

Operationalizing Talent Management in Asia: A Multi-Case Study of Multinational Corporations

Li, Jessica*; Mehdiabadi, Amir*; Choi, Jeonghwan**; Wu, Feng*; Bell, Allison*

University of Illinois at Urbana-Champaign*

Kean University**

Author Note

* Department of Human Resource Education, University of Illinois at Urbana-Champaign

** Management & Marketing Department, College of Business, Kean University

TALENT MANAGEMENT IN ASIA

Abstract

Talent management has been recognized as the number one challenge for businesses in Asia and a necessity to sustain organizational competitiveness. By examining talent management practices of six large multinationals in Asia, this paper identifies issues and countermeasures as these companies pursue talent management strategies. The findings of this study revealed tensions that organizations have experienced when implementing talent management, including tension between subsidiaries and headquarters, between high potentials and non-high potentials, and between different generations and gender groups. This paper calls for more talent management research to be conducted using an Asian lens in contrast to the western lens.

Keywords: talent; talent management; talent development; talent retention; human resource development; Asia

Operationalizing Talent Management in Asia: A Multi-Case Study of Multinational Corporations

Introduction

Multinational corporations (MNCs) are businesses that operate their productions or services in multiple countries. Asia, as the fastest growing region in the world, has been a popular destination for MNCs. Recently, talent shortage has been reported as the number one business challenge in the region (Ray, 2011). Talent management (TM) as a conscious and deliberate effort that undertaken by and for a corporation to recruit, develop and retain talent has gained popularity. More than 85% of Asian companies have reportedly geared up their TM efforts (Fernandez-Araoz, Groysberg, & Nohria, 2011). This increasing interest in TM is supported by resource-based theory that believes human resources are the key to provide organizations with sustainable competitive advantage because they are difficult to copy (Lado and Wilson, 1994) or replicate by competitors (Foss, 1998).

While a resource-based view is highly applied in the most-cited publications on TM (Dries, 2013), the influence of environment and contextual factors such as cultural differences needs to be considered as well. As discussed by Vaiman and Brewster (2015), a universalistic approach to HRM will not work because HRM is not the same in different geographic locations as “people are trying to do different things to achieve different objectives in different circumstances” (p. 151). In a recent publication, Beamond, Farndale, and Härtel (2016) argued that “translation of corporate talent management strategies to emerging economies is affected by metropolitan and cultural differences” (p. 499). Vaiman and Brewster (2015) state that TM is one of the HRM processes in which the cultural differences have huge influence. Therefore, cultural differences play a decisive role in this regard (Vaiman & Brewster, 2015). As stated by

Franke, Hofstede, and Bond (1991), “Sensitivity to cultural variables will be needed for decisions as to what to do in which country” (p. 172).

In terms of TM research, the literature is dominated by Western perspectives and Beamond, et al. (2016) have called for TM research in places other than North America. Gallardo-Gallardo, Nijs, Dries, and Gallo (2015) found TM studies that focus on Asia are lagging behind and only 5% of the published empirical articles that have used data from Asia. Thus, examining TM from an eastern perspective could yield unique findings that contribute to the field of TM.

This study is designed to explore TM practices of MNCs in Asia using a multi-case study approach to understand how TM was operationalized in organizations. The following research questions guided our investigation: 1) what are current practices of TM in organizations in Asia? 2) What are the current challenges that organizations in Asia are facing as they implement TM strategies? 3) How are organizations addressing these challenges?

A Review of the Literature

To synthesize the literature on TM and Asia-related issues, we first review on talent and talent management, followed by related situational and cultural issues in Asian.

Talent and Talent Management

Talent management was made popular in the late 1990s by the publication of a research report named *The War for Talent* (Michaels, Handfield-Jones, & Axelrod, 2001). TM remains an underdeveloped and under-researched concept represented by its lack of consistent definition and clear conceptual boundaries (Collings & Mellahi, 2009; Lewis & Heckman, 2006). First, the

word talent can be given different meanings by different organizations to fit their strategic intent. Some take an inclusive approach to talent meaning the entire workforce, while others use it exclusively to represent critical positions, high potentials, or high value employees. The latter approach leads organizations to seek a differential architecture that focuses on the development of a selected group (Collings & Mellahi, 2009). Practitioner driven publications often adopt to this exclusive approach (Swailles, 2013).

Lewis and Heckman (2006) revealed a problematic picture of the TM field by reviewing literature published before 2006. They found three strains of TM usage. First, TM was just a replacement term for human resource (HR) only executed more quickly. They believed that this approach increased the visibility of HR but did not advance TM. Second, TM was used to create a talent pool of people with the right skills and competencies to flow into the right jobs at the right time within the organization. This perspective replicated the work of succession and workforce planning and failed to provide any contribution beyond the traditional methods. Finally, the third strain suggested that TM was to bring the best talent into the organization regardless of jobs or positions. The practice of classifying employee into A, B, and C performers with the intention to eliminate all C performers was a typical example. The effectiveness of this approach was not supported by research-based findings (Lewis & Heckman, 2006).

The field of TM continues to evolve since Lewis and Heckman's review and has gained more traction among researchers, evident by the significant increase in the number of publications. Two trends have emerged. The first trend focused on required competencies and conceptualizes TM as an integrated HR process for competence development (e.g., Avedon & Scholes, 2010). The second trend aimed at critical positions and emphasizes the development of talent pools (e.g. Collings & Mellahi, 2009; Lewis & Heckman, 2006). The former focuses on

high potential employees and the latter focuses on critical positions when designing and planning TM strategies. Both trends, however, characterize TM as an approach toward a segment of the workforce. It is evident in the TM definition by Collings and Mellahi (2009) that TM is a systematic and process oriented approach based on the development of a differentiated human resources architecture, that can facilitate a systematic identification of key positions, develop a pool of high potentials, and fill these positions with competent incumbents to ensure their continued commitment to the organization. This exclusive approach has caused some scholars to question the impact of TM on workplace equality and diversity (Sheehan & Anderson, 2015).

From process perspective, McDonnell (2011) argued that TM is more than another HR process because it addresses one of the most important challenges facing organizations in the coming decade: talent shortage. Focus on TM is not only necessary for the competitiveness but also critical for the sustainability of the organization. Talent management as a part of the overall human capital strategy must align with organizational culture, business objective, and environment.

For MNCs, a more relevant term is global talent management (GTM). As defined by Schuler, Jackson, and Tarique (2011), GTM “include specific aspects of HR policies and practices ... consistent with a firm’s strategic directions while taking into account the evolving concerns of the workforce and regulatory requirements” (p. 507). Khilji, Tarique and Schuler (2015) introduced a macro view toward GTM to include country and regional effects and influences to the conceptual framework (p. 241) and encouraged interdisciplinary research. With this in mind, the following section examines important regional factors to be considered during the practices of TM.

Situational and cultural dimensions of talent management in Asia

Attention to cultural and situational aspects of business is very important when it comes to talent management. Several cross-cultural studies have generated extensive discussions and applications, such as the Hofstede's model and the framework of GLOBE study. Hofstede (1980) introduced four dimensions for national culture: power distance, uncertainty avoidance, masculinity/ femininity, and individualism/ collectivism. He later added the fifth dimension to be long-term/ short-term orientation. The central theory of the GLOBE study is "that the attributes and entities that distinguish a given culture from other cultures are predictive of the practices of organizations and leader attributes and behaviors that are most frequently enacted, acceptable, and effective in that culture" (House, et al, 2002). It is essential to consider cultural influence on TM programs, especially for MNCs which operate in cross-culture settings.

It is difficult to generalize a regional culture consists of countries with diverse values, religions, and economic statuses. In the GLOBE study, researchers tried to identify differences and similarities across culture clusters. Gupta, Hanges, and Dorfman (2002a) divided Asia into two culture clusters, the South Asia (including India, Indonesia, Philippines, Malaysia, Thailand and Iran) and the Confucius Asia (including Taiwan, Singapore, Hong Kong, South Korea, China and Japan). South Asia was characterized as high in group orientation, humane, male domination, and hierarchy. When compared with other culture clusters, south Asia prefers a social model of assertive, male dominated and rule-based structure to support long-term collective interests (Gupta, et al, 2002a). Confucius Asia has historically been influenced by Confucius ideology that emphasizes network and trust, harmonized on the basis of a hierarchical structure with a high level of collectivism. As a society, it models a societal collectivism, based on network and trust (Ashkanasy, 2002).

In addition, several regional factors are important to this discussion. Among these factors one can recognize the followings: increasing labor mobility and shrinking labor-pool (Ivaturi, Lanvin, & Mohan, 2009; Schuler & Tarique, 2012), increasing demand for skilled labor and knowledge workers, aging labor force (Van Katwyk, 2012), widening generational gap in terms of work values and expectations (Strack et al., 2011), gender inequality and underutilization of female talent (Hewlett & Rashid, 2011; Mavin, 2015), and high turnover and employee raiding (Khatri, Chong & Budhwa., 2001; Dowling et al, 1999; Zhang & Lamond, 2010).

Research Methodology

An exploratory multi-case study was implemented because it allowed the authors to investigate TM phenomenon in real-life context. This approach is considered more robust and can avoid issues associated with the single case design, such as uniqueness or artificial conditions due to specific key informants or special data (Yin, 2009). It also offers the ability for the researchers to capture recurring themes across cases, and provide analytical support to develop explanations and proposing theories that can be used to interpret the phenomenon under the study (Yin, 2009). A qualitative method allows the study participants to provide insights about the situation in context that can result coherent findings through fuller responses and denser descriptions (Weiss, 1994).

Case Selection

Well-established criteria for case selection can maximize the opportunity to learn when available cases were limited (Stake, 2006) and help control extraneous variation and define limits for generalizing findings of the study (Eisenhardt, 1989). A multi-case study starts with

recognizing the concept/idea that binds the cases together, then target it (Stake, 2006). Talent management is the core concept of this study, so the first criterion was that the company had to have a TM program. The second criterion was that the MNC must have regional presence in more than one country. The third criterion aimed to maximize learning by selecting companies of different industrial sectors, or in the same sector but using different business models. A leading non-for-profit research firm's human capital Asia division assisted in recruiting six companies participated in the study. The organizational profiles are presented in Table 1.

[Insert Table 1 Here]

Data Collection

One primary task in a multi-case study is the ability to recognize and characterize the studied phenomenon when it occurs in different situations and under different circumstances, hence, the importance of relevant experiences of the researchers (Stake, 2006). The research team consists of people with many years of corporate and academic experiences, and as such, is qualified to recognize and characterize the phenomenon. In addition, the team conducted a thorough literature review to prepare for the study.

It is recommended that to increase the reliability of qualitative research, multiple sources of data should be collected to triangulate the findings during data analysis (Merriam, 1998; Yin, 2009). This research employed several strategies to collect data including online research, interviews, and reflection notes (Merriam, 1988). Onsite observation was not possible because of longdistance between the researchers and studied organizations during the time of the study, so thorough online research was conducted to overcome this challenge.

Telephone interviews were conducted with the senior HR leader and/or head of TM program in each of the participating companies. An interview protocol was developed and reviewed by three experienced human capital professionals to ensure the validity of inquiries. To further insure the reliability of the response and allow time for the interviewees to reflect on issues surrounding TM, a two-tiered approach was deployed (Seidman, 1998). First, an email with an outline of the interview questions was sent to the interviewees prior to the telephone interview. Participants were asked to write down and email back their initial thoughts prior to the telephone interview.

The team conducted an initial analysis of the email answers paired with the findings from online research for each case to establish a baseline understanding. In addition, the team revised the interview protocol with more specific interview questions for each interviewee to gain additional information. Each telephone interview lasted between 60 minutes to 90 minutes. On three occasions, the interviewed HR leader brought other manager(s) to the interview.

The first author conducted all the interviews while the second author listened and took notes. After each interview, the two authors discussed, reflected, checked each other's understanding, and wrote reflection notes to avoid misinterpretation (Stake, 2006). All interviews were recorded with the approval of the interviewee using international teleconference services. Interviews were conducted in English and the recordings were transcribed. Since the respondents were all fluent in English, the researchers did not observe any difficulties for interviewees conveying their points. The profiles of HR leaders who participated are presented in Table 2.

[Insert Table 2 Here]

Data Analysis

The first and third author led the data analysis and the other authors were consulted regularly for discussion and decision-making. While each case was situated in a unique organizational context, the researchers were also interested in the common challenges of TM in the region. ATLAS.ti Ver. 5.0 was used because it supported analysis of different data formats (e.g. MS Word files of interview transcripts, reflective notes, Internet research). Major themes emerged from this initial data analysis. The first author conducted her own independent analysis of the interview data using constant comparison method (Glaser & Strauss, 1967) and triangulated her findings using reflective notes and Internet research findings. The major themes remained, but there were differences in some assertions that represented in the findings. After discussions among the authors and referencing the original data as often as needed, these assertions were refined and modified until there were agreements. This process enabled the authors to ensure reliable and trustworthy interpretation of the data (Merriam, 1998) and achieved a consistency of judgment between the researchers (Boyatzis, 1998).

Findings

Individual case analysis presents how TM is operationalized in each company. Cross-case analyses examine the common themes of the studied companies.

Talent Management Practices – Single Case Analysis

The TM organizational structure, implementation process, talent definition, HR architecture, and challenges are the four aspects used to capture TM practices in each studied MNC (see Table 3).

Case 1. As a large investment bank headquartered in Tokyo, this company has operations throughout Asia (see Table 1). As part of the organization's HR function, TM program is led by the global HR office in Tokyo and implemented via regional HR offices. Under the regional HR manager for APAC (Asia-Pacific) who is located in Singapore, a five-person team focuses on career development, training and learning interventions, and providing consulting services to all other regional offices outside of Japan. The focus of TM program is senior leaders and development activities are concentrated on leadership competencies. Heavily influenced by the Japanese culture of collectivism, where trust is built on network and seniority, most of the senior leadership positions across the region are still held by Japanese sent from headquarters. As one participant commented:

[The company was facing] difficulty in attracting quality candidates... Talent retention is a challenge due to a number of factors – lack of a performance culture, legacy HR systems and practices (e.g. uncompetitive compensation and benefits), other culture and system issues such as the rotation of Japanese expats holding key management positions.” (P1).

Recognizing someone's talent regardless of seniority is not a conventional practice of the organization. The HR regional leader, a Singaporean, cited culture differences as the biggest challenge. She shared in the interview that “Many Japanese leaders would not use the concept of TM and [high] potentials.... We recognize that we are operating under the Japanese [corporate] culture, very deeply settled in the way of doing things [the Japanese way] ... [Recently] senior management in Tokyo has recognized this [culture difference] has to be overcome (P1, see Table 2). “To counter the issue of recruitment and retention, the company has conducted employee

engagement survey, developed tailored programs to address employee feedback, such as created “branch-or function-specific training curriculum and roadmaps” (P1).

Case 2. This conglomerate is a group company, headquartered in Hong Kong, comprising 22 separate businesses. At the time of the interview, each business operated independently and had its own HR and employee development programs. “We rely heavily on recruiting outside at mid-levels, giving very little promise for upward or lateral movement for high potentials in various businesses to look forward to. This also does not generate good leadership bench within the group. Succession has been very limited to each business, which limits upward or lateral developmental movements for the Stars” (P2). They determined that the group company would lose high potential employees if they did not collaborate. A corporate university was established to promote consistency across the company, establish a group culture, develop leaders, and manage succession planning for the entire group. The HR leader interviewed is the general manager of the corporate university; he and his team are located in the Philippines. The corporate university has its own buildings and staff, “very much like GE’s [leadership institute] (P2)” and serves both internal and external clients. The interviewed HR leader believes that the long term collective interest of the company is very important and the first program the corporate university implemented is a leadership development program that targeted presidents of all the businesses, then another program for the vice presidents, and so on. The purposes of these programs were not only studying leadership competencies but also an opportunity to promote cross business communication and collaboration. Therefore, succession planning was a group wide activity, career opportunities were to be shared among businesses, and work together to promote a shared organizational culture.

Case 3. This was a large bank headquartered in the US. It viewed “talent management as an end-to-end process” (P3). The interviewed Asia regional head of Talent and Diversity was an expatriate from America who resided in Singapore. She reported to the head of Talent and Resourcing of Global HR in the US. The TM tools and practices were developed in the US and then implemented in the Asia region. The corporate office provided trainings to the regional and then country level offices for implementation. A comprehensive selection tool was developed to identify talent with multiple categories (i.e. incumbents of critical roles, successors to critical roles). The interviewed regional leader identified two major issues, one technical and one cultural. The technical issue was of data collection, as it was difficult to produce accurate status reports because of the changes after each annual assessment. There were 150 corporate talents, and then each country also identified their own local talents. This was identified as a difficult problem to resolve until the HR data bases of different region were interconnected. The cultural issue was how to communicate to an employee when s/he was no longer identified as a talent after an annual assessment. This may have resulted in reduced motivation, but in Asia, it may also have caused someone to lose face. There were plans to “educate managers to have the difficult conversations with their team members.” (P3). The interviewee did not express concern about talent recruitment and retention, perhaps because the company had a well-established brand in the region. She was also the only person who revealed that the company had a diversity strategy because of her role:

Mydiversity role covers all aspects of diversity. So it could be employees with disabilities. Or it could be culture diversity or it could be lesbian, gay, bisexual, [and] transgender. It could be age. But what we have identified as a need for Asia Pacific predominantly, is gender (P3).

Overall, the company practices were predominately under the influence of its North American headquarter culture.

Case 4. This UK owned company had majority business operations in Asia. The regional headquarter was in Hong Kong. The head of TM interviewed was a Hong Kong residence. As a general manager, she had two primary responsibilities: A Leadership Institute and a Management Trainee Program. The Management Trainee Program offered long-term development to high potentials. This program was a company-wide program and had been in existence for many years. Each year, the company identified around 25 young university graduates as high potentials to go through an eight-year development process. When these trainees “graduate after eight years, [they] will start getting into senior management roles” (P4). The recruitment information was published on the company website. In addition to the Management Trainee Program, each business operation had its own TM programs that were not managed by her corporate team. The Leadership Institute provided training and development programs to the entire company based on request. The biggest challenge identified by the company is the recruitment and retention of management trainees. As mentioned earlier on regional challenges, poaching from competitors, job-hopping, and generational differences have impacted the retention of these young talents. As one participant noted: “They [the young generation] are very different from my generation, they may choose to get married, have kids and settle down by opting out job rotations as required by the program” (P4).

Case 5. The company was headquartered in Singapore and the interviewed HR manager was a Singapore native. She shared the company had an inclusive view towards talent and believed all employees were talent. This was the only company in this study that did not use a differentiated HR architecture. It made sense because Singapore is in the cluster of Confucius

Asia (Ashkanasy, 2002), but the emphasis of meritocracy sets it apart from the other Asian countries. The idea that if you work hard you will succeed regardless of social hierarchy is not just talked about but practiced. As the interviewee noted, “We don’t like to use the word talent because talent sometimes misused and people think that only senior managers are talent and not others” (P5). At the time of the interview, the company had implemented a company-wide career development program that required all employees to work with their managers to complete a developmental plan a year ago, the company did not have accelerated programs for talented employees. The challenges reported were employee acquisition and retention, as summarized by the interviewee: “

Challenges are acquiring the right talent with the right attitudes and (company name omitted) values. Talent retention is obviously a key issue that any organization face today. It’s a reality that people don’t work their lives for one organization nowadays and talented people do change jobs more often too. The grass is always greener the other side! (P5).

To combat issues of recruitment and retention, they promoted a culture of high performance organization, tried to promote within whenever possible, and compensated employees using a competitive pay structure.

Case 6. This technology company was a Japanese owned company but headquartered in the U.S. The interviewee was the director of APAC talent management who worked and resided in Singapore. The company used a matrix structure, whereby the director of APAC talent management reported to the director of global talent management and also to the regional HR manager. The global TM team met in person annually to discuss and determine strategies for global TM. The nine-box model was used to assess and identify both high potentials and critical

talent. High potentials were deemed by the company as people with leadership potential. Critical talents were linked to critical positions that were hard to train or replace. At the time of the interview, they had just initiated a mentoring and coaching program for high potentials. This company was the smallest among the companies interviewed for this study and the interviewed APAC director had no direct reports so he relied on local HR staff for TM program implementation. The interviewee shared that the company had a mixed culture of American and Japanese. For example, they were very open in terms of communication but discouraged “cowboy”-style individual achievement, and emphasized team performance. In terms of training programs, it relied heavily on external resources for talent development. For example, it utilized external executive MBA programs or customized two-week programs run by U.S. business school faculties. The company was facing the challenge of attracting the right talent because it was not a market leader. In a region where company prestige is perceived as social status, the company had to use compensation and “generous bonus programs for different employee categories and levels, and long term incentive programs” (P6). The company was also very active in social media, such as using LinkedIn to recruit, and actively competed in several countries for “Best Place to Work” awards to market and brand itself in order to attract the right talent. As stated by the interviewee:

Since we are not the market leader in the industry, in a very competitive environment with not a very strong brand name outside of storage/data analytics industry; it is difficult to hire in people who are not in the industry and since we are not the market leader, other bigger competitors have a better proposition in luring people away (P6).

[Insert Table 3 Here]

A Common Challenge and Three Tensions – Cross Case Analysis

A cross-case analysis yields a common challenge along with three tensions experienced by these companies as they implemented TM practices. Moreover, Interviewed HR leaders all maintained a close partnership with line managers and utilized a wide spectrum of programs in their TM efforts.

A Common Challenge: Attracting and Retaining Talent. When reviewing the challenges of the studied companies, attracting and retaining talent was a common theme except for case 3. Case 1 reported difficulty in attracting and retaining quality candidates because of culture and organizational reasons. Case 2 revealed that the silo mentality has resulted in lost opportunities for high potential employees to move between businesses within the group. Case 4 suggested the disconnect between career expectations of young generations and the company's traditional eight-year management trainee program, challenge the program's sustainability. Case 5 revealed an issue of an inclusive TM policy that might not be able to motivate retention given the very competitive external talent market. Case 6 struggled to promote and brand the company image, in addition to use momentary incentives to attract and retain talent.

Even though they face the same challenge of attracting and retaining talent, the circumstances differed among studied companies and they had adopted different strategies to counter this challenge. Two commonalities emerged: 1) the pursuit of alignment of TM strategy, with culture and business needs; and 2) working closely with business managers. For example, in case 2, a corporate university was established to create a common space for leaders of different businesses to learn and socialize in order to overcome silo mentality. In case 6, external training resources were used for development in conjunction with other strategies such as

branding and monetary incentives to attract and retain talents. In each case, the strategy is aligned with the company and local culture to meet business needs. In all the cases, the interviewed HR leaders have talked about working with business managers, such as in Case 4, “the TM team has a strong alignment with HR and line managers.... for recruitment and selection of the talents to join the Management Trainee Program... conduct frequent conversations with line managers to assess trainees’ progress” (P4).

A TM strategy that aligns company and local culture, business needs, and work collaboratively with business leaders fits the collective culture of the region where they oriented toward the collective goal of the group. However, Asia is also known for scoring high in masculinity (Hofstede, 1980), indicated that talent employees are often motivated by success on the basis of money or position. Especially, younger generations are much more individualist and are accustomed to job-hopping to meet their own ambitions.

The Tension between Subsidiaries and Headquarters. When corporate driven TM program mismatches the need of regional talent development, there will be tension between subsidiaries and headquarters. It may even cause resistance from the local management if the program appears to be culturally unfit. For example, one HR leader shared a realization that a heavily headquarter-centric approach (established on the basis of Japanese culture) had created problems in decision making for local issues. As they stated:

Because Tokyo is our headquarter, and because of ‘time zone differences’... .. A lot of decision making actually took place in Tokyo, and we’re seeing that it didn’t quite work, then they sent a Japanese manager to head up each regional office ... we’re seeing that doesn’t quite work either (P1).

The company decided to trust their own network (the Japanese network). As a result, they might have ignored the regional non-Japanese talents. Albeit, the tension between the Japanese manager of the regional office and headquarters was reduced, but the tension between regional Japanese leaders and their subordinates were not resolved.

To counter this, a tiered TM approach emerged in this study. First of all, to reinforce corporate identity, a core set of values, competencies, and processes must be communicated through corporate level programs. Second, regional offices created programs that met local needs. For example, in case 1, after noticing the friction between headquarters and regional offices, headquarters gave autonomy to country offices outside of Japan to customize policies in performance and rewards, employee engagement, talent development, talent retention, and to develop their own programs. This tiered approach was also evident in case 2. They established a corporate university to address corporate level collaboration and communication in order to break down the silo mindsets, while each division had its own development function to address local needs.

The Tension between High Potentials and Non-High Potentials. Five of the six companies adapted the differentiated HR architecture that focused on the development of high potentials. The challenge as described by this HR leader was how to tell others they were not high potentials. As this HR leader said:

You are not or no longer in our high-potential pool and this is why. That's a very difficult conversation for the managers to have. And in a lot of cases our managers are not well equipped to have those conversations. So part of our strategy is to educate managers to have difficult conversations with their team members (P3).

In a predominantly collectivism culture, people tends to favor equality and seniority. Equality is expected among similar group members and greater rewards are also expected toward the senior group members or elders. Hence, it was difficult to manage the expectations of high potentials and non-high potentials if they were considered equal in the group.

Two strategies emerged to cope with this challenge. The first strategy was to create clear standards and criteria for talent selection. The second strategy was to train managers on how to conduct constructive conversations. Clear criteria was used to communicate and differentiate high potentials from the rest of the employees, essentially, put them into two different groups. Selection criteria were often multi-dimensional including desired values, attitudes, competencies, and developmental potential. As explained by one HR leader (P3), a High Potential Identification Tool was openly used to assess employee potential in areas such as cognitive skills, personality variables, learning agility, motivation, and leadership performance. In addition, managers were provided with training and coaching opportunities on how to conduct difficult conversations. In case of company 4, they used a selection committee to make group decisions.

The Tension between Generation and Gender Groups. As one HR leader said, “Younger generations are looking for something different from what some employers [can offer]. They're looking for green employers, they're looking for social consciousness, they' are looking for appropriate governance” (P3). Another HR leader also observed:

[Since] I was management trainee. I have been here for 24 years. I don't really know what they planned to do with me. [Not until] when you are older, then they ask you what do you want to do. I think for younger ones, they want to know now so we have conversations [now], we ask specifically what they want to do and why (P4).

All studied companies had implemented programs to address the widening generational gap, but gender inequality was addressed by policy in only one company (Case 3). Strategies that emerged were cross-generation mentoring, coaching, and intentionally forming cross-generational teams. One company held conferences to discuss topics of cross-generational issues related to work-life balance and career development (Case 5). Another company developed a multipronged mentor program to bridge the needs of young management trainees. It used 1) a buddy program to pair experienced trainees with new ones to create an opportunity for them to learn from their peers, and 2) the assignment of trainees to one or more senior managers as go-to person(s) for help with navigating the organization, answering difficult questions, and providing a low risk environment for in-depth conversations to understand other generations better (Case 4).

Maintain Partnership with Line Managers and Utilize a Wide Spectrum of

Programs. A common theme among the studied companies is that they all believed partnering with line managers helped to gain first-hand information on talent performance, strengths, and weaknesses. It is also helpful with job rotation, on-boarding, socialization, career development, and other programs such as work-life balance, mentoring, coaching, reward and compensation, and succession planning. Even as one HR manager mentioned (case 6) employee poaching was acceptable strategy but most believed that companies should invest in employee loyalty programs. This was supported by Mitchell, Ray, & van Ark (2013). All interviewed HR leaders believed that in addition to training and development programs, investing in employee engagement and loyalty programs could reduce turnover. They shared a high level of appreciation for how the organization should communicate these programs, because the

communication and implementation process reflected the organizational commitment and could help demonstrate a cohesive talent strategy (Ray, Powers, & Stathatos, 2013).

Discussion

On the basis of the findings presented above, we propose the following conceptual framework to capture key design and operation considerations when implementing TM in Asia. Many Asian countries share a collective culture where collaboration and consensus seeking dominate the corporate decision-making process. However, collaboration and consensus are likely to be sought within people's network and with the people they trust (Ashkanasy, 2002). That leaves the subsidiaries at a disadvantage due to physical distance and/or lack of networking opportunities to develop trust. In addition, in a high power distance culture that favors top-down decision making (Hofstede, 1980), headquarters are perceived to have power over subsidiaries. That can lead headquarter managers to believe that it is unnecessary to seek consensus from the regional offices. Therefore, when designing TM program, a company need to consider the compatibility of headquarter culture and local culture, the compatibility of global TM policies and practices and the local policies and practices, and the balance between a process driven approach (Western culture) and a network driven approach (Eastern culture). Moreover, the company also need to examine if their traditional programs work for the young generations or not, if there are reasonable potential to build a common culture and a platform for division leaders to work together to make TM decisions, and the use of incentive programs and branding efforts (see Figure 1).

[Insert Figure 1 here]

Operation considerations include a tiered approach, securing organization support, transparency in talent selection and incentive programs. Tiered approach allows the flexibility at the local level that balances headquarter control and local autonomy, thus it can ease the tension between subsidiaries and headquarters. Securing organization support is important in Asia because TM requires a top down approach. The commitment from the organization in terms of financial, infrastructure, and human resources translate into status and power of influence. It works well in Asia's hierarchical culture. It was a common theme among the studied companies, as each had a structured team designated and an apparently sufficient budget to lead the TM effort.

Transparency in talent selection and incentive programs is important because many organizations will practice a differentiated HR architecture by placing people into different groups. It is somewhat acceptable in Asia because of the adherence to social hierarchy (e.g. Gupta, V., Surie, G., Javidan, M. & Chhokr, , 2002b; Ashkanasy, 2002). It even appears to be economical because many countries in Asia are emerging markets (e.g. China and India). It makes economic sense for companies to invest in a selected group of high potentials in order to accelerate their development (Ready, Hill & Conger, 2008). Talented employees also find it is attractive to be selected and receive special treatment. However, this differentiated approach may promote employee labeling, lead employees to develop a sense of self that has lasting impact on their identity, especially when the label is non-high potentials. This reinforces the social identity of the group with power in the organization by being a 'talent', in essence labeling 'non-talent' as outsiders. This could potential create organizational inequalities" (Sheehan & Anderson, 2015). Transparency in talent selection and incentive programs might be able to mediate the tension between high potentials and non-high potentials

To ease the tension between generations, organization needs to help employees of different generations to work together through various interventions, such as training programs, mentor and coaching. The differences between generational cohorts are real because of the differences in their work related values and attitudes (Li and Nimon, 2008). The older generation value hard work and persistence more than personal needs. Younger generations are accustomed to a flexible working arrangement, regular leisure activities, and alternative career paths. The younger generation often is driven by self-directed career planning, self-improvement through training and education, and individual achievement, and not afraid of changing jobs (Strack, et al., 2011). A study on value changes of the contemporary Chinese concluded that younger generation has become more individualistic, secular, and materialistic (Faure, n.d.).

We want to highlight that gender inequality in the region has not been given sufficient attention from regional HR professionals. In *Winning the War for Talent in Emerging Markets*, Hewlett and Rashid (2011) claimed that women are the solution. Internationalization and globalization will tip the balance between traditional values and economic independence of women. In addition, the shortage of skilled labor will force organizations to tap into well-educated female talent. Companies who are serious about gender equality should design policies and programs that take the unique needs of female talent into consideration.

The findings also revealed that maintain close partnership with line managers and utilize a wide spectrum of programs should be part of the TM operation consideration. As mentioned earlier, a close partnership with line managers can provide first-hand information on talent performance so targeted developmental activities can be provided, such as targeted coaching and skill specific project-oriented activities. Training and development is important because a failure in offering T&D opportunities will lead career minded people to start looking

for other employers. However, T&D alone will not be enough for TM because if no career advancement opportunity, career minded talents will most likely to leave (Kraimer et al., 2011; Taylor, 2010; Zheng & Lamong, 2010)). In addition, new and advanced technologies should also be considered because of the importance of HR information systems, learning management systems or social network systems. It is imperative that TM leaders make decisions on the basis of timely information instead of personal preference or unsystematic experiences (Rousseau, 2006).

Research Implications and Limitations

The findings of this study illustrated a range of TM strategies and practices, however, a few caveats should be noted. First, due to the nature of case study research, the findings may not generalize to a wider range of organizations. Second, the details of TM programs in each organization was not addressed in depth given that the focus of this study was to understand the overarching TM practices and challenges. Third, we focused our interviews on one HR leader in each organization for data collection. Interviews from a wider group of participants might have yielded a different perspective. Finally, while all the contact persons are from subsidiaries working in Asia, some of the MNCs are headquartered outside Asia and this might have affected the results of the study. Nonetheless, the lessons learned from the cases provided in this study can provide insights to the work of future researchers and practitioners.

Future research can expand upon this study's findings. First, given that most TM research has been conducted using a western lens, future research needs to develop an Asian TM framework and understand how it differs from western countries. With each component of the framework defined, future studies can also determine the degrees of influence each

component has on TM success. Second, further studies should investigate different TM practices and the role of the regional or country culture. Third, future research should investigate how TM practices are actually affecting talent retention outcomes in Asia. Fourth, the potential consequences of TM program should be investigated from a critical perspective to understand the impact that an elite approach has on gender equality in the region when Asia already has a strong tradition that perpetuates gender inequality and gender stereotypes.

Conclusion

By investigating TM practices in Asia, this study captured challenges and practices that companies were using to counter these challenges. The findings were discussed with implications for both practitioners and researchers. This paper also discussed the essential components to ensure a successful TM program. This can help researchers to conceptualize TM and develop necessary frameworks that may guide future practices. It also noted how HR professionals can contribute to the overall TM success, but also warned about equity and ethical concerns for equal developmental opportunities, and the potential impact of the selective/elitist approach of TM practices (Sheehan & Anderson, 2015).

Tables & Figures

“Insert Tables and Figures”

Table 1. Company Profiles

| Case | Product/Service | Size (# of employees) | Operations in Asia-Pacific Region |
|------|--|--|--|
| 1 | Corporate banking, Investment banking, Commercial banking, Securities | 35,480 worldwide 7,000 in Asia excluding Japan | HQ*: Japan. RP*: Australia, Cambodia, China, Honk Kong, India, Indonesia, Japan, Korea, Malaysia, Pakistan, Philippines, Singapore, Taiwan, Thailand, Vietnam |
| 2 | Investment, management, operation services for Telecommunication, Infrastructure, Consumer food products and Natural resources | 45,000 in Asia | HQ: Hong Kong. RP: Australia, Indonesia, Philippines, Singapore |
| 3 | Commercial bank and investment bank | Over 100,000 worldwide 56,000 in Asia. | HQ: USA. RP: Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Taiwan, Thailand, Vietnam |
| 4 | Aviation, Property, Agribusiness, Marine services, Trading | 121,600 worldwide Most are in Asia | HQ: UK. RP: Australia, China, Hong Kong, Papua New Guinea, Singapore, Taiwan, Vietnam |
| 5 | Utilities (energy, water), Marine and Urban development | Over 9,000 employees in Asia | HQ: Singapore. RP: Australia, China, India, Indonesia, Oman, Vietnam, UAE |
| 6 | Data storage solutions | 5,900 worldwide 1,000 in Asia | HQ: USA. RP: Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Singapore |

Note: HQ* = Corporate Head Quarter. RP*: Regional Presence in Asia

Table 2. Demographics of Interview Participants

| Code | Case | Position Held During the Interview | Size of the team | Relevant Experience |
|------|--------|---|------------------------|---------------------|
| P1 | Case 1 | Regional HR Manager and Manager of Learning and Career Development for APAC | 12 | 19 years. |
| P2 | Case 2 | General manager, Leadership succession & development | 6 FT & 100 contractors | 31 years. |
| P3 | Case 3 | Regional head, Talent and diversity for the Asia-Pacific region | 7 | 23 years. |
| P4 | Case 4 | General manager, Leadership development | 6 + | 24 years. |
| P5 | Case 5 | Senior VP, Group HR | 30 | 15 years. |
| P6 | Case 6 | Director, APAC Talent management | 0 | 15 years. |

TABLE 3. ASPECTS OF TM PROGRAM IN EACH ORGANIZATION

| Case | Aspects of TM as it Operationalized in Studied Organizations | | | |
|------|--|---|--|---|
| | Org. Structure | Implementation | Talent Defined HR Architecture | Case Specific Challenges |
| 1 | Part of the large HR organizational structure | Global Strategy and implemented Through regional offices – by mirroring the global effort | Target at Senior leaders and leadership competencies. Differentiated HR architecture | Experiencing culture differences Corporate expats hold all key positions. Difficulty in attracting talent |
| 2 | TM has an independent organization structure | Program design and implementation are centralized | Talent defined by current held position Differentiated HR architecture | Experiencing inconsistencies in HR policies between subdivisions Retention of talent |
| 3 | Part of the large HR organizational structure. | A cascade process from the top with the tools and procedures, implemented locally. | Tiered approach. Corporate talent, then country talent Differentiated HR architecture | Experiencing challenge in motivating non-high potential Difficulty tracking development data |
| 4 | Dual organization structure | Responsible for Management Trainee Program Service provider for other TD requests | Multiple streams of talent identified for different developmental path Differentiated HR architecture | The retention of young management trainee due to the different career expectations of the young generation |
| 5 | Part of the large HR organization structure | Through 'My Career Journey' program for all employees. | Employees are talent. No separate talent program. Inclusive HR architecture | Difficulty in acquiring the right talent and talent retention. |
| 6 | Part of the large HR organization structure | Central planned via a variety of programs | Target at both high potential and critical talents Differentiated HR architecture | Difficulty in acquisition and retention |

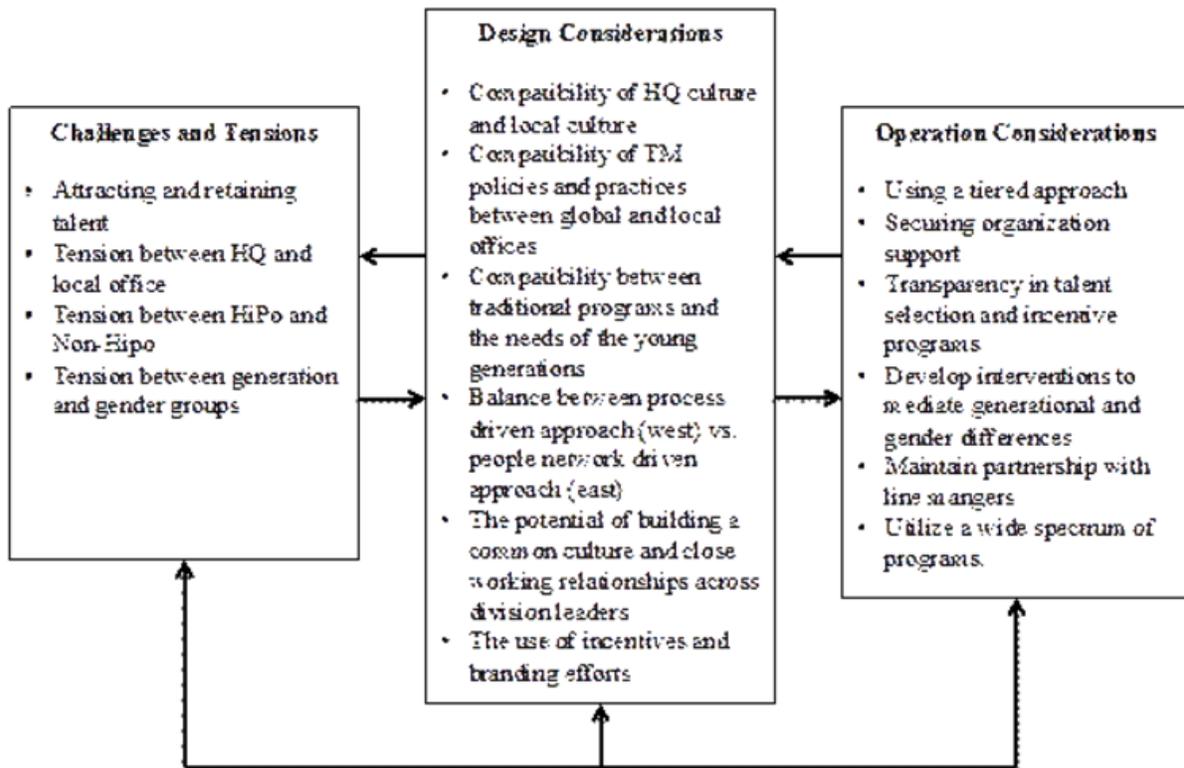


Figure 1. Operationalizing TM in Asia: A Conceptual Framework

References

- Ashkanasy, N. M. (2002). 'Leadership in the Asian century: Lessons from GLOBE' *International Journal of Organisational Behaviour*, 5: 3, 150-163.
- Avedon, M. J., & Scholes, G. (2010). 'Building competitive advantage through integrated talent management', in R Silzer, & B. E. Dowell, (eds), *Strategy-driven talent management: A leadership imperative*. San Francisco, CA: John Wiley & Sons., 73-119.
- Beamond, M. T., Farndale, E., & Härtel, C. E. (2016). 'MNE translation of corporate talent management strategies to subsidiaries in emerging economies' *Journal of World Business*, 51: 4, 499-510.
- Boyatzis, R. (1998). *Transforming Qualitative Information: Thematic Analysis and Code Development*, Sage, Thousand Oaks, CA.
- Collings, D. G., & Mellahi, K. (2009). 'Strategic talent management: A review and research agenda' *Human Resource Management Review*, 19: 4, 304–313.
- Dowling, P.J., Welch, D.E., & Schuler, R.S. (1999). *International Human Resource Management: Managing People in a Multinational Context*. (3rd ed.) Cincinnati, OH: South-West.
- Dries, N. (2013). 'The psychology of talent management: A review and research agenda' *Human Resource Management Review*, 23: 4, 272-285.
- Fernandez-Araoz, C., Groysberg, B., & Nohria, N. (2011). 'How to hang on to your high potentials' *Harvard Business Review*, 89: 10, 76-83.
- Faure, G. O. (n.d.). *China: New values in a changing society*. Retrieved from <http://www.ceibs.edu/ase/Documents/EuroChinaForum/faure.htm>

- Foss, N. J. (1998). 'The resource-based perspective: An assessment and diagnosis of problems' *Scandinavian Journal of Management*, 14: 3, 133-149.
- Franke, R. H., Hofstede, G., & Bond, M. H. (1991). 'Cultural roots of economic performance: A research note' *Strategic management journal*, 12 :S1, 165-173.
- Gallardo-Gallardo, E., Nijs, S., Dries, N., & Gallo, P. (2015). 'Towards an understanding of talent management as a phenomenon-driven field using bibliometric and content analysis' *Human Resource Management Review*, 25: 3, 264-279.
- Glaser, B. & Strauss, A. (1967). *The Discovery of Grounded Theory: Strategies for Qualitative Research*, Aldine, Chicago, IL.
- Gupta, V., Hanges, P.J. & Dorfman, P. (2002a). 'Cultural clusters: Methodology and Findings' *Journal of World Business*, 37: (1, 11-15.
- Gupta, V., Surie, G., Javidan, M. & Chhokr, J. (2002b). 'Southern Asia cluster: Where the old meets the new?' *Journal of World Business*, 37: 1, 16-27.
- Hewlett, S. A. & Rashid, R. (2011). *Winning the War for Talent in Emerging Markets: Why Women Are the Solution*, Boston, MA: Harvard Business Review Press.
- Hofstede, G. (1980). 'Motivation, leadership, and organization: do American theories apply abroad?' *Organizational dynamics*, 9: 1, 42-63.
- House, R., Javidan, M., Hanges, P., & Dorfman, P. (2002). 'Understanding cultures and implicit leadership theories across the globe: An introduction to project GLOBE' *Journal of World Business*, 37: 1, 3-10.
- Ivaturi, V., Lanvin, B., & Mohan, H, (2009). 'Global mobility of talents: What will make people move, stay, or leave in 2015 and beyond?' in D. Sumitra & I. Mia (eds), *The Global Information Technology Report: Mobility in a Networked World* (pp. 81-94). Geneva: World Economic Forum and INSEAD.
- Khatri, N., Budhwar, P. & Chong, T.F. (2001). 'Explaining employee turnover in an Asian context'. *Human Resource Management Journal*, 11: 1, 54-74.

- Khilji, S. E., Tarique, I., & Schuler, R. S. (2015). Incorporating the macro view in global talent management. *Human Resource Management Review*, 25: 3, 236-248.
- Kraimer, M. L., Seibert, S. E., Wayne, S. J., Liden, R. C., & Bravo, J. (2011). 'Antecedents and Outcomes of Organizational Support for Development: The Critical Role of Career Opportunities' *Journal of Applied Psychology*, 96: 3, 485–500.
- Lado, A. A., & Wilson, M. C. (1994). 'Human resource systems and sustained competitive advantage : A competency-based perspective'. *Academy of Management*, 19 :4, 699-727.
- Lewis, R. E., & Heckman, R. J. (2006). 'Talent management: A critical review. *Human Resource Management Review*' 16 :2