interview with the principal investigator implies that you have read the information in this form and consent to take part in the research. Please keep this form for your records or future reference. Before we start, is there any question you’d like to ask?

2. Background information

   1) Name of the interviewee
   2) Name of the company
   3) Job title
   4) Contact information:
   5) Interview date and time:

3. Interview Questions:
I. Demographic Questions:

1) How long has your company been operating in China?
2) Where is your company located in China? How many employees do you have now?
3) What type of product does your company offer? What’s your annual revenue?
4) What is the organizational structure of the company? What is HR’s reporting line in company?
5) How you would describe your company culture?

II. Talent Management Practices

1) Does your company have an official definition on “Talent” and “Talent Management”? How does your company define “Talent” and “Talent Management”? 
2) Why did your company establish Talent Management system?
3) How do you align Talent Management and your company business strategy?
4) What is HR’s role in company Talent Management initiatives? What is Business’ role in company Talent Management initiatives?
5) Do the company’s top executives (include CEO and other C-level officers’) participate in Talent Management initiatives/programs? What role do they play? What Talent Management activities they usually participant in?
6) Does your company have a competency model? How do you use that competency model in Talent Management?
7) What measures have your company been using to attract talent to your company? What are the most effective measures?
8) What measures have your company been using to develop talent in your company?
9) What type of developmental experiences your company usually offers to your identified talent?

10) What are the most effective developmental experiences? Why?

11) What are the employee groups your company wants to keep? What measures does your company use to retain these employees?

12) What are the most effective talent retention measures? Why?

13) What factors have most impact on your company Talent Management effectiveness?

14) Does your company take Talent Management as a KPI in performance measurement?
   How does your company measure Talent Management outcomes? If you would like to evaluate your Talent Management result, what criteria you have been using or would like to use?

Closing:

That concludes our interview today. Is there anything you’d like to add? Is there a specific question about this study that I can answer?

Thanks again.
Interview Instrument for Interviews with Business Leaders

1. Opening:

Thank you for agreeing to participate. My name is Yi Xue and I am a doctoral student doing a study on Talent Management practices in middle to large-sized manufacturing multinational companies in China. The data collected from our interview today will contribute significantly to this study. This study is also my dissertation research. In the following forty-five to sixty minutes, I will ask you a series of questions on Talent Management practice in your company.

Your identification will be kept in strictest confidentiality - your name, title and other personal information will be removed from my final report. Here is the consent form, you can read it first. Agreement to proceed with the interview with the principal investigator implies that you have read the information in this form and consent to take part in the research. Please keep this form for your records or future reference. Before we start, is there any question you’d like to ask?

1. Background information

1) Name of the interviewee:

2) Name of the company:

3) Job title:

4) Contact information:

2. Interview Questions:

1. Demographic Questions:

1) How long has your company been operating in China?

2) Where is your company located in China? How many employees do you have now?
3) What type of product does your company offer? What’s your annual revenue?

4) What is the organizational structure of the company?

5) How you would describe your company culture?

II. Talent Management Practices

1) Does your company have an official definition on “Talent” and “Talent Management’”?
   How does your company define “Talent” and “Talent Management’”?

2) Why did you company establish Talent Management system?

3) Is there any connection between Talent Management and your company business strategy?
   How does your company align Talent Management and business strategy?

4) What is HR’s role in company Talent Management initiatives? What is Business’ role in company Talent Management initiatives?

5) Do the company’s top executives (include CEO and other C-level officers’) participate in Talent Management initiatives/programs? What role do they play? What Talent Management programs they usually participate in?

6) Does your company have a competency model? How does your company use this competency model in Talent Management? Do you find this model useful in Talent Management?

7) What measures have your company been using to attract talent to your company? What are the most effective measures?

8) What measures have your company been using to develop talent in your company?

9) What type of developmental experiences your company usually offers to identified talent?

10) What are the most effective developmental experiences? Why?
11) What are the employee groups your company wants to keep? What measures does your company use to retain these groups?

12) What are the most effective talent retention measures? Why?

13) What factors have most impact on your company Talent Management effectiveness?

14) Does your company take Talent Management as a KPI in performance measurement? How does your company measure Talent Management outcomes? If you would like to evaluate your Talent Management result, what criteria you have been using or would like to use?

Closing:
That concludes our interview today. Is there anything you’d like to add? Is there a specific question about this study that I can answer?

Thanks again.
Appendix C

Human Subjects Approval

Implied Informed Consent Form for Social Science Research

The Pennsylvania State University

IRB#30061

Title of Project:
TALENT MANAGEMENT PRACTICES OF SELECTED HUMAN RESOURCE PROFESSIONALS IN MIDDLE TO LARGE-SIZE MANUFACTURING MULTINATIONAL COMPANIES IN CHINA

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Advisor: William J. Rothwell

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1-814-8632581
1. **Purpose of the Study:**

   The purpose of this study is to investigate the talent management status and the talent management practices of selected Human Resource professionals in middle- to large-sized multinational companies in China.

2. **Procedures to be followed:**

   In the following 45-60 minutes, you will be asked to participate in a face to face/telephone interview with the principal investigator. The whole interview will be recorded using an audio recording device.

3. **Duration/Time:**

   The principal investigator will use an interview guide for this interview. The interview is estimated to last about 45-60 minutes.

4. **Statement of Confidentiality:**

   Your participation in this research is confidential. The audio tape of this interview will be stored and secured in a locked file cabinet in a locked office. The data collected from this interview will also be stored and secured in a locked file cabinet in a locked office. Only the principal researcher will have access to these tapes and records. All the stored records (including audio tapes) will be destroyed three years after the completion of this study. In the event of a
publication or presentation resulting from the research, no personally identifiable information will be shared.

All the participants’ and their organizations’ name will be kept as confidential. All the identifications will be coded in data analysis procedure and in the final report. The coding list will be kept as confidential and stored in a safe-guarded computer which only the principal researcher can access.

5. **Right to Ask Questions:**

Please contact Yi Xue at 13167094600 or Dr. Rothwell 1-814-8632581 with questions, complaints or concerns about this research. You can also call this number if you feel this study has harmed you.

6. **Voluntary Participation:**

Your decision to be in this research is voluntary. You can stop at any time. You do not have to answer any questions you do not want to answer.

You must be 18 years of age or older to take part in this research study.

Agreement to proceed with the interview with the principal investigator implies that you have read the information in this form and consent to take part in the research. Please keep this form for your records or future reference.
Vita

Yi Xue

Yi Xue was a Ph.D. candidate at the Workforce Education and Development Program, College of Education, the Pennsylvania State University, University Park Campus. Her major research interests and expertise are in Talent Management, Organization Development, Leadership Development. Her career aspiration is to become a consultant in these fields.

Yi has been working as Human Resource professional in multinational companies for more than 14 years. She has been responsible for Talent Strategy setting, Talent Management initiatives, Talent Review and Succession Planning, Leadership Development, Capability Development, Expertise Building programs in the companies she worked for.

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