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IDENTIFICATION OF TALENT IN A MULTINATIONAL

CORPORATION AND THE CHALLENGES, PROBLEMS AND

BIASES SURROUNDING IT

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ABSTRACT

There has been a growing interest in talent management since the article by McKinsey in 1998, declaring the 'war for talent'. This so-called 'war for talent' has been sparked by, differentiation of employees, the need for global leaders and so forth. Multinational corporations which implement a differentiated workforce are required to identify who their talented employees are, because they will not provide all employees with the same development and career paths. Furthermore, organisations are required to identify who is talented, because merely containing talent *per se* is of little strategic value, if it is not identified and put to task.

The aim of the study is to investigate the challenges that MNCs face in identifying internal talent, the biases involved in the identification process, how intransitivity is taken into account when identifying talent and does talent identification ever go wrong. To achieve this aim, this paper has utilised an empirical research approach, based on utilising a qualitative, semi-structured interview methodology and a case study.

This study has found that talent identification does go wrong in the case company and one of the main reasons for the failure is the paucity of consensus on who is talent in the organisation. In addition, this study found that homophily is one of the biases in the identification process. The main weakness of this study is the paucity of line or business managers, classed as 'evaluators of talent', participating in the study. There is only one participant who is classed as an evaluator of talent. This is a weakness, because there is a lack of comparison material for the responses from the single evaluator of talent.

This paper contributes at the general level to the empirical and qualitative research on global talent management and specifically, to the challenges that MNCs face in internal talent identification and why it can go wrong.
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KEYWORDS: Global Talent Management (GTM), Internal Talent Identification, Global Talent, High Potentials, Multinational Corporation (MNC)

1. INTRODUCTION

In this chapter of the thesis, a background for the study will be provided, which will entail and present the relevance of the research problem, why the subject area is important, problematic and relevant. The motive and purpose for the research to be undertaken will also be stipulated and justified. The research questions will be presented in that latter part of the chapter along with the structure of the research paper.

1.1. Background of the Study

There has been a growing interest in talent management (TM) since the article by McKinsey the consulting group in 1998, declaring the 'war for talent' (Chambers, Foulon, Handfield-Jones, Hankin, & Michaels III 1998), and especially in the recent years in global talent management (GTM). Since 2001, there has been an increasing amount of academic literature on TM and global talent management with most of the articles published in a special issue on GTM in the *Journal of World Business* (2010) (Thunnissena, Boselieb & Fruytier 2013: 1746). Talent management can be described as an HR practice aimed at addressing competition for high-value labour in widening global markets alongside key employees' demand for fast-track career development (Collings & Mellahi 2009; Mellahi & Collings 2010).

The reason for the growing interest in the subject area is the need for multinational corporations (MNCs) to be as competitive in the global marketplace as possible has increased dramatically over the past twenty years (Schuler, Jackson & Tarique 2010: 506). Thereby, there has been a shift from domestic talent management (DTM) to global talent management, especially within global firms. The globalisation of talent management is an important subject matter in this new global economy, because of the environment that multinational corporations conduct business in today is a global, dynamic, highly competitive, complex and extremely volatile environment (Tarique & Schuler 2010: 122). This dynamic global business environment has created a harder uphill battle with regards to managing and identifying talent in a global multinational

than in their non-global counterparts (Guthridge & Komm 2008: 1). There is considerable evidence that organisations worldwide face formidable talent challenges. The ability to attract, identify, develop, and retain a needed supply of talent is a challenge facing all organisations (Coy & Ewing 2007) during the boom times and the downturns. Guthridge and Komm (2008: 1) suggest that companies that satisfy their global talent needs tend to outperform organisations that do not.

For all MNCs or for national firms facing these global business environment challenges, talent management has emerged as one of the key strategic issues facing managers and firms in the twenty first century (Collings & Mellahi 2009: 305). It is often at the top of the agenda for human resource (HR) directors/managers and chief executive officers (CEOs) alike. Accordingly, in a recent study, it was found that CEOs are increasingly involved in the talent management process (Economist Intelligence Unit 2006). However, a few global organisations have risen to the challenges and problems that they incur when managing talent in a global context (Guthridge & Komm 2008: 1). Cheese, Thomas and Craig (2008: 9) note that ''talent has become a precious resource fought over by competitors in a global war for talent''.

This so-called 'war for talent' has been sparked by talent shortages, differentiation of employees, the need to grow global leaders and other factors. Multinational corporations are faced with a rising shortage of talented people (Burke & Ng 2006: 86).The talent pools are going to diminish in the next couple of decades because of the large baby boomer generations are about to retire, as well as the birth rates are declining in many countries. This is resulting in a smaller labour market with a smaller talent pool for MNCs to recruit talent from (Evans Pucik & Bjorkman 2011: 260-261). The shortage of talent and the lack of global leaders, especially in emerging economies, has become one of the biggest HR concerns for multinational corporations today (Ready & Conger 2007: 70-72; Evans et al. 2011: 303) Hence, MNCs need to focus on identifying talent and potential future leaders in their current internal pools rather than 'fishing in an ever shirking external pool'. However, during the global downturn of the past few years the challenges have expanded to include, dealing with talent shortages, talent surpluses,

locating and relocating talent, identifying talent and global leaders, and compensation levels of talent (Schuler et al. 2010).

Even during the global downturn, organisations across the world have realised that the knowledge, skills and abilities that their talented employees have to offer, are a major source of competitive advantage to their company (Lewis & Heckman 2006; Hartman, Feisel & Schober 2009: 169). Furthermore, MNCs are realising that superior human resources are crucial to their competitiveness, and that these resources may be found in different parts of the world (Bryan, Joyce & Weiss 2006) and talent is not restricted to 'home nationals'.

Moreover, in our knowledge based global economy, global competition pits multinationals against one another for this precious resource, if the talent that provides the competitive advantage is mismanaged or more importantly misidentified the organisation could indeed lose their advantage and be place at a competitive disadvantage (Mellahi & Collings 2010). To gain a competitive advantage from their 'talent' organisations need to identify who is talented or who has high potential to become 'talented'. Multinationals that merely contains "talent *per se* is of little strategic value, if it is not identified, nurtured and used effectively" (Collings & Mellahi 2009: 144). The aforementioned is especially true when identifying global leadership talent, because there is a consensus among academics that the skills required at one level of the leadership passage differ from those that led to success at the former levels, this is called *intransitivity* (Evans et al. 2011: 303; Evans, Smale, Bjorkman & Pucik 2011: 209). Hence, potential global leaders needed to be identify, therefore training and development exercises can be provided, because there is a potential lack of leadership linearity in the leadership passage.

Furthermore, internal talent identification has become immensely important practice, especially because more and more organisations and their HR departments are moving away from standardised employee practices to differentiating their employees between 'talent' and 'non-talent' and/or 'high potentials' and 'non-high potentials' (Becker & Huselid 2006: 903), therefore, treating them differently. Organisations are conducting

this practice because they no longer desire to invest in everyone's career and development to the same extent (Evans et al. 2011: 263), which has been exacerbated by increased job mobility. This has lead to a shift in career management from the organisation to the individual (Evans et al. 2011: 303).

Firms in a variety of countries are no longer providing the old social contract of job security in return for commitment (Evans et al. 2011: 263),which in turn is creating fewer loyal employees (Economist 2006: 3). The organisations that are currently differentiating their employees are choosing to focus their efforts on the talented employees rather than the average or below average employees. The reasons why these firms are targeting the highly valuable and unique employees is twofold. One, it is believed that these talented employees generate the greatest return on the investment for the firm (Lepak & Snell 1999). Two, organisations deem that they are incurring unnecessarily high costs when they invest in everyone's career and development (Becker & Huselid 1998). Thereby, HR departments, first and foremost ought to focus their attention and invest their scarce resources on attracting, identifying, selecting, developing and retaining talent, because they generate higher productivity and accordingly produce higher returns or success for the firm than 'non talent' (Lepak & Snell 1999; Collings & Mellahi 2009). Therefore, organisations who implement a workforce differentiation practice are required to identify who are their talented employees and provide them with the tools, development and a career path, which could lead to greater employee retention.

Moreover, identifying talent has become more and more important practice in a differentiated workforce because of the cost and ethical implications involved in the practice has serious consequences on the firm, the identified and the non-identified employees. Furthermore, talent identification can be a useful instrument for identifying potential senior management talent and ensuring leadership continuity through succession planning (McDonnell & Collings 2011: 63). Thus, the identification of internal talent has become an important but neglected topic area. The subsequent subsection of the introduction will illustrate the research gap and the problem.

1.2. Research Gap and Problem

This subsection of this chapter will illustrate the gap in the literature and the research problem and issues with internal talent management.

Talent management, as a whole, has been referred to as a subject area in its infancy stages (Lewis & Heckman 2006; Collings & Mellahi 2009). Therefore, it could be assumed that there will be array of gaps in the literature and our knowledge. The field of talent management and especially GTM is lacking rigorous academic research (Lewis & Hackman 2006). Moreover, Lewis and Heckman (2006), and Collings and Mellahi (2009) concluded that talent management lacks empirical research. This conclusion was also confirmed by Thunnissena et al.'s (2013) literature review. Thunnissena et al. (2013: 1748) stated that one third of the articles in their literature study presented the results of empirical research. The other articles were largely based on conceptual studies with anecdotal evidence from a select few participants and their perspective, mainly top level executives and/or CEOs. It could be conclude from the aforementioned that what we know about talent management and GTM is principally based upon conceptual studies. They also went on to note that the little amount of empirical work that has been conducted were mainly quantitative studies. These are some of the main criticisms of the literature and the knowledge we have on talent management and the sub strands. Tarique and Schuler (2010: 129) suggest that because the field of GTM is relatively young, more qualitative methodologies may be used, such as interviews and content analysis of archival documentation.

Thus, this study aims to contribute to the empirical and qualitative research within global talent management and to comply with Tarique and Schuler's (2010) suggestions, by conducting this study based on the said methods. This will help to counterbalance the field of talent management and global talent management against conceptual studies and towards a more holistic account of the field with empirical data to underpin the subject area.

Moreover, talent management is lacking a variety of perspectives. Thunnissena et al. (2013: 1748) found that talent management as a subject area was United States perspective heavy. In other words, most studies in talent management have only been carried out in a U.S. context using American CEOs, HR departments, and so forth (Thunnissena et al. 2013: 1748). Therefore, it can be concluded that there is a lack of other perspectives on talent management and a gap in our knowledge in regards to global talent management from a non-American perspective. This study aims to provide a Northern-European, more specifically a Finnish perspective on global talent management.

Studies on GTM in multinational companies are extremely important. Tarique and Schuler (2010: 131) note, much more research could be done on essentially every aspect of GTM because it is in the early stages of development. Identifying internal talent is problematic when an MNC is geographically, culturally and linguistically diverse but it is essential that organisations surmount these difficulties to gain competitive advantage in a global knowledge economy. Difficulties in assessing, identifying and locating talent are a major sticking point in global talent management in MNCs. Despite the advantages that multinationals could realise through effective global talent management there is little evidence that management of talent is conducted in an effective manner (Sparrow, Brewster & Harris 2004).

While research has highlighted MNCs' failure in managing their talents, little is known about the underlying causes of this failure. Research on talent management failure in multinationals lacks conceptual depth and as a result there remains a significant conceptual gap in our understanding of the underlying causes of talent management failure in MNCs (Mellahi & Collings 2010).

The identification of internal talent in MNCs is seldom problematised, most academic literature focuses on the practices of talent management (Makela et al. 2010:134). One could argue that the process of identification is fraught with complexities and problems. Is identification of talent really an easy process, especially in a global multinational corporation? It is challenging and many multinationals frequently struggle to identify

their most talented individuals and their location around the world (Collings, Scullion & Morley 2007; Guthridge & Komm 2008; Collings & Mellahi 2009; Makela et al. 2010) There is little evidence that firms do talent management and/or talent identification in an effective manner (Cohn, Khurana, & Reeves 2005; Scullion & Collings 2006; Cappelli 2008). This is because there are numerous ways talent identification can go wrong.

There are numerous dilemmas in talent identification that makes the process problematic. These dilemmas that organisations face are: when should talent be identified – early or late; who should be accountable for identifying talent – the line manager, HR or top management; how to encourage managers to release their talent; how to measure performance; how to evaluate potential; how to surmount biases involved and so forth (Roberson et al. 2007; Wood & Marshall 2008; Makela et al. 2010; Evans et al. 2011; Evan, Smale et al. 2011; Björkman et al. 2013). These all could be reasons why organisations struggle with talent identification. In the literature there is neither consensus nor a best practice in regards to talent identification or why it does sometimes go wrong. This area still requires further research to gain further understanding and fill the gap in our knowledge. This study aims to do just that.

In summary, the purpose of this paper is to contribute at the general level to the empirical and qualitative research on global talent management from a Finnish perceptive. More specifically, this study attempts to contribute to the challenges that MNCs face in internal talent identification and why it can go wrong. This paper thus seeks to address the research gaps by examining the research questions, which are in the subsequent subsection of this chapter.

1.3. Research Questions

This section will present focussed and succinct research questions for the study, the background of the study and the research gap and problem has produce justifications for this topic area to be investigated. This study aims to address the following research questions:

Research Question 1: *What challenges does a multinational corporation (MNC) face in identifying internal talent?*

   Sub-Question 1: *What kinds of biases exist in the identification process?*

   Sub-Question 2: *How is intransitivity accounted for in the identification process?*

Research Question 2: *Does identification of talent ever go wrong? If so, what are the main reasons?*

This subsection has illustrated the two research questions and the sub questions that will be investigated. In order to answer the questions social capital, internalisation, among other theories, will be utilised to shed some light on the findings. It is now necessary to delimitate and provide the scope for the study.

1.4. Scope of the Study

This subsection of the introduction will focus upon the scope of the study. This will include what is meant by talent and talent management in this study. Additionally, the remit of the study will be stated.

Firstly, throughout this paper the term 'talent' will refer to and will be used to refer to an employee with high potential to become a leader or is a leader, within the top 500 positions within the case organisation, normally at a global level. Talent will also be synonymous with high potential. The case company does not have a definition of talent or talent management; however they have a set of criteria. Therefore, the definitions are based upon the beliefs, criteria and the practices of the case multination. Thereby, talent throughout this paper will be utilised as euphemism for the 'elite' with leadership potential and will not incorporate all employees of the case multinational or all of its human capital or resources.

Secondly, throughout this paper the term talent management will refer to a systematic review of the experienced leaders and their successors who can occupy the top 500 global or regional level positions within the organisation. This definition is based upon the beliefs, criteria and the practices of the case multination. As previously mentioned the organisation does not have a definition of talent management and the process itself.

Having defined what is meant by talent and talent management, this section will now move on to discuss what is in the remit of the study. The reader should bear in mind that the study is based on internal talent identification and the problems and so forth that the case multinational incurs. It is beyond the scope of this study to examine (a) the identification of talent from outside the remit of the MNC, (b) why identification of external talent goes wrong, (c) the challenges of identifying external talent, (d) the biases involved in recruiting talent and (e) the management and identification of all the organisational employees. Thereby, the scope of the study will concentrate on internal elite (top 500) leaders or with the potential to become a leader.

Before proceeding to examine the literature on talent management, it is necessary to outline the structure of this research paper.

1.5. Outline of the Research Structure

The overall structure of this paper takes the form of five themed chapters, including this introductory chapter, which entails a background of the study, the research gap and the scope of the study.

A review of the literature will take place in chapter two. This will include a critical analysis of the literature in the area of study. It begins by laying out the debate on what is meant by talent and talent management and then moves on to examine other more specific areas related to the research questions, such as how do firms identify talent, the problems and challenges involved in indentify talent in global MNCs and the biases in the process of indentifying talent.

Following on from the literature review chapter will be the methodological chapter. This area will be concerned within the philosophy, design, approach, strategy, data collection, validity and reliability, and finally the ethics of the research project that were utilised in the study.

The fourth chapter will present the findings of the research, focusing on the key themes that have been identified in the analysis of the data gained through the interviews and through the secondary sources. A discussion of the findings will also take place within this chapter.

Finally the thesis will wrap up with the conclusions chapter. The conclusion provides a brief summary and critique/ limitations of the findings, the areas for further study that were identified and a discussion of the implications of the findings for the academic world and practitioners. The following chapter is on the literature review.

2. LITERATURE REVIEW

This chapter will contain a review of the literature. The said review will discuss, among others, the key aspects and concepts of talent management, talent identification, talent challenges and problems, global talent management, talent pools, internal talent and so forth. The findings of similar research projects on the area of study will be discussed in this chapter. The weaknesses, merits and biases of the said papers will be stipulated, discussed and justified. Furthermore, the past research projects will be linked with this study's aims and research questions throughout the chapter. Moreover, the concepts and notions of authors within the field will be compared and contrasted and the limitations of these concepts will be analysed. The subsequent subsection will focus on a broad area of what is meant by talent and what is talent management. The chapter as a whole will start at a more general level and will become more specific in regards to the research questions as the chapter evolves. It will conclude with a brief summary of the literature.

2.1. What is meant by Talent and Talent Management?

The field of talent management is relatively young (Thunnissena et al. 2013: 1746). As in many young areas of study there is usually an immense deal of ambiguity until the field of study finds its feet, metaphorically speaking. As previously mentioned, there has been a significant amount of interest in talent management and GTM in recent years. If one notes the volume of articles in the popular and practitioner press, practitioners in the field of human resources are now primarily in the business of talent management (Lewis & Heckman 2006: 139). However, there are various ambiguities in regards to talent and the management of talent. Ashton and Morton (2005: 30), some years ago, stated that "there isn't a single consistent or concise definition" of talent management. This statement was also reiterated by Lewis and Heckman (2006: 140) in their article, by stating that there is a "disturbing lack of clarity regarding the definition, scope and overall goals of talent management". There have been some attempts to remedy the said lack of definition, by Scullion and Collings (2011: 7) in regards to

global talent management and Collings and Mellahi (2009: 304) in regards to strategic talent management. Nevertheless, there is still a lack of consensus on the definition and the conceptual boundaries of TM (Thunnissena et al. 2013).

Not surprisingly, many managers and/or directors might say that everyone in the organisation is talented or has high potential. This has been illustrated in the case company by the Global head of Talent Management who stipulates "...*we want them [employees] to be talented in some meaningful way... I like to think that everyone is talented in some way*". Conversely, in reality most organisations, including the case company, have a more restricted definition of talent when it comes to actual talent management (Evans et al. 2011: 258). Yet, these definitions vary a lot from company to company (Iles, Chuai & Preece 2010: 179). How organisational talent is defined for talent management purposes is a tricky issue, with no consensus in practice as to what such talent is (Tansley, Harris, Stewart & Turner 2007). Indeed a consensus on the definition of talent management and talent is lacking in the academic world as well as the practitioner world. Collings and Mellahi (2009: 304) support the previous statement by stating that, "the key limitation of talent management is that it lacks a consistent definition and clear conceptual boundaries." Lewis and Heckman (2006: 139-140) add that it can be quite difficult to identify the precise meaning of 'talent management' or 'talent' because of the confusion regarding definitions, terms utilised and the assumptions made by authors who write about TM. The terms 'talent management', 'strategic talent management', 'succession planning', 'GTM', and 'human resource planning' are often used interchangeable (Lewis & Heckman 2006: 139-140). This is also demonstrated in the following table 1.

In the following text, an exploration and a short discussion shall take place in regards to a definition of 'talent management' and what is meant by the word 'talent'. The definitions of talent and talent management that were based upon the beliefs, criteria and the practices of the case multination will be added to the discussion and will be utilised throughout this study as previously stated.

2.1.1. Exploration of Talent and Talent Management Definitions

This section of the study will briefly discuss the definition of talent management and talent, including the definition provided by the case multinational corporation.

The Economist (2006: 4) stated that "companies do not even know how to define 'talent', let alone how to manage it". Therefore this exploration for the definitions will commence with a critical discussion of talent, which will lead into talent management.

Tansley (2011: 266) found in their article that there is no single or universal contemporary definition of 'talent' and organisations contain different and versatile perspectives on what talent is. Tansley (2011: 266) also found that the contemporary meaning of talent is highly affected by the industry and the specific nature of the work carried out by the organisation. Tansley (2011: 266) implicates that in order for talent to be identified; the first step is to have an agreed organisational definition of talent. Lewis and Heckman (2006: 141) suggested that some scholars, practitioners and consultants utilise the word 'talent' as a euphemism for people and/or for all staff at an organisation. Lewis and Heckman (2006: 141) also note that the word 'talent' can be used simultaneously for different purposes. The case multinational does not use the word 'talent' as a euphemism for people and/or for all staff at the organisation, their definition is more exclusive. 'Talent', at the case MNC, is synonymous with high potential to become a leader, in the top 500 positions within the organisation, normally at a global level. This definition will be utilised throughout this study, as previously mentioned.

The exploration will now turn its attention to the discussion on the definitions of talent management. Although there is not yet consensus on the definition of Talent management (Vaiman & Collings 2013: 1737), and where the conceptual boundaries lie (Collings & Mellahi 2009: 304). There have been attempts to provide the topic with a succinct definition and conceptual boundaries. Some of the said attempts have been tabulated (Table 1) in order to illustrate the situation. Table 1 presents the definition

type, the definition and the author(s), who composed it. The tabulation is not a comprehensive list of definitions but a few examples to aid the discussion.

Table 1. Definitions of Talent Management.

Definition Type	Author(s)	Definition
Talent Management	Cappelli (2008: 1)	"Talent management is the process through which employers anticipate and meet their needs for human capital".
Strategic Talent Management	Collings & Mellahi (2009: 304).	"Activities and processes that involve the systematic identification of key positions which differentially contribute to the organisation's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organisation".
Talent Management	Davies & Davies (2010: 419).	"Talent management is the systematic attraction, identification, development, engagement/ retention and deployment of those individuals with high potential who are of particular value to an organisation".
Global Talent Management	Scullion & Collings (2011: 7).	"Global talent management includes all organisational activities for the purpose of attracting, selecting, developing, and retaining the best employees in the most strategic roles (those roles necessary to achieve organisational strategic priorities) on a global scale".
Human Resources Planning	Jackson & Schuler (1990: 235)	"...ensure the right person is in the right job at the right time."
Succession Planning	Rothwell (1994: 6)	"…a deliberate and systematic effort by an organisation to ensure leadership continuity in key positions and encourage individual advancement."
Talent Management	Pascal (2004: ix)	"…managing the supply, demand, and flow of talent through the human capital engine".
Talent Management	Evans et al. (2011: 257)	"Talent management is the process through which organisations anticipate and meet their human capital. Basically, it involves getting the right people into the right places at the right time".
Talent Management	Case MNC	Talent management is a systematic review of the experienced leaders and their successors who can occupy the top 500 global positions within the organisation.

The previous table on the definitions of talent management and other related strands has revealed the ambiguities in the definitions in talent management field. It can be seen that many definitions have similarities, but simultaneously they also differ. On the one hand, there are definitions for talent management, which are different. For example, Cappelli's (2008:1) definition is essentially about the human capital needs of the organisation as a whole. Conversely, Davies and Davies (2010: 419) definition is regards to individuals with high potential who will add value to the organisation rather than development of all human capital in the organisation. On the other hand, there are same definitions under different titles. For instance, Jackson and Schuler, (1990: 235) define human resources planning and Evans et al. (2011: 257) define talent management. However, they both utilise, partly the same definition, which focuses on ensuring that the right person is in the right job at the right time.

The previous discussion on talent and talent management has shown that there are vast varieties of contradictory terms in the field. This demonstrates the fragmented nature of the terminology utilised within the subject area, and that it is in its infancy stage and is still developing. However, for this research project the definition that will be utilised, is the one based upon the beliefs and practices of the case MNC (table 1). The next section of the literature review will focus upon the four streams of thought that are debated in the talent management field.

2.1.2. Four Streams of Thought on Talent Management

It has been debated that in the talent management field there are four streams of thought (Lewis & Heckman 2006; Collings & Mellahi 2009). Lewis and Heckman (2006) presented three streams of thought in their literature review. These streams of thought were then built upon by Collings and Mellahi in 2009, by adding an extra stream. These four streams will be noted briefly in the following and the stream that is connected to this study will be stated.

When Lewis and Heckman (2006) conducted their review of the talent management field, they found that there were three steams of thought around TM. First, there are

those scholars who just substitute the label human resource management for talent management. The second stream emphasises the development of talent pools focusing on projecting employee/staffing needs and managing the progression of employees through positions, which in turn, is building upon already established literature on manpower planning or succession planning. Third, this stream of literature argues that all roles within the organisation should be filled with "A performers" referred to as "topgrading". (Lewis & Heckman 2006: 139- 140).

In addition, Collings and Mellahi (2009: 305) suggest that there is a fourth stream connecting onto the three streams noted by Lewis and Heckman (2006), which is the "identification of key positions which have the potential to differentially impact the competitive advantage of the firm. The starting point here is identification of key positions rather than talented individuals per se".

This study straddles two of the streams of thought. These are; the second stream noted by Lewis and Heckman (2006) and the extra stream added by Collings and Mellahi (2009). This is because the case organisation utilises a succession plan format but also identifies key positions, which they believe is the top 500 positions. Furthermore, it could be argued that there are still weaknesses with the stream of thought because this study does not 'fit' with one but draws from two. This illustrates that more research needs to be conducted.

2.2. Talent Management and Human Resource Management (HRM)

Is talent management and human resource management the same study area but with a different name? As previously mentioned, some scholars do substitute the label human resource management for talent management. However, it is argued that talent management is a separate field of study. Moreover, talent management has been suggested to be a HR functional activity (Garavan 2012: 2428), which focuses on employees with high strategic value, those individuals or groups that are the most important for the firm's success (Evans et al. 2011: 258). These employees are seen as the next generation of organisational leaders that will move into key strategic roles

determining the success of the firm (McDonnell, Lamare, Gunnigle & Lavelle 2010: 151). Conversely, other scholars and writers on talent management argue that even though the main focus of talent management centres around the current high-performers, A players and future high-potentials, other positions in the organisations should not be forgotten either (Michaels, Handfield-Jones, & Axelrod 2001).The remaining positions are called B and C positions. Collings and Mellahi (2009: 305) disagree with the previous statement arguing that, if the talent management system is applied to all of the firm's employees (including poor performers); it is difficult to differentiate talent management from basic human resource management. Aston and Morton (2005: 28) argue that talent management is more than just a new name or language for HR activities, it is a strategic imperative.

In conclusion, talent management differs from HRM on the basis that talent management focuses its attention on the top 'elite' employees and strategic positions that provide the organisation with a differentiated value and/or advantage rather than focusing its attention on all the organisation's employees. Furthermore, on the one hand, talent management differs from HRM on the basis that talent management involves identifying and reviewing the organisation's employees and as a consequence of differentiating them into different categories, for example talent and non-talent. On the other hand, human resource management focuses on employees as a whole and does not differentiate employees in this manner. The next section will focus upon the globalisation of talent management.

2.3. The Globalisation of Talent Management

The globalisation of talent management is an important subject matter because the environment that MNCs conduct business in today is a global, dynamic, highly competitive, complex and extremely volatile environment (Tarique & Schuler 2010:122). Thus, the search and the identification for 'talented' people globally has become an important topic area.

Nevertheless, saving on labour costs still remains the top reason for decisions to move operations aboard. However, access to highly qualified personnel influences 70 percent of offshoring decisions. This progressive shift has seen the globalisation of talent management and the shift is beginning to have an impact on corporate strategy. MNCs in the past were only offshoring their noncore functions to emerging markets. Conversely, nowadays more and more MNCs are moving there strategically important functions to emerging countries to gain access to the local talent (Evans et al. 2011: 262).

Moreover, there has been a realisation that there is a growing shortage of talented people (Burke & Ng 2006: 86-90), especially in the emerging economies. This is particularly true in China where world-class talent is minimal compared to demand. This supply shortage is apparent across all industries, but especially apparent in the managerial sector (Farrell & Grant 2005:70–72). Thus, this has sparked a 'war for talent' (Collings & Mellahi 2009: 304) and has pushed talent management high up the agenda in many MNCs.

Globalisation, has allowed for products, employees, technology, etc, to be transferred faster, further, and cheaper around the world, than ever before, allowing more organisations and practices to become global (Griffin & Pustay 2007: 11), including talent management and identification. Hence, roles that employees have in multinational corporations are more international than ever before. This can be further seen in the need for global talent integration and alignment within geographically dispersed MNCs, which is often achieved through the use of expatriates (Evans et al. 2011: 130). However, expatriation is costly and talent pools should be created from all employees, such as women managers, local employees, third country nationals and host country employees (Evans et al. 2011: 260-261) to increase the size of the talent pool and not to be reliant on expatriates, because it is strategically unwise. Thus, the globalisation of talent management has to be sustainably aligned with the global business environment. However, globalising talent management and talent identification increases the complexity involved (Guthridge & Komm 2008: 1) because the talent maybe geographically distant as well as cultural and linguistically. The attention will now turn

to the debate in talent management whether organisations should buy or build talent or high potentials.

2.4. Building Talent versus Buying Talent

This subsection of the literature review will focus on the dilemma of buying in talent or building it from within. This section has been added to show that there is a debate and a dilemma regarding internal and external talent management and talent identification and to show that the researcher is aware that talent management can be focused on external talent. A challenge of talent management is the dilemma of building talent from identifying, developing and promoting talent from within (creating internal labour markets) or buying talent through acquisitions. These two strategies have their strengths and their weaknesses. The internal labour markets advantages and disadvantages will be presented in the table below.

Table 2. Advantages and Disadvantages of Internal Labour Markets.

Advantages	Disadvantages
▪ Developing the firms-specific strategic skills underlying competitive advantage. ▪ Building loyalty and commitment. ▪ Better screening for candidates; more rapid and cheaper decision making on staffing. ▪ Potentially lower supervisory costs because of greater capacity for self-monitoring. ▪ More control over salary levels; lower salary costs in times of growth. ▪ Encourages sharing of information and teamwork; beneficial in terms of innovation in complex value chain. ▪ Better maintenance of the culture, including social networks, if culture is a source of competitive advantage.	o Higher overhead, including costs of talent management. o Risks of investments in training or experience are borne by the company, not by the individual. o Lack of flexibility; rigidity and higher salary costs in times of decline and change; slower to adjust in times of major technological or market change. o Foster greater mediocrity and comfort; risk that poor performance goes unchallenged. o Risk of unchallenged 'glass ceiling'. o Risk of overstaffing or understaffing, especially with difficulties of forecasting talent demand.

(Evans et al. 2011: 267).

It can be observed, from the previous table 2, that having internal labour markets has its advantages, such as, developing the firms-specific strategic skills and creating the

underlying competitive advantage. Nevertheless, it also has its weaknesses such as, higher overheads, including costs of talent management. Overall, organisations have to weigh-up the pros and cons, and choose the best talent management strategy for them to proceed with.

Moreover, firms can decide not to have internal labour markets but to 'buy in talent' instead. Cappelli (2008) notes there should be a mix of both build and buy talent strategies. However, these strategies should be based on four key questions. These are; (1) for how long will the talent be needed? If the time horizon is long it is easier to recoup the investment of internal development. Conversely, if the time horizon is short it is a wiser strategy to buy in talent. (2) Is there a career hierarchy of skills and jobs that facilitates internal development? If there is a clear career hierarchy internal development should be deployed. However, if there is not buying in talent is a strong option. (3) Is the culture of the firm part of its competitive advantage? If the culture is a main part of the competitive advantage internal development is a more favourable option because new recruits will have to lean and embed the firm's culture, which takes time and is difficult. (4) How accurately can one forecast demand for talent? If one's forecasting ability is lacking a buy in strategy is the optimal decision. On the contrary, if forecasting skills are high, internal development of talent is the optimal strategy.

From the previous discussion on the dilemma of building talent versus buying talent, it can be seen that the optimal strategy is based on organisations strengths and weaknesses. Organisations should take into consideration what is the best talent management strategy to deploy at a given time to gain the optimal amount of talent, based on the company's resources and abilities. This research project is focused upon internal talent. This section has been added to show that there is a debate and a dilemma regarding internal and external talent management and talent identification. The subsequent section will focus upon the challenges in global talent management within multinational corporations.

2.5. The Challenges Involved in Global Talent Management

This section of the literature review will focus upon the challenges involved in global talent management. This section will include a critical discussion on the Global-Local dilemma and the scarcity of talent among other related subjects.

Traditional talent management has normally been a matter for local mangers rather than for the global headquarters, because of the varying cultures and laws that MNCs operate in (Makela et al. 2010: 134). However, in recent times there has been a shift in most multinationals to globalise their talent management systems and to focus on key positions that are strategically important (Evans et al. 2011: 265). However, managing talent in a global organisation or in a global manner is more complex and demanding issue than it is in a national business or at the local level (Guthridge & Komm 2008; McDonnell & Collings 2011). This is because organisations have to surmount different challenges at a global level. These challenges will now be discussed below.

The overall challenge is to successfully identify those high potentials and high performers that are situated across the globe and ensure that they occupy key positions (McDonnell & Collings 2011: 57).

Table 3. The Major Forces and Shapers of Global Talent Challenges

Major Forces and Shapers of the Global Talent Challenges
▪ Globalisation ▪ Demographics ▪ Demand for workers with competencies and motivation ▪ Supply of workers with competencies and motivation

(Based upon Schuler et al. 2010: 508)

Table 3 has been adapted from Schuler et al.'s (2010: 508) framework for global talent challenges and global talent management initiatives. The table stipulates the major forces and shapers of global talent challenges. The globalisation of talent management

was discussed in the previous section. The attention will now turn to the other forces and shapers of global talent challenges, starting with the Global-Local dilemma.

2.5.1 The Global-Local Dilemma

Some multinationals have started to move away from local practices, such as, recruitment, selection, identification, induction and development, and are implementing global 'best practices'. For example, Schlumberger had a local talent management system in Russia and China; however, this system did not supply or identify talent. Thus, Schlumberger implemented a global 'best practice' based on a system they knew worked, which did identify talent (Evans et al. 2011: 265). Bjorkman, Smale, Sumelius, Suutari and Lu (2008:146) found evidence for convergence of talent management practices found in local Chinese firms compared to those of European MNC subsidiaries in China. Furthermore, the talent management practices of European MNC subsidiaries in China have converged significantly towards those of their parent companies. This shows that talent management as a whole and in emerging markets is becoming more globally standardised. Nevertheless, local forces ought to be kept in consideration. Hence, the Global-Local dilemma is should multinational utilise global best practices to identify talent or a locally responsive system.

Having a globally consistent talent identification system can have numerous advantages, such as, (a) it can build competitive advantage throughout the world by identifying and developing local talent, (b) globally consistent system facilitating the movement of identified talent across the MNC to locations where they are needed the most, (c) using a globally standardised 'talent database' can supply easy access to how much talent a company has and what area is the company is lacking in talent. (Evans et al. 2011: 266-267). In other words, global talent management can facilitate talent identification and their deployment across the whole of the multinational rather than merely in local areas.

On the other hand, having a locally responsive talent identification system also can have its advantages. These are (a) the system will fit with the local culture and norms, (b) the system will automatically take into account the institutional factors and local laws, (c)

using local talent management practices creates less turmoil and ensures smoother operations (Hartmann, Feisel & Schober 2010: 170), (d) utilising a local identification system is more likely to identify specific talent, that is needed for the local area. A disadvantage is, a local or domestic talent management system may not create global leaders or supply the global headquarters with talented employees.

In conclusion, it can be seen from the above discussion that having a globally standardised talent management practices has its advantages, such as, identifying talent at a global level across the whole of the MNC. However, having a locally responsive talent management system also has its advantages, such as; it is more likely to identify specific talent that is required for the local area. Hence, this creates the challenging Global-Local dilemma in talent management practices and systems.

2.5.2. Scarcity of Talent

This section will focus on the scarcity of talent. Despite the growing realisation of the importance of talent management, multinationals are faced with a rising shortage of talented people (Burke & Ng 2006: 86). Because of the limited amount of talent available to firms, McKinsey consultants labelled talent management as *War for Talent* in 1998, as previously noted. (Collings & Mellahi 2009: 304). The scarcity of talent varies across countries and derives from different reasons.

For instance, Evans et al. (2011: 260) and Schuler et al. (2010: 509) all state that in most of the developed countries, it is the *demographic changes* that cause the scarcity of the talent available. The talent pools are going to diminish in the next couple of decades because of the large baby boomer generations are about to retire, as well as the birth rates are declining in North America, most of Western Europe, Japan and Australia (The Economist 2006). Evans et al. (2011: 260-261) list Germany, Italy and Japan as severe examples of countries under these conditions. Thereby, the labour market is shrinking, which in turn creates smaller talent pool for MNCs to recruit from. The situation is similar yet not as extreme in Scandinavia, Singapore and the United States. Even though, in the U.S. the problem is compensated to a certain extent by migration

(The Economist 2006). The Economist (2006: 3) points out that the ageing population will have an effect in China, despite its huge population, because of their one-child policy. These findings show that the scarcity of talent deriving from the demographic changes in many parts of the world, making talent management and identification critically important in global firms.

Moreover, countries have differing types of talent and require different talented people. It could be and has been argued that there is not a shortage of talented people in the world, but the problem entails having the right people in the right place (Evans et al. 2011: 257) rather than having a paucity of talent per se. For instance, MNCs have been drawn to China and India for their manufacturing and IT capabilities (The Economist 2006: 3), but now these countries face the lack of managerial skills with the demands of working in a western global MNC setting (Evans et al. 2011: 261). China, for instance, is forecasted to need over 75,000 qualified managers in the next decade and a half, compared to the mere 5,000 currently available in the labour market (Hartmann et al. 2009: 169). According to Tymon, Stumpf & Doh (2010: 109), India is also a prime example of an acute need for young professionals and new managers. These disparities between supply and demand make talent management extremely important for MNCs.

The disparities in supply and demand of talent can be partly explained by the variance in the quality of educational systems. For example, in China the older generations that have been educated during the Cultural Revolution, may lack skills and experience in strategy, innovation, enterprise and empowerment. On the other hand, younger Chinese generations, despite high education levels, lack management skills because they receive relatively little management training (Iles Chuai & Preece 2010: 183).

Accordingly, the main shortage, as identified in the previous paragraph, is management skills in the Chinese labour market. Similarly, according to Tymon et al. (2010: 109) a McKinsey study reveals that only 10-15% of India's 14 million university graduates are suitable for multinational companies. This is mainly due to lack of necessary training, language skills and cultural awareness. Evans et al. (2011: 261) agrees that while there has been a rapid increase in university enrolments in countries, such as, India, China

and Brazil, the quality of graduates is frequently compromised, because of lack of emphasis on language skills, showing initiative, team work and other skills valued by multinationals. According to one study, out of the engineering graduates from China and Russia only 10% were deemed suitable to work in MNCs, compared to 35% of Malaysians and 50% of Central European graduates (Evans at al. 2011: 261-262). Hence, talent management and especially talent identification is extremely critical for the success of MNCs in these countries where there is an uneven educational quality, because the availability of appropriate talent is extremely scarce and irregular.). Conversely, research shows that multinationals frequently struggle to identify their most talented individuals and their location (Makela et al. 2010: 134). Could this be the reason for the shortage? Could it be that organisations cannot identify their talent, thereby creating a fictitious shortage? The subsequent section will turn its attention to internal talent identification and the dilemmas surrounding it.

2.6. Internal Talent Identification

This section of the literature review will focus upon internal talent identification and will lead into the dilemmas involved in indentify internal talent in a global multinational and the biases involved in indentifying talent.

The traditional identification and selection methods for talent differ from company-to-company and nation-to-nation. There seems to be a prevailing method that is being utilised at the present, which is called multinational model of internal selection. Evans, Smale, Bjorkman & Pucik 2011: 209). However, this model is not implemented across all organisations. Moreover, is identifying talent or high potentials straight forward? Are there dilemmas involved? The next section will focus upon the dilemmas in talent identification that prevent it from being straight forward, such as how to measure potential.

2.6.1. Identifying Talent Dilemmas

This subsection will focus upon identifying talent and will also include a discussion on the biases that could be involved and how *intransitivity* is accounted for in the identification process. Furthermore, when to identify talent, who should be accountable for the identifying and how much transparency should there be in talent identification will also be discussed.

Identification involves choosing the best candidates to be included in the talent pool and/or succession plan, and consequently being considered for the future strategic roles of the organisation (Evans et al. 2011: 275). However, this is challenging, as research show that multinationals frequently struggle to identify their most talented individuals and their location (Makela et al. 2010: 134). This could explain the talent shortages as a lack of acumen identifying talent. These difficulties in identifying, assessing and locating talent are a major sticking point in talent management of multinational corporations. McDonnell and Collings (2011: 58) suggest that organisations should utilise and adopt a contingency approach to talent identification in accordance with the corporate strategy and objectives.

2.6.1.1. When Should Talent Be Identified?

There is a dilemma in multinationals associated with the age and/or the stage of the career that talent should be identified at. Ought it be at the early stage of one's career or at a later stage? (Evans et al. 2011: 324). It could be argued that it depends on the country in which one operates in, if talent should be identified early or late. For example, Japanese organisations identify talent at the graduate recruitment stage (Evans, Smale et al. 2011: 209), hence at an early stage in the employees career. Conversely, it has been argued and debated that talent or potential to become 'talented' should be identified at a later stage of employee's career, thereby taking into account the employees track record (Evans, Smale et al. 2011: 209). Both of the aforementioned has its weaknesses, for example, if talent is identified later on in their career there might be insufficient time for high payoff development plans and actions to come to fruition

(Evans, Smale et al. 2011: 209). However, on the one hand, if talent is identified at an early stage in the talent's career, development plans and actions may have time to bear fruit. On the other hand, the employee could be poached and the organisation will bear the brunt of the cost of the said development. In conclusion, there is neither consensus nor a best practice in the literature in regards to when talent should be identified. This area still requires further research to gain further understanding and fill the gap in our knowledge.

2.6.1.2. Who should be Accountable for Identifying Talent?

Another dilemma is who should be accountable for identifying talent. It is argued that, if the skills, knowledge and expertise for the next level of responsibility are different than from the lower level, then the identification of talent should be in the hands of headquarters or at the regional level rather than at the local level. (Evans et al. 2011: 326; Evan, Smale et al. 2011: 210). An obstacle for talent identification in multinationals is the tendencies of local managers to hide their best people, because they do not desire to lose them to the corporate headquarters or to the regional team. They believe that, if they praise their 'indispensable' staff too much, the consequence will be that they will be relocated elsewhere (Guthridge & Komm 2008; Mellahi & Collings 2010). Therefore, it can be argued that talent management and talent identification should be taken out of the hands of local managers and into regional of global hands. In can also be argued that the people who should be responsible and accountable for talent identification ought to be the global and/or the regional units or a local HR manager who has ties with other subsidiaries and possesses a global mindset. The next subsection will focus upon the biases in the identification process.

2.6.1.3. Biases in the Identification Process

This subsection will focus upon the biases that may possibly be in the identification process. The importance of context needs to be taken into consideration while applying identification methods such as interviewing, the role of HR versus the line manager, testing and assessment centres. For instance, assessment centres need to be adapted to

each new cultural context to avoid inappropriate simulations (Evans et al. 2011: 276-277). The identification system also needs to consider diversity in order to avoid discriminating against certain gender, race, nationality or other characteristic of potential candidates. Roberson, Galvin and Charles (2007) reported that demographic dissimilarity, such as gender and race, and related stereotypic assumptions, can bias expectations and the perception, processing and recall of performance-related evidence. These considerations are important, because Makela et al. (2010: 139) found in their study that talent pool inclusion is not based entirely on performance appraisals, as suggested in previous studies (Cascio 2006). Makela et al. (2010: 139) discovered also three other factors deriving from the combination of decision makers' cognitive limitations and the geographically and culturally dispersed nature of the multinational organisation, which influence the talent selection and identification along with assessment based on performance appraisals. These three additional influencing factors are: cultural and institutional distance between the location of the talent pool candidate and the decision makers, homophily between the person in question and the decision makers, and the network position of the employee. Wood and Marshall (2008) found similar results to Makela et al. (2010: 139) with regards to the limitations of the decision makers' cognitive limitations, they note that the individual level self-efficacy of the assessor, and assessor's training and experience influence the accuracy of assessment, which may lead to a biased or an ill judged identification. Stahl et al. (2007) have also suggested that cultural fit has emerged as a key criterion for identifying the right candidate for the organisation and/or being classed as talent or high potential. Cultural fit in this context means the fit between values and personality of the employee and the culture at the organisation. It can be seen based on these factors how discriminative decisions are easily made. The subsequent section will turn its attention to the transparency in the identification of talent.

2.6.1.4. Talent Identification Transparency

There is the dilemma of how much transparency should be involved in talent identification. Should potential 'talent' be informed that they have been identified? Should the no-talent be informed they have not been identified as talent? Firms utilise

different policies for disclosing to their employees whether they are part of a talent pool or not. For example, (a) some organisations tell both those who are and who are not included, (b) Some tell only those who are included, and (c) some do not tell at all (Björkman, Ehrnrooth, Mäkelä, Smale & Sumelius 2013).

However, companies do need to decide whether to inform the employees included and excluded in the talent pools or not. Both approaches have their advantages and disadvantages. Ready and Conger (2007: 73) investigated HSBC in this respect. HSBC opts to inform their talent, which creates opportunities for discussing developmental needs and clearly telling the talent the requirements for reaching top positions in the company. However, they also noticed the downside of this approach in lowering moral in those excluded from the talent pool and ranking lower down the competence charts. Hence, they are trying the tweak the process to overcome this problem. However, Björkman et al. (2013: 208) found in their study of employee reactions to talent identification that there was a lack of significant differences between employees who thought that they had *not* been identified as talent and those who did not know was surprising, as it seems to indicate that informing them that they are *not* talent has little negative effect. Björkman et al. (2013: 208) suggests some explanations for this finding. For instance, they drew upon the cognitive dissonance theory (Festinger 1957), by noting that none identified employees may downplay the importance of being label as talent. Further noting it could be down to the 'sour grapes' effect, where people lower their opinion of something that they see as unachievable for them (Mann, Janis, & Chaplin 1969).

On the other hand, not informing the talent will not cause demoralisation in excluded individuals (not talent), but might not provide the included talent the boost they need to reach their full potential. Hence, diversity needs to be carefully considered in talent identification and assessment practices. The next section will focus upon the intransitivity in the leadership passage.

2.6.1.5. Intransitivity in the Leadership Passage

The focus of this literature review will now shift to intransitivity in the leadership passage. It has been argued that global leadership requires different skills, competencies, outlook, etc. than in domestic leadership; however, there is a lack of academic literature and a lack of tested theory on the subject (Evans et al. 2011: 307; Evans, Smale et al. 2011: 208). Conversely, there has been academic research conducted on the skills that a global leader requires (Caligiuri 2006; Evans, Smale et al. 2011) .The subsequent figure 1, illustrates the global leadership skills required.

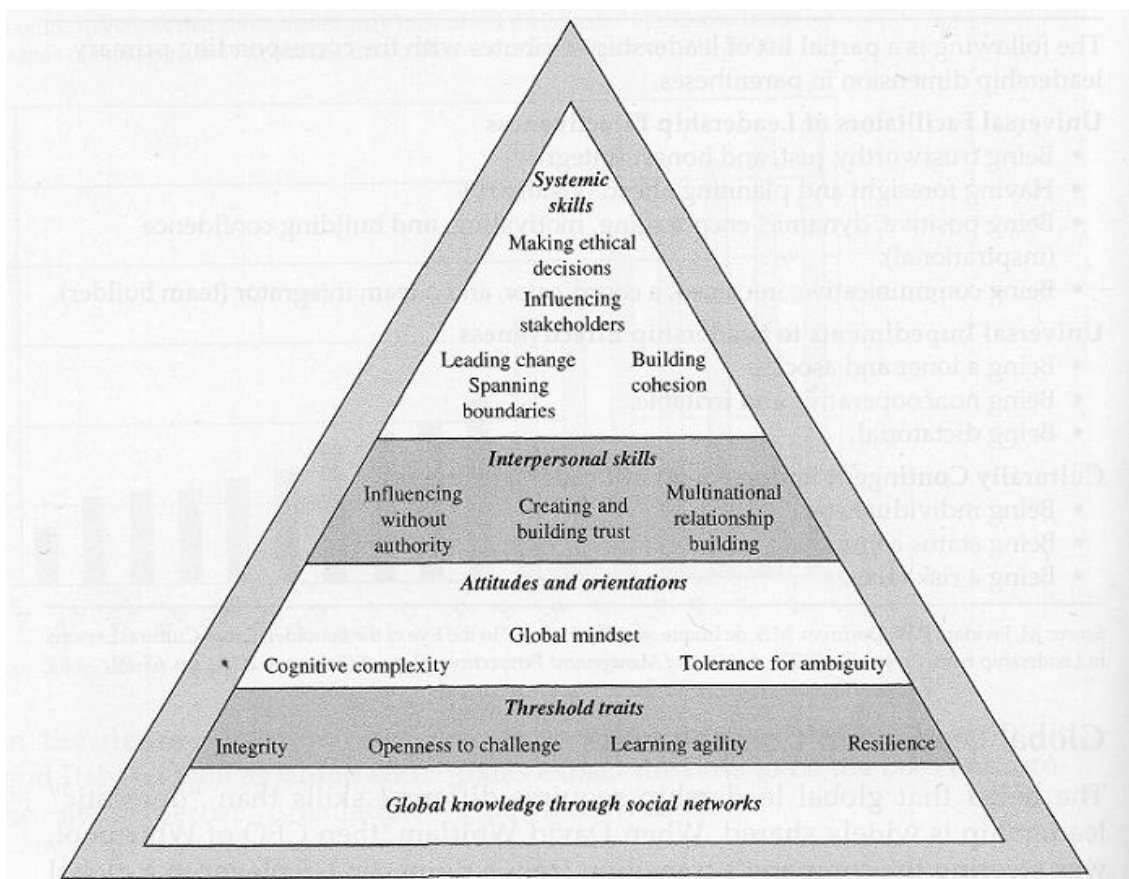**Figure 1.** The Pyramid Model of Global Leadership   (Evans et al. 2011: 308)

The identifying potential is especially obligatory when identifying global leadership talent, because there is a consensus among academics that the skills required at one level of the leadership passage differ from those that led to success at the former levels, this is called intransitivity (Evans et al. 2011: 303; Evans, Smale et al. 2011: 209).

Hence, potential global leaders needed to be identified, therefore training and development exercises can be provided, because there is a potential lack of leadership linearity in the leadership passage. Lord and Hall (2005: 594) argue that imperative skills and competencies must change and evolve as employees transgress through the ranks of the organisation from novice to middle to senior leadership levels. Dries and Pepermans (2012: 361) developed a model of how to identify leadership potential, consisting of four quadrants. These quadrants are analytical skills, learning agility, drive and emergent leadership. The model was created to support organisations in identify potential leadership talent and could provided to be a practical model in aligning intransitivity with identification. The next section of this literature review chapter will focus on the theoretical literature that will be utilised to shed light on the empirical findings.

2.7. Theoretical Literature

In this subsection of the literature review, the theories that will be utilised to shed light on the findings will be stipulated and discussed.

The main theory that will be utilised is social capital. What is meant by social capital? Social capital has been defined as "the sum of the actual and potential resources embedded with, available through, and derived from the network of relationships possessed by an individual or social unit" (Nahapiet & Ghoshal 1998: 243). In addition, expanding on the aforementioned definition of social capital, social capital consists of three foremost types: structural, relational and cognitive (Nahapiet & Ghoshal 1998: 244). These three types of social capital will now be explained, in brief, starting with structural social capital.

Structural social capital is concerned with the physical links between people or units, such as the network of people. A network essentially based upon who an individual knows and upon whom they can draw for information or assistance. Important aspects of structural social capital are the number of ties a person has, the pattern of ties, the

density of ties and with whom and how robust the ties are (Adler & Kwon 2002: 21; Evans et al. 2011).

Relational social capital "describes the kind of personal relationships people have developed with each other through a history of interactions" (Nahapiet & Ghoshal, 1998: 244). This relational social capital does include elements of norms, obligations, expectations, trust, identity and trustworthiness, amid other elements. Relational social capital is more concerned with the strength of the ties from person-to-person or unit-to-unit rather than the extent of the ties, unlike structural social capital (Evans et al. 2011: 221).

Finally, cognitive social capital "refers to those resources providing shared representations, interpretations, and systems of meaning among parties" (Nahapiet & Ghoshal, 1998: 244), which has in addition been described as the shared goals as well as shared norms and values that are built up through relationships over time (Inkpen &Tsang 2005: 150). Evans et al. (2011: 221) add that the cognitive dimension can also include languages, codes and narratives.

However, social capital does contain risks and drawbacks. For example, Uzzi (1997: 59) found in their research that in over embedded relationships, "feelings of obligation and friendship may be so great between transactors that a firm becomes a 'relief organisation' for the other firms in its network". In other words, if organisations have too strong ties they may feel obliged to act favourably to their fellow organisations than what would be deemed necessary or in their interest. This same obligation can also be found in unit-to-unit or person-to-person relationships. Consequently, social capital has to be managed to gain optimum out of the capital, however caution ought to be taken into account, when utilising or creating social capital. The subsequent section, will tie-up all the loose ends of the literature review by providing a brief précis of the review.

2.8. Summary of the Literature

This final section of the literature review will summarise the literature and the current body of knowledge that there is available on the research topic.

The field of talent management is relatively young (Thunnissena et al. 2013: 1746). As in many young areas of study there is usually an immense deal of ambiguity until the field of study finds its feet, metaphorically speaking. Talent management and talent are both still lacking concise definitions and the scope and conceptual boundaries are still blurred (Ashton & Morton 2005; Lewis & Heckman 2006; Tansley et al 2007; Tansley 2011; Thunnissena et al. 2013; Vaiman & Collings 2013). There have been some attempts to remedy the said lack of definition and so forth (Collings & Mellahi 2009; Scullion & Collings 2011). Nevertheless, the topic is still lacking consensus as a whole.

It was uncovered that there are four streams of thought on talent management (Lewis & Heckman 2006; Collings & Mellahi 2009). First, there are those scholars who just substitute the label human resource management for talent management. The second stream emphasises the development of talent pools, focusing on projecting staffing needs and managing the progression of employees through positions. This stream is building upon already established literature on manpower planning or succession planning. The third stream of literature argues that all roles within the organisation should be filled with "A performers" referred to as "topgrading". The fourth stream is the identification of key positions, which have the potential to differentially impact the competitive advantage of the firm (Collings & Mellahi 2009).

This study straddles two of the above streams of thought. These are; the second stream noted by Lewis and Heckman (2006) and the extra stream added by Collings and Mellahi (2009). This is because the case organisation utilises a succession plan format, but also identifies key positions, which they believe is the top 500 positions. Furthermore, it could be argued that there are still weaknesses within the streams of thought, because this study does not 'fit' with one stream but draws from two. This illustrates that more research needs to be conducted, such as this study. In this study,

talent management differs from HRM on the basis that talent management focuses its attention on the top 'elite' employees and strategic positions that provide the organisation with a differentiated value and/or advantage, rather than focusing its attention on all the organisation's employees.

Furthermore, there are global challenges involved in talent identification within a global multinational corporation. These are (a) the Global-Local dilemma (b) the scarcity of talent (c) demand for talent and (d) the supply of talent. Moreover, identifying talent or high potentials is not straight forward. It is challenging and many multinationals frequently struggle to identify their most talented individuals and their location (Guthridge & Komm 2008; Makela et al. 2010). Organisations have dilemmas of when should talent be identified, who should be accountable for identifying talent, how to encourage managers to release their talent, how to surmount biases involved and so on (Roberson et al. 2007; Wood & Marshall 2008; Makela et al. 2010; Evans et al. 2011; Evan, Smale et al. 2011; Björkman et al. 2013).

This section of the research article has focused upon the literature and the body of knowledge in talent management. The next chapter will focus upon the methodology of the research.

3. METHODOLOGY

This chapter will focus upon the methodology of this research project. Throughout this chapter the Research 'Onion' (Figure 1.), from Saunders, Lewis and Thornhill (2012:128), will be utilised and will provide the structure of the said chapter. Starting with the research philosophy, then peeling back the layers in a chronological order to the centre of the 'onion'. In each layer of the 'onion' the choice of method will be clearly stipulated and justified. Moreover, how the chosen method facilitates the achievement of the overall aim of the study and how it facilitates answering the research questions will be clarified. Furthermore, the drawbacks of utilising the chosen methods will be stated, and how the threats to validity and reliability of the data were diminished throughout the stages of the study will be explained. This chapter will conclude with a discussion on research ethics and how they were taken into account when conducting this project. The subsequent section 3.1 will introduce the research philosophy.
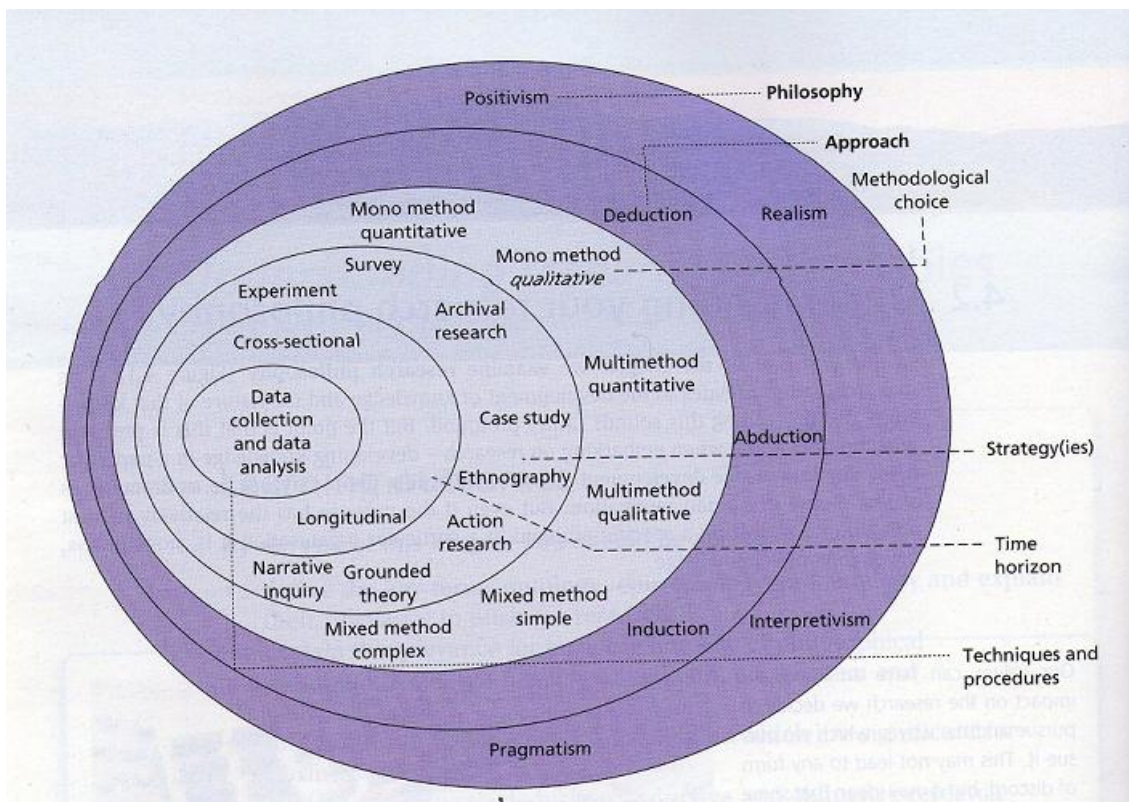

Figure 2. The Research Onion.

3.1. Research Philosophy

This section will focus upon the outer layer of the research onion (Fig. 1.), which incorporates the research philosophy.

The chosen philosophy for this study is interpretivism. Interpretivism lends itself towards the argument that the social business world is far too complex to construct defined laws (Saunders et al. 2012: 137). This philosophy also notes that humans are not the same as objects and must be researched with that in mind (Saunders et al. 2012: 137). This philosophy has been selected for two reasons. First, it is the most appropriate philosophy in order to answer the set of research questions and second, the best fit for the methodological design of the study. The attention of this chapter will now turn to the research approach, which is stipulated and discussed in the subsequent section.

3.2. Exploratory and Inductive Approach

This section of the methodology will focus upon the research approach. The approaches will be stipulated and then justified in relation to the research questions.

An exploratory approach has been applied to this research study. Robson (2002: 59) states that exploratory study is a valuable way of investigating what is happening, seeking new information, or assessing a phenomenon in a new light. This justifies, in part, the use of exploratory approach in this study, because the topic of talent management remains underdeveloped, noted by Collings and Mellahi (2009: 304).

Saunders et al. (2012: 171) also stipulate that exploratory approach is a valuable means of asking open-ended questions to determine what is happing within a certain context and to elucidate the problem at hand. Accordingly, the chosen approach is also justifiable on the grounds that the research questions are investigating and desiring to clarify the understanding of the challenges faced by MNCs in regards to indentifying internal talent. This type of approach will allow further understanding of the subject and will provide insight into the challenges facing MNCs in talent identification.

Furthermore, exploratory approach allows the researcher to adapt and change direction as new data becomes apparent (Saunders et al. 2012:171). This sort of flexibility is valuable in this study, because the subject matter has a "disturbing lack of clarity regarding the definition, scope and overall goals of talent management" (Lewis & Heckman 2006: 139), and this trickles down into all areas of managing talent, including identification of internal talent. Thereby, the boundaries of the study may change, if the data points into a different direction.

Consequently, this study will be data driven and will provide explanation from the said data rather than vice versa. Therefore, an inductive approach will be undertaken within this study. An inductive approach involves the development of theory or a conceptual framework or results through empirical data rather than testing theory (Saunders et al. 2012: 672). The boundaries and concepts of talent management and more specially talent identification are not well defined, as previously stipulated by Lewis and Heckman (2006), and Collings and Mellahi (2009) and therefore empirical data is needed, to be collated and analysed before the theory testing process, hence the inductive approach. Further justification for the utilisation of the inductive approach is there is a lack of theory to be tested. The 'ground work' still needs to be conducted before theory is built and subsequently tested.

As a consequence of the chosen approach, this project will be focusing on an in-depth single case study and its context (will be elaborated upon in the subsequent section 3.4.). Thus, an inductive approach is justified because of the context in which such events are taking place is being explored and examined in-depth. The next section of this chapter will focus upon qualitative method.

3.3. Mono Method Qualitative

This subsection will focus upon the methodological choice. The chosen research method for this study is the mono method qualitative. A qualitative research design focuses upon words rather than quantification analysis of numbers (Bryman & Bell 2007: 28). One justification for the utilisation of the mono qualitative method is its

superior 'fit' for answering the research questions. To illustrate this point, if the second research question was, for example, *how many* times does talent identification go wrong? A quantitative method would be suitable. However, the question is, *does* it go wrong and if so, *what are the reasons*. The question is investigating the *reasons* and *does*, not *how many*, therefore a qualitative method is justifiable.

Additionally, Saunders et al. (2012) note that qualitative research is less structured and uses smaller samples than its quantitative counterpart. These samples are selected with immense care to explore the topic in greater detail. (The sample that was used in this study will be discussed later). This type of research offers deep and penetrating insight that reveals reasons why and why not certain activities take place. Qualitative method provides the platform to answer the set research questions, such as; *what are the biases in the identification process?* (sub-question 1). Another justification for using qualitative method is that qualitative research is usually conducted prior to and to inform quantitative research, which will take place in the future, when more is known about the topic and generalisations and theory testing are required (Bell 2005). As the talent management area is underdeveloped, especially identification of internal talent in MNCs and generalisations are not required at this stage, qualitative research is a justifiable method to employ. Furthermore, it has been suggest by Tarique and Schuler (2010: 129) that qualitative methods are suitable and preferable research method, at the present, because global talent management is a relatively young field of study. The next section will focus upon the research strategy.

3.4. Research Strategy

In this section of the methodology, the research strategy will be stipulated and justified. To create a coherent methodological framework aligned with the aforementioned approaches, methods, et cetera, the chosen research strategy is an *embedded single case study*. The justifications for employing an embedded single case research strategy are twofold. Firstly, Morris and Wood (1991) note that a case study would be an appropriate research strategy, if the study desires to gain rich understanding of the context and the processes involved. As a result of the aforementioned statement by

Morris and Wood (1991), the chosen research strategy is permissible, because this project desires to uncover the challenges, problems and biases surrounding global talent identification within a multinational context and to gain rich, deep and contextual insight.

Secondly, Yin (2003:13) stipulates that, if the boundaries between the phenomenon and the context are not clearly evident an empirical case study may be utilised. It can be argued that the study of the global talent management phenomenon is linked to its context. Therefore a single case study is applicable, as employed in this study. The subsequent section 3.4.1., will introduce the case company that was selected and utilised.

3.4.1. The Case Company

In this section, the talent management system, history, size, products, services and other useful information regarding the case company will be presented as well as the rationalisation for utilising the said company.

The embedded single case study was conducted within an industrial engineering company, which has its company headquarters in Finland. The organisation was established in 1910. During its 103 years as an industrial engineering company, the organisation has been involved in array of businesses. At the present time, the MNC is a global leader within its industry with annual net sales of 6.3 billion Euros, in 2012. The case company provides manufactured goods, innovative solutions and services throughout the product lifecycle. These are achieved through the 40,000 plus employees, who are situated across six continents and 50 countries worldwide.

The MNC that is utilised for the case study was chosen, because it has a global talent management system that is 'typical' among many other Western MNCs. However, talent management, as a whole, is not common practice in its native Finland, because of the egalitarian values that are held within its culture. The global talent management system that is employed by the case company is an exclusive, top-down, headquarter to

subunit focused system. The organisation identifies three levels of talent, such as, the top 40 key positions, top 500 successor candidates, and high potentials, which are all at the global level. The three levels of talent should not exceed the maximum of five percent of the overall head count of the organisation. This is illustrated by the subsequent Fig. 3.
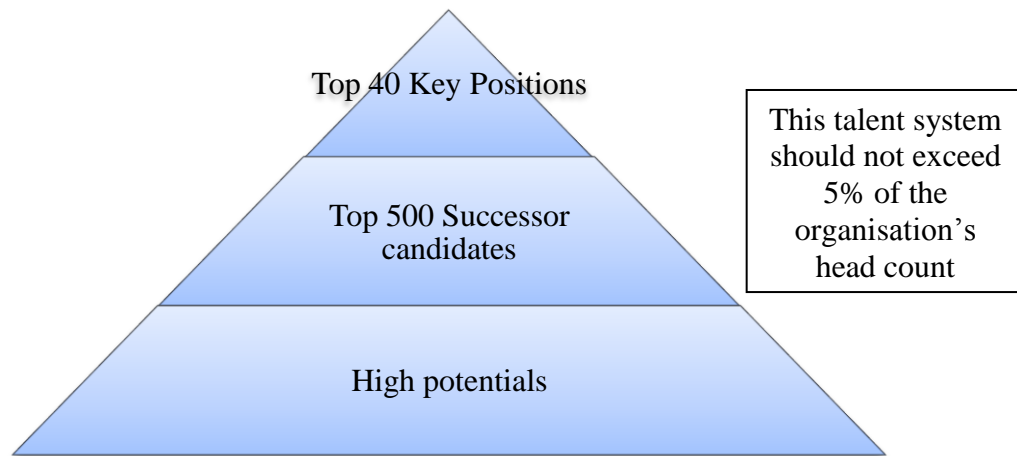
Figure 3. Layers of Talent Pools across the Case Company

The next section of this chapter will focus upon the time horizon of the research project.

3.5. Time horizon

This subsection of the methodology chapter will focus upon the time horizon. The chosen time horizon was a cross-sectional one. The reasons for choosing this design are twofold. Firstly, this cross-sectional design allows the research questions to be answered within the given time frame. The given time frame that the interviews took place was between May 2013 and July 2013, which provided a 'snapshot' of the organisation at that time. Secondly, this cross-sectional design was chosen and utilised because of the time constraints placed upon the project. A longitudinal study was not feasible because of the Master's Degree deadline that was imposed upon the study and because of the access to the case company.

3.6. Data Collection

This section of the methodology chapter will discuss the data collection choices, including primary and secondary data, semi-structured interviews and so forth. The justifications for the use of these collection methods and the limitations of the said methods will be provided.

3.6.1. Semi-Structured Interviews

This subsection will focus upon the data collection techniques that were utilised and the sample of participants. Before proceeding to examine the sample, it is necessary to start with the data collection techniques of this study.

Specific data collection methods can be link to the research strategy and/or the research approach (Saunders et al. 2012: 374). To create a logical and coherent methodological design and to link it to the approach, a semi-structured interview was selected. More specifically, non-standardised semi-structured interviews were conducted on a one-to-one basis over the telephone or face-to-face. These types of interviews can also be called qualitative research interviews (Saunders et al. 2012: 374). There were two types of interview questions, one for HR practitioners and the other for line or business managers (the evaluators of talent). These were conducted, because the said groups were seen as the 'key informants'. In other words, those people in the best position to be able to help answer the research questions. The two groups were also likely to have differing views on the topic, therefore the questions and/or themes were slightly more aimed at their role. This was done to be able to facilitate and unearth these differing views and to gain a more holistic view of the situation.

The non-standardised semi-structured type of interview was chosen for three main reasons. First, the type of interview fits with exploratory and inductive approach (Saunders et al. 2012: 146). Second and the most imperative reason is that the semi-structured interview is able to answer the research questions. This type of research interview offers deep and penetrating insight that reveals reasons why and why not

certain activities take place and why certain biases maybe involved. It can also provide in-depth answers and has enabled the researcher to read the interviewees body language at times. This kind of information cannot be found through any other research technique (Bryman & Bell 2007). Third, it is highly unlikely that there will be enough secondary data on talent identification within the case multinational due to the area being under researched and the specific organisational context. Conversely, secondary data has been utilised to provide triangulation to the project. This will be further discussed in the Sample Characteristics section.

However, this source of data collection does have its disadvantages and its drawbacks. For example, the interviewee can side track the interviewer off the topic at hand because of semi-structured nature. This could lead the interviewer to misinterpret what the participant is saying to them. This could also lead to erroneous data being used in the final results (Flick 2006). Furthermore, an interview should not be taken lightly because a lot of information and time goes into creating an interview. Bell (2005) notes an interview is more than just an interesting conversation, you need certain amount of time, background information and strong methods to be able to obtain information you covet. The following subsection will focus upon the use of secondary data.

3.6.2. Secondary Data

This subsection of the data collection section illustrates how secondary data has been incorporated into the research design.

Secondary data has been utilised to provide background information on the chosen organisation and the talent management system in place at the chosen MNC. The secondary data was gathered through the company's website, the company's brochures and specific information provided by the company. Tarique and Schuler (2010: 129) advocate the use of archival documentation, which this study has utilised.

The justification for using both primary and secondary data is noted by Robson (2002): "these approaches and strategies obviously do not exist in isolation and therefore can be

'mixed and matched'. Not only can they, but often be beneficial to do so". Furthermore, utilising these two different types of data collection provides triangulation into the study by being able to crosscheck interview responses with organisational documents and protocols. Denscombe (2003) highlights the importance of triangulation by stating that using triangulation helps to see the data from all different perspectives and to understand the topic at hand in a more rounded fashion. The next subsection will focus upon the sample that was utilised in the research project.

3.6.3. Sample Characteristics

Our attention will now turn to the sample characteristics. Flick (2006) notes that sampling is picking, choosing, and the amount of participants that will be used in the research. Saunders et al. (2012: 752) notes qualitative research is less structured and uses smaller samples, which are selected with immense care to explore the topic in greater detail. The sample size is appropriately small in relation to the qualitative nature of this study. Moreover, the participants were chose on two accounts. One, they are the 'key informants', as previously noted, these are the people in the best position to be able to help answer the research questions. In the sample, there are four HR representatives ranging from the Global Head of Talent Management and Global HR Specialist through a Regional HR Director for Eastern Europe to a HR Manager for Turkey. The sample also includes an Installation Director for Poland as an 'evaluator of talent' or a 'talent identifier'. The second account that the participants were chosen on, was the access to the organisation and the individual's willingness to participant in the study.

Furthermore, the weakness of this sample is that it is lacking 'evaluators of talent'. There is only one participant who is classed as an evaluator of talent. This is a weakness, because there is a lack of comparison material for the responses from the single evaluator of talent. Nevertheless, this weakness is partly surmounted by the use of HR respondents' answers, because they are also involved in the identification of internal talent. The next subsection will focus upon data analysis.

3.7. Data Analysis

This subsection will indicate why an analysis needs to take place and how the analysis of the data will be conducted in this study.

In order to draw conclusions and results from the qualitative data gathered through semi-structured interviews, it needs to be analysed. We have to analyse data, because little sense can be made from long pages of dialogue and huge collection of tables, therefore an analysis must be carried out (Walliman 2006). Furthermore, another reason why data has to be analysed is when the data is in an analysed structure it can show attitudes, opinions, reasons, etc. The analysis will enable people to understand the data and the work would have been conducted for them.

Moreover, the interview recordings were transcribed for clarity and were sent back to the participant for clarification in regards to the information being correct. The researcher then familiarised themselves with the data by listening to the interviews and reading over the transcripts over and over again, simultaneously, interpreting the data for emerging themes, patterns, relationships, reoccurring words and for the participant's statements. This type of procedure was advocated by Denscombe (2003). The subsequent section will focus on the validity and reliability of the data and the project.

3.8. Validity and Reliability

This subsection of the methodology chapter will focus upon the validity and reliability of this qualitative case study based on interviews.

3.8.1. Validity

This subsection will focus on the validity of the study and how certain methods were put into place to maximise the validity of the project. What is validity in this qualitative case study based on interviews? Validity is concerned with how valid are the finding of a study and are the findings what they appear to be (Saunders et al. 2012: 384). The

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validity of the study was improved by (a) stipulating the research questions in the report, (b) developing themes and questions to send to the participants, (c) reading up on the research topic and the case organisation, and (d) sending the transcripts of interviews back to the participants for validation. All of the above were conducted in this study to improve the validity of the research project. For example, sending the transcript and/or the findings back to the participants for validation, increase the validity. This process, called respondent validation, was conducted throughout the interview stage and as a result a few 'mistakes' were rectified, such as an acronym for a regional level unit.

Moreover, to provide validity to the research findings a comparison took place called *Triangulation*. Triangulation is the comparing of different kinds of data and/or different types of methods to see whether they corroborate with each other (Silverman 2006: 290) Moreover, Denscombe (2003) highlights the importance of triangulation by stating that using triangulation helps to perceive the data from all different perspectives and to understand the topic at hand in a more rounded fashion. The utilisation of primary and some secondary data, in this project, has provided triangulation in this study by being able to crosscheck interview responses with organisational documents and protocols. These aforementioned actions have increased the validity of the findings in this study. In the subsequent section the reliability of the study will be discussed.

3.8.2. Reliability

The attention of this subsection will now focus on the reliability of the study. What is reliability in this research project? Reliability refers to whether one's data collection techniques and analysis will produce consistent findings, if they were to be carried out by another researcher or would the results be replicated on another occasion (Saunders et al. 2012: 192) Moreover, Saunders et al. (2012: 192) note that there are four major threats to reliability of a study. These are participant error, participant bias, researcher error and researcher bias. These four categories will now be discussed in relation to this qualitative case study based on interviews also the efforts to remove or diminish the threats to reliability will be discussed.

Silverman (2006: 283) notes that a high level of reliability in qualitative research is associated with low-inference descriptors. An example, of how low-inference descriptors has been utilised in this study, is the use of verbatim quotes in the research report rather than reconstructing the general sense of what the participants said. Conducting qualitative research in this manner diminishes the threat of researcher influence and/or bias (Seale 1999: 148). Furthermore, some of the questions that provoked the answers from the participants were added to the research reports to further satisfy the criterion of low-inference descriptors.

At the interview stage there were steps taken to remove and/or diminish threats to reliability. These steps to diminish the threats started before the interviews took place and carried on throughout the process. For example, the 'participant error' in the interviews were minimised, thereby diminishing a threat to reliability, by providing the participant with themes and some select questions before the interview. This action provided the participant with the opportunity to acquaint themselves with the subject and brush-up on their knowledge, if required. There were also other steps taken to satisfy the criterion of low-inference descriptors throughout this interview stage. These were (a) the recording of all the interviews, (b) personally transcribing the interviews verbatim, and (c) sending the verbatim transcript back to the participant for validation. Moreover, 'researcher error' was minimised by conducting background research on the case organisation and conducting interviews at a reasonable time of day to minimise the tiredness of the participants and the interviewer.

Additionally, all participants were informed that the study will be confidential and their names will not be used in the report. The interviews were conducted in a closed room or over the telephone, where they could not be overheard. This action was taken to allow the participant to speak freely and truly, therefore reducing 'participant biases' and improving the reliability of the study.

The last and most imperative move to improve reliability and diminish any threats to reliability was to ask other researchers to scan through the transcripts and provide a short analysis or a short statement in regards to what they thought were the main

findings. These were then compared to the original analysis conducted by the project researcher, to investigate, if there were any discrepancies in the analysis, which there were not any. This action was conducted to improve the reliability of the study and diminish any researcher bias. The next subsection will discuss the ethics involve in research and this project.

3.9. Research Ethics

This subsection of the methodology chapter will focus upon the research ethics involved in a research project and how they relate to this project.

Flick (2006) noted that research codes of ethics are formulated to regulate what researchers can do and cannot do in ethical terms. Furthermore, principles of ethics must be taken into account when conducting research. This is because the researcher has to build ethical safe guards into their study. This is to limit or prevent any harm becoming of the participants. The said harm could be physical or by losing one's job, for example.

Consequently, this research project has been carried out with the four ethical principles in mind. These principles are: confidentiality, openness, empowerment and freedom (Bryman & Bell 2007). These principles will now be discussed in a chronological order. Confidentiality was incorporated into this study, by neither utilising the multinational corporation's name nor the participants' names. Furthermore, openness was taken into consideration by providing the participant with some background information they needed to feel comfortable to participate in the study. Moreover, empowerment and freedom principles were applied to the study by allowing the participants to withdraw from commenting on questions that they felt uncomfortable with or to discontinue the interview at any stage.

In summary, this chapter focused upon the methodology of this research project. Throughout the chapter The Research 'Onion' (Figure 1), from Saunders et al. (2012:128) was utilised as the structure of the chapter. The next chapter will present the

findings of the research and a discussion of the said findings will take place simultaneously.

4. FINDINGS AND DISCUSSION

This chapter will focus upon the empirical findings and the discussion of the said findings simultaneously. This concurrent process has been conducted because of the empirical qualitative nature of the study. Throughout this chapter the empirical findings will be linked to the previous literature, highlighting the similarities and differences between the findings and the body of literature. Furthermore, the aforementioned theory will be utilised to shed light on the findings and provide explanations for the findings.

4.1. The Challenges That the Case MNC Faces in Identifying Internal Talent

On the question of the challenges that multinationals face in identifying internal talent, this study found that there are many different and diverse challenges facing the MNC. This will now be discussed taking one at a time. This current study found that numerous local and regional subsidiaries in the case company do not implement the global practices. These range from high potential criteria to exclusiveness of the talent management system. The next subsection will discuss the finding of lack of consensus on what is talent in the organisation.

4.1.1. Lack of Consensus on what is Talent and Competencies

This study found a challenge that the case MNC faces is the lack of consensus on who is talent or has high potential to become a leader in the case organisation. Moreover, the competencies, skills, attributes that a 'talent' or a potential leader ought to possess vary in opinion from the global unit, regional units to local units. The global unit puts a lot more emphasis on education and on English language skills, as noted by the Head of Global Talent Management:

> So, there are some basic requirements, the level of position, they need to have, some sort of an education at least a Bachelor Degree qualification. They have to speak English; it is a must, because otherwise the glass ceiling will be hit very quickly, because in most of the countries, all off the country level management

team positions but even the ones reporting to them. They usually have to have global connections, so if you don't speak English then you are out of the game!

However, the HR participants from the regional and local subsidiaries disagree with the global unit on some of the criteria, especially on education, English literacy skills and the level of position, especially when they are identifying 'local' talent, as noted by a Regional HR Director:

"The global definition is they need to have an educational background to at least BSc level degree [bachelor degree], so we don't have this criterion for local and the English criterion and then IT 50-57 [level of the position] we don't have it because we have local 'hi-po' in operatives, so people with IT 44-46 to 50 [level of the position]. Otherwise, the over criteria is quite similar, such as, motivation, performance and competences... but the basic requirements in terms of education, English and the level of the position is not included".

A local Installation Director, who is an evaluator and identifier of talent, has the belief that talent is innate and education should not be including in any evaluation or criteria. As noted in the following quote:

"I think that education is not... I think talent is something we have inside us; even if we don't have higher education does not mean we are not talented. So, there shouldn't be an education measure".

Moreover, another important finding was that in the case company there is also disagreement between HR and Line Managers regarding who is talent and what criteria they ought to utilise to identify talent or potential. The HR department, at a local unit, focuses upon more ridged set of criteria such as, performance, potential, business knowledge and potential contribution to the local unit. Conversely, the line managers put more emphasis on the day-to-day work activities, industry experience and especially using one's initiative, which is not a criterion on any of the official high potentials or talent criteria. As note by an Installation Director:

"[How I identify talent] is my general everyday work with them and talking to them. The second thing is tracking their performance annually or half a year, for example. So, then I can see what is the performance of the person and so on.

> And the additional thing is when a person, who I see, is better than I expect. I mean that they, the person, thinks a head. I didn't ask this person to do something but the person comes to me and tells me that they see potential in the business and then I see that that person is outstanding compared to the average worker."

This study found another significant finding that the regions, local units or country organisations have differing perspectives on what is talent or who has high potential in their unit or country when to context is taken into consideration. The empirical findings indicated that the local subsidiaries vary away from the global criteria and add certain specific criterion, officially and unofficially, which is dependent upon what stage the organisation or unit is in. For example, one of the subsidiaries is in its first 12 months under the leadership of the global case company. The subsidiary is now growing rapidly, internationalising, implementing global standards and therefore going through change. The aforementioned, has effected what the unit believes is talent, for them at this precise moment, where change is taking place and required, the focus is on flexibility, openness to change and new procedures and so forth. This is epitomised, by the Head of Human Resources in the subsidiary:

> "Case company Turkey is currently going through transition and cultural change, so openness to change, openness to new ways of doing things. This is important to identification of talent, because we have many new infrastructure coming from... or organisational changes, so someone who is open to change and is flexible to adapting his or herself to these changes, I think it is important at the moment. A person with a rigid approach, at this stage I would question, if they are talent".

These findings have indicated that there are global-local differences as well as HR-business line differences regarding talent and talent identification. This study has produced results which corroborate with the findings of a great deal of the previous work in this field, such as the findings in Tansley's (2011: 266) article that organisations contain different and versatile perspectives on what talent is. Moreover, the stage that a country unit or a subsidiary is in, for examples flux, change, growing, declining, internationalising and so forth, has a consequence on whom they see as talent and what competencies they ought to possess. Conversely, this part of the finding, of the

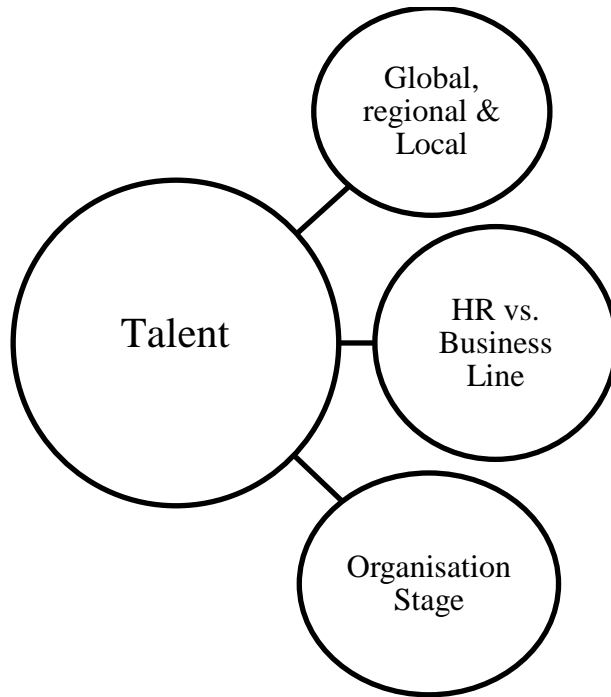current study, has not been found in any previous research. This has been depicted in the subsequent Fig. 4.

Figure 4. The Factors Influencing the Definition on Talent or High Potentials

From these findings there are practical implications. The first implication is that unless all parties agrees upon what talent is and is not in their organisation, they cannot know what they are looking for, and therefore they cannot identify it. This is also reiterated by Tansley (2011: 266) noting that in order to able to identified and developed talent, it must be visible, and the first step to this is to have an agreed organisational definition of talent. Moreover, having different emphasis on what is or is not talent will create bottlenecks of talent within the organisation, because the bridge from the local to regional or global will have different criteria and consequently, they cannot be class as talent. For example, an employee who has been identified as a local talent may be in line for promotion to a global role but because the employee lacks English literacy, which is not a criterion for local talent, they may not gain the promotion and no longer be classed as talent. Consequently, the talent the set of criteria should be discussed,

created and agreed upon, involving a mixture of individuals from all the units. Thereby, creating coherent criteria at all levels of the organisation can agree upon and utilise will truly create global talent pools and a talent pipeline.

These findings could be explained by the differing view of the organisation. For example, HR has a longer term view than business or line mangers (Evans et al. 2011). Therefore, HR's view of talent is more concerning with potential for the future or future skills that an organisation requires. The business or line managers are more concerned with the here and now. These two differing views will and has impacted on how they view talent. The next subsection will introduced the next finding.

4.1.2. The Official Talent Management System and Unofficial Systems

This study found that the sub-units operate an official talent management system that has been suggested by the global headquarters utilising the global standard criteria and protocols. Conversely, as the previously stated, the aforementioned finding, the lack of consensus on what talent is, in the case company or at what level position the talent management system ought to focus on. There has been an emergence of local 'unofficial' talent management systems that has been implemented by regional or local HR departments, which are not based upon the global criteria or protocols. The local units have took it upon themselves to create a two tiered system, one tier for global high potentials and the another one for local and/or regional high potentials. The differences in the systems were ranging from identifying technical staff, informing talent of their status, use of local criteria to a more inclusive talent system. Some of these points are illustrated by a local Head of HR.

> "When we identify talent we identify two different talent types. One is the local talent and the other global talent. When trying to find the local talent, who can be a technician, a supervisor, etc. and above, we are not really looking for a global mindset. What we are looking for is performance, potential, business knowledge, potential contribution to the Turkish organisation but when we are looking for global talent, for example a person who is a sales director but who can be a regional director role, for those people a multinational mindset,

mobility, understanding others, able to work with different people, being able to work in a matrix organisation, etc.".

A similar two tiered system was also mentioned by a HR Regional Director. However, they added that in their talent reviews, the region also discusses poor performances and what action ought to be taken regarding their poor performance. As noted in the quotation:

"In the Leadership and Talent Review... we discuss potential candidates, ...One is succession planning, we come to the conclusion of who is global or local hi-po, the second, we propose people for our hi-po list [to be sent to HQ] and the third list is our low performers and we discuss what we can do with them. There are three categories of people that we discuss... ...the difference, global pool is, we have people speaking English and their mentors are from different business lines, and for local, not all speak English and they are not so open to move to another country and the mentors are from their own country, so that is one difference".

Furthermore, evidence was found that line or business managers do not take into consideration the criteria or protocols and unofficially identify talent at all levels of the organisation, which is creating a more inclusive, yet unofficial talent management system. The line and business managers then provide the identified talent with unofficial tasks, responsibilities, stretch assignments and so forth, without officially informing the HR department or other colleagues about the identification but they know this practice is commencing. As noted by an Installation Director:

It [talent identification] goes down to supervisor level but we can also identify talent from an even lower level. So, from the staff, we had someone as I identified as a talent... he was not in a supervisor position, it was a lower position. It is possible here in [the case company] Poland.

A HR Regional Director notes that this practice does take place, however they do not discuss the identified talent below supervisors officially.

"Then we have supervisors [who identify staff] discussing their people but not with the HR, with their manager".

One Regional HR Director's explanation for the emergence of the two tiered talent management system was there are too big differences between the sizes of units, the national cultures and the knowledge of the practices for one talent management system to be utilised throughout the case organisation. As note in the subsequent quote:

"This alignment between the different cultures and sizes of units are important and that is why you cannot have one approach [to talent management]. Some countries are more advanced in this practice than other countries, so different approaches are needed [to talent identification and management]".

Moreover, the internalisation of practices by subsidiary managers and employees can also vary significantly (Makela et al. 2010:135) and this can be seen in the case company in many different ways. For example, the aforementioned quote stipulates that some practices have been more successfully internalised in some countries than others, which, in turn, has provide them with additional expertises.

In addition, utilising official and unofficial talent management systems does have implications that impacted the organisation's talent strategy and talent system. For example, utilising more than one system can create bottlenecks in the talent pipeline or the talent pipeline may not generate global talent. Furthermore, utilising a more inclusive but unofficial system can create conflict of interests and more biases can enter into the identification process, if it is a more relaxed, and fewer people are involved. Furthermore, another implication is the unofficial system is abating resources away from the official system and consequently spreading the resources too thin and making it uneconomical. The next subsection will discuss the finding of varying openness towards talent identification.

4.1.3. Varying Openness towards the Identification Process

This study found that within the case company there are varying amounts of openness towards talent management and especially towards informing staff of their status. At the case company, the global unit desires that only a small number of people, mostly HR and line managers, know who is in their talent pools or who is a successor candidate, with even those regarded as talent not being informed that have been identified. As noted by the Head of Global Talent Management:

> "We don't want to label people into high potential and not high potential, at least not at the moment, successor candidate or not a successor candidate... the line manager will know that their employee is a high potential but the individual, themselves does not know... so far we are not open to open this up to the employees".

The explanation behind this secretive approach to talent identification, from the global participants ranged from, what if we misidentify, flexibility, we don't want to label people, we develop them but do not promise them anything, we don't what the non-talent comparing themselves to the talent, people move in and out of the pool to well, it should be a transparent process. As noted by the Head of Global Talent Management:

> "Personally, I believe that we should be open in this [talent identification], we need to change this. So, I am, now and then, lobbying for us to become more transparent on these. For the reason, I believe that, if we really have selected the right people that they should already have that kind of motivation and that kind of self-awareness that they do realise that this is not "a fast ticket" to anything, it is just giving me a possibility to show how good I am".

Despite the emphasis of the global unit to maintain confidentiality regarding talent identification, according to some of the participants from some of the subsidiaries, information about who is a high potential or successor candidate is not kept secret at all. Moreover, some local and regional units take it upon themselves to disclose this information, especially to the talented or high potential employees. As noted by a Regional HR Director:

"The message to people is that they are in a group of talent, a group of people that we are especially interested in and we want to develop them and that are why they are in this programme. We say to people you are in a group of special interest in the company and will spend more effort on you and to develop you on special programmes".

However, informing high potentials is not the case in all subsidiaries. Some units do implement the secret approach that is advocated by the global unit. As noted by the HR Manager in Turkey, when they were asked, *if talent identification or talent management was culturally accepted*:

"Culturally accepted in [case company] Turkey, I don't think that it is culturally acceptable, because it was not attractive beforehand. Some of the people would not feel themselves comfortable to be put into boxes such as potential and not potential. Maybe the potential one would feel happy about it but the rest of the organisation would not feel comfortable about it. So, that's why in the organisation it is not known or clear for everyone, which is why HR and the leadership team are involved and know about the process. It is one of the most confidential and not open processes of HR... maybe in some other units... they may talk and show it [talent identification] more explicitly".

An explanation for the varying degrees of openness towards talent identification could lie with the national cultures (Cascio 2006). For example, as mentioned previously, talent management, as a whole, is not common practice in Finland where the headquarters are situated, because of the egalitarian values that are held within its culture. This could affect their openness to the process. As the Head Global of Talent Management notes with an anecdote:

"That is partly the reason, and now I may be stereotyping, that is partly the reason why... Finnish owned and Finnish lead company, why we don't tell our high potentials they are high potentials because of that reason. Everyone needs to be equal, basic education and all that. So, I think that is partly it. In a conference in the U.K. a couple of years ago, where there were maybe 35 to 40 talent managers or HR Directors in the room and the topic was talent management. Someone ask a question about "how many of you tell your high potentials that they are high potentials?" And all the other hands were raised except mine and one other person and that one other person was from Finland,

as well. So, it was funny! We were looking at each other and thinking, "oh no", so it might be that culturally it is difficult for us to do that kind of a process...".

Furthermore, as noted, in a previous quote, the HR Manager in Turkey stipulated that talent identification was not an attractive proposition before they were acquired, because it is not culturally acceptable and consequently "it is one of the most confidential and not open processes" of their HR department.

Another explanation for the variation of the openness towards or a factor is the previous finding, of the use of official and unofficial talent systems. Where a more inclusive unofficial system and approach to talent management was applied the more transparent they were about identification. For example, Poland is more open about who is talent than the headquarters, who utilise an exclusive approach, because Poland utilise a more inclusive TM practice, as a consequence are more open and transparent about talent identification. This finding corroborates the finding by Stahl, Bjorkman, Farndale, Morris, Paauwe, Stiles, Trevor and Wright (2012) that organisations or units that utilise an inclusive talent management system are more likely to be more transparent than organisations or units that utilise an exclusive approach.

This finding can have practical implications. For instance, employees will be dissatisfied, if other employees are informed about their status within the company and they are not informed. Furthermore, if employees discover their status from other employees from different units, this could spark demotivation or distrust in their superiors, which could affect their social capital with them. The next section will focus upon the finding of lack of understanding of talent identification and management.

4.1.4. Lack of understanding of Talent Identification and Talent Management

Another interesting finding was that not all units had the same level of knowledge or understanding of talent identification and/or talent management. The levels also varied among employees and across countries, which creates a challenge for the case multinational, when identifying talent or high potential to become a leader. One HR Manager noted that there is a lack of mutual understanding of what talent is and

understanding of talent management as a whole. As explained in the subsequent quotation:

"One of the challenges [is] that the management team are not having the same talent understanding; we have to be at the same maturity level. So, this is, the talent management experience is lacking. The common understanding is lacking, who is talent who is not or the common terminology. This understanding is missing at the moment".

Furthermore, a Regional HR Director specified that some countries under their supervision do not understand why the case company has a talent identification process in the first place. These countries are 'just going along with it' to a certain extent. Conversely, instead of 'just going along with it', some countries resist the process and perceive it as a HR process or a HR problem. The aforementioned, are illustrated in the below quotations:

"[There is] a lack of understanding. For example, in Ukraine they were doing something [talent identification] without really understanding why. This is not, even after the explaining, they do not fully adhering [to the talent practices]. This is not my role as a manager; they are not at the stage, yet, were they think "my role as a manager is to identify, develop people and focus on their career development". They perceive this as a HR exercise. "So, okay, they are the HR person, so they will do it!" They bring a different approach, so "HR will facilitate, support, and they [the HR Director] brought this new problem to us managers, so they will have to do it!"

This resistance was not the case for all countries and for all identifiers. As noted by an Installation Director in Poland:

"I think as a manager for so many years I see it as my duty [to identify talent]. Me as a manager, I try to be a leader, I hope I am and I see it as duty. It is not in my role description that I have to identify talent but I see it as a duty of every manager to identify talent. Every manager should be aware of the talented people around them. I like working with talented people and I try to develop them".

An explanation for the lack of knowledge on talent identification and management could be explained by the infancy of the subject topic. As previously mentioned, the academic world notes that there is a lack of consensus on the topic (Ashton & Morton 2005; Lewis & Heckman 2006; Tansley et al 2007; Tansley 2011; Thunnissena et al. 2013; Vaiman & Collings 2013) and this lack of consensus is also prevalent in the case company.

Another explanation is some units have not internalised the practice of talent management. The internalisation of a practice refers to the ''state in which the employees at the recipient unit view the practice as valuable for the unit and become committed to the practice'' (Kostova & Roth 2002: 217). Some of the units, for example Ukraine, do not understand or perceive the value of talent identification and distinguish it as a HR problem. This has lead to ceremonial adoption, superficial obligation, and a low level of commitment to talent management in some units. This finding of the current study are consistent with those of Kostova's (1999: 313) who noted that lack of internalisation could lead to ceremonial adoption, superficial obligation, and a low level of commitment to a certain practice.

The implication this finding has on the organisation is the headquarters has to illustrate the benefits of talent identification for the local unit and the global whole. Furthermore, the global headquarters needs to verify that the local units have internalised the practice rather than being a ceremonial adoption. The subsequent section of the findings and discussion will focus upon the findings of the biases involved in identifying talent.

4.2. The Biases Involved in the Identification Process

This subsection of the findings and discussion will now turn its attention to sub-question 1, which is, *what kinds of biases exist in the identification process?* Prior studies have noted the importance of studying biases in the identification process, for example Makela et al. (2010). This study found multiple existing biases in the identification process in the case MNCs system. These biases will now be stated and discussed in the following text.

4.2.1. Identifier Bias and Homophily

This study found evidence that of homophily biases within the identification process at the case company. Watts (1999: 13) stipulates that homophily is the ''tendency to associate with people 'like' yourself''.

This study found that evaluators of talent and HR managers were identifying people as talent who were similar to themselves. This finding supports previous research in this area, such as Makela et al. (2010). A HR Director explained that "it is our natural tendency" to associate with people like ourselves. Furthermore, this type of bias was found to be exacerbated when the job or position was similar to the identifier's position. This type of homophily behaviour was noted by an Installation Director, which can be seen in the following quotation:

> "...they can just don't like some people and don't rate them enough for their know-how, it is a very bad situation. In my opinion, if managers cannot distinguish between the personal and business that could be the one thing. Personality is very important, some people have a talent to identify talent and some people not, and that is why it is important to look into people objectively or with a theory or something because people like the same kind of people".

Moreover, the Global Head of Talent Management notes that there are all sorts of biases in the identification process at the case company, explaining that similar biases are in involved in talent identification to the ones in interviews. As explained in the below quotation.

> "Of course! These biases that are present in any, sort of interviews in recruitment interviews also in the same way in identification of high potentials and successors, of course, all the biases do exist. So, that kind of biases might and is... people liking people who are similar to them and all that, of course, exists. We don't deny it".

In addition, this study found evidence that homophily is exacerbated when identifiers are evaluating persons with a similar job or for a particular position. This can be detected in comment by a HR Manager:

"...if you are going to employ someone in the Installation Manager role, my role as HR is completely different to what is require from an Installation Manager. There is no chance at all that we would be successful in that role. If I want to select someone to HR for a higher role, I would have a bias of selecting someone who is similar to me".

Adding onto the homophily bias, identifying people as talent whom one likes and has a rapport with was in addition found in this study. This finding is in alignment with Tsui, Porter and Egan's (2002) findings, which showed that superiors tend to rate more positively persons who are similar to themselves in performance appraisals. An example, of an employee not being identify as talent or high potential because of their rapport with their superior, is provide by an Installation Director:

"For example when I joined the case company, I inherited my department and the people and the previous Installation Director told me about them and it was his view and opinion about them. When I focused on each of them, I realised that one of the team is high potential in my view, and he was not a high potential for the previous Installation Director. From the first time I talked to this person, I realised that this person's potential is not used enough for the company... I was told that they were rated very low and there was a plan to fire them from the company. ...There were some personal problems and the manager of the said person was not happy with his attitude towards him. The subordinate told me that, if he did not agree with the director the director was not happy with it and that is why he did not like him and that is why he was rated so low. I ask the subordinate, "why do you think you were rated so low?" Definitely, that person is not a brilliant star in the company but, definitely, a person with a high potential. We can lose this potential, if we do not look deeply and put a side our personal things, we can lose people with potential".

Additionally, a Global HR Specialist and a HR Manager indicated in their responses that there a subjective parts of the talent identification process and criteria, which is at the mercy of the evaluators beliefs and knowledge. Noting that performance is an evaluation from their manager and it is their point of view, which could differ, if someone else conducts their evaluation. Therefore, a first-rate manager-subordinate relationship is required to achieve a high performance appraisal. As noted by the following quotation:

"This information does not just come from somewhere. It requires that you... the employee and manager has a good relationship or at least knows the person".

Homophily tendencies may be exacerbated by evaluators of talent being more aware of the accomplishments and performance of more similar candidates than those who are dissimilar to them, both directly through personal interaction and indirectly through third-party knowledge (Makela et al. 2010: 138). In other words, people who are similar may have superior social capital than those that are dissimilar. This could explain why people who are similar are more likely to be identified as talent, because they have superior social ties. Additionally, identifiers of talent have a tendency to focus on alternatives that are familiar and/or proximate, or fit their existing worldviews (Rosenkopf & Nerkar 2001), if employees fit their view, they are more likely to be identified.

The implications that arise from the said findings are (a) talent identifiers need to have more of a global mindset; (b) more than one talent identifier will be required to identify talent, and (c) calibration reviews ought to take place and the members of the review ought to have an informed but partial view of the high potentials. The subsequent section will turn its attention to other biases that was found in the study.

4.2.2. Identifying People in the Inner Cycle

The current study found that employees are more likely to be identified as talent, if they are positioned with the inner cycle or network of the identifier. This finding, in some part, collaborates with Makela et al.'s (2010: 139) suggestion that "there is a parallel tendency of network position that is influencing the likelihood of more centrally located candidates having higher visibility, and thus being more readily identified as talent. Talent review decision makers are simply more likely to come across candidates who are in central network positions". This current study has found that the closer to the identifier the more chance of being identified as talent. Furthermore, if an employee is in the inner network of an identifier, the identifier is more likely to know them better. As noted by a Global HR Specialist:

"...if you know the person well, then you might have more or a better idea or different things you might be able to make an evaluation better. Better than, if you don't know somebody."

Furthermore, an Installation Director explained that sometimes they do not have enough time to 'get to know' their staff, therefore, they cannot identify them as talent. This was also reiterated by a HR Manager. Consequently, employees in the inner cycle of the identifier and who has superior social capital are more likely to be put forward as high potential or talent. An implication of this finding is more focus and time ought to be on the employees of the outer cycle of the identifier's network. Furthermore, more than one identifier ought to be identifying for a group of employees, thereby creating overlaps in the networks. Therefore, a talented employee may be in the outer cycle of one identifier but be in the inner cycle of another, creating a more likely scenario of them being identified. The subsequent section of the findings and discussion will focus upon the finding of intransitivity in the identification process.

4.3. Intransitivity in the Identification Process

This study found how the case company takes into account intransitivity when they identify talent. The practices ranged from providing employees with additional tasks that are associated with the next level up the hierarchy, competency reviews and discussion, providing them with additional projects to career mapping. As the Global Head of Talent Management notes:

"One part of the discussions is always about your own competence. In the current role what is required, maybe the future role. So, career goals need to be discussed in the performance discussion. We call it here a 'Mutual Development Plan'. So, it is even written into the tool we currently use. So, what are your career goals and then your individual plan is built, thinking what you need to learn in your current job and what do you need to learn, in order for you to grow into the next job that you have in mind".

A HR Manager adds to the above quotation noting they also provide additional projects or additional tasks to high potentials employees to take into account intransitivity.

"The future potential of the person it is more observation, the feedback coming from the supervisor. If the person has been a participant of a project, the feedback from the other project members and this is important. So, a person who we think could have potential we give them additional projects or additional tasks involved in some project work, to see their performance in those additional responsibilities etc. It is not only having the current responsibilities done perfectly but openness to new responsibilities and also the success in those new responsibilities and work or project work".

Conversely, during the interviews some participants noted that intransitivity was not always taken into account when promotions or identification takes place. It can be seen, in the previous quotation by the Global Head of Talent Management that intransitivity is not constantly taken into account. When they noted the performance discussions are always about your own competence in the current role and "maybe" the future role. Furthermore, at a different occasion the Global Head of Talent Management remarked that "we believe the best ticket to success is to do the current job well", thereby, not taking into account intransitivity because as aforementioned the skills required at one level of the leadership passage differ from those that led to success at the former levels (Evans, Smale et al. 2011: 209). In other words, current performance does not necessarily indicate success at the next stage of the leadership passage. Furthermore, a HR Director noted, after being ask *do you have a future looking aspect for your measurements, future measurements for potential*, they remarked "not really". One HR Manager provided an anecdotal example of how the unit did not take into account intransitivity, when promoting an employee from a sales role to a Branch Manager, which is, two tiers up the hierarchy.

"...an early appointment. A person from a sales role to a Branch Manager role, the sales person's role is where you do not manage people but you manage budgets and projects. Whereas, a Branch Manager's role is a real comprehensive role, you manage sales people, operations people and plan out responsibilities. We have some specific cases where we promoted directly from sales person to Branch Manager's role without giving them any supervisory experience, so from managing no-one to be appointed to manage 100 people, double or triple layers. First of all, they are not really ready for that managerial or leadership role. They were successful as a sales person with customer relations but it comes to delegation skills, coaching skills, performance review skills; from zero

management experience to managing 100 people, this person is suffering. This is kind of a mistake. We should have prepared them before with a supervisor role and then appointed to this role [Branch Manager], I would say. This is what we are trying to do but due to the organisational needs, I believe we didn't have the chance and the time to plan for that development, it was a quick appointment.

Another example was provided by a HR Director:

"I have seen it in my previous company, when we promoted a person every two years and that was too fast. For one person it is not fast but for the second one it was. I can remember one example, we did not have enough evidence to say "he is good at this position he can go one level up". He was then moved one level up and it was a disaster and then no-one remembered that they were a talent identified in the organisation. We only remembered that he could not manage at this position and he did not do a good job. It is a pity but we have to be very careful".

A possible explanation for this might be that identifiers of talent are fixed on the short term results of staff and their performance of day-to-day tasks, therefore, not projecting future potential. Furthermore, it seems that the case company ought to entitle their talent as high performers rather than high potentials. However, caution must be applied, as the findings might not be transferable to other units that did not participant in the study.

Another possible explanation for the paucity of intransitivity, truly being utilised at the practice level rather than at the policy or concept level, is identifiers have a deficient in their knowledge about intransitivity and how it ought to be implemented. Additionally, as noted by a HR Manager, identifiers are less likely to take into account intransitivity when a quick appointment or identification is required. This could explain why intransitivity is taken into account at policy level but in practice identifiers remark, they do not have the time. The lack of time to identify talent could be attributable to the lack of motivation to find the time.

An implication of this finding is the top management has to press the line and HR managers to implement and unitise the tools that they have at their disposal. In addition, talent identification ought to take priority and HR should enforce managers to find or

make time for these actions to take place. The subsequent section of the findings and discussion will focus upon the findings of does talent identification ever go wrong, if so why?

4.4. Does Identification Of Talent Ever Go Wrong?

This study has found that talent identification does go wrong in the case company. The Global Head of Talent Management noted that from one year to the next the high potential population has changed by almost 50 percent, which indicates that employees are being identified as talent and then the identifier or someone else has realised that they are not talent or high potential, thus misidentification. As noted in the subsequent text:

> "...We have been creating some statistics on the changes of the HP list year to year and last year we counted it, and it was almost half of the population has changed. That is a lot!"

There were many explanations for why talent identification went wrong in the case MNC, however only the foremost reasons will be stipulated and discussed in the subsequent sections.

4.4.1. Lack of Time Spent on Talent Identification

This study found that a lack of time spent on talent identification was one of the explanations for why talent identification went wrong at the case company. This finding was coupled with the lack of motivation towards identifying as a whole but especially global talent at the local level and a lack of motivation to find the time for these practices. As one HR Manager noted "we have some other primary activities other than talent identification". Moreover, one Regional HR Director noted they required more managers to have a proactive approach to talent identification and talent management as a whole. The HR Director noted that HR has to pursue managers to comply with the policies on talent identification and to suggest employees as talent to them. This is illustrated in the below quotation:

"I think we need to ascertain more managers to have this talent approach. This is not nice because all the time I am sending reminders, asking, repeating and following-up. I would like to see the managers coming to myself and asking "okay, I did this", or proposing someone [As talent]. So, a more proactive approach... [to talent management and identification].

Furthermore, the same HR Director stated that managers in the calibration workshop thought they were wasting their time. As noted in the below quotation:

"We have a workshop with managers, some of them it was just [waste of] time, they said "why should I listen about other manager's people, they are not my people that is a waste of time".

Another finding that leads directly from the finding of lack of time and motivation is quick fixes and lack of planning is leading to misidentification of talent. The lack of time, motivation and planning leads to quick fixes, which leads to ad hoc appointments and mistakes. As note by an Installation Director and a HR Manager:

"So, we make mistakes. I think that if we do it [identify] too fast and we do not think enough about it or if we don't have enough evidence. It could be the wrong talent [is] identified".

"We can see that without any plan, ad hoc appointments, so when you make ad hoc appointments then the person is not ready".

An explanation for the lack of time and planning spent on talent identification is that managers are not motivated to do it. They do not perceive the benefits of the practices for them or for their unit, especially when identifying global talent. Moreover, actions ought to be taken to demonstrate the benefits of talent identification for the unit and for the organisation as a whole. The next section will focus on the high potential criteria.

4.4.2. Selecting Criterion One Agrees With and Misinterpretation of the Set Criteria

This study found that one reason for talent identification failure was the lack of clarity of the set of high potential criteria. As noted in section 4.1.1., (Lack of Consensus on

what is Talent and Competencies) a finding in this study, is there is a paucity of consensus on what is talent, which is contributing to talent failure. For example, when a local high potential is put forward, using the unofficial local set of criteria, to the global unit they query whether they are talent at all. This action sometimes leads to the employee being removed from or not added to the global list. Furthermore, when the person is removed from the list, it is seen as misidentification. As noted by a Global HR Specialist:

> "If a person who is put forward as HP [High Potential] and does not match the criteria, we re-contact to the unit and ask them "are they really HPs". Sometimes they remove them from the list but not always. We do some checking".

In addition, the interruption of the talent criteria is exacerbating the talent failures as well as identifiers picking and choosing, which criterion they will utilise and the ones they will not. The different interruption of the criteria was mentioned by a Global HR Specialist.

> "One [challenge] could be that even though we have a set of criteria, but is everyone interrupting the criteria in the same way? After all we are in 50 different units and countries. The variation can be quite big a cross different cultures and places. So, as I said, some of these are quite obvious, you are a certain grade or performance appraisal is this or that, but then the more subjective evaluation, they can vary in interruption".

The same Global HR Specialist went on to note that "we need to provide training to the local HR units, so they all understand them in the same way". Moreover, when questioning the Global Head of Talent management about some of the criteria, they could not fully explain some of the criteria.

These findings could be explained by the differing view of the organisation. For example, the Global unit has a differing view and interruption of the criteria because of the type of talent required at the global level is different from the local level (Evans et al. 2011). These two differing views will and has impacted on how they view talent and what they perceive as talent misidentification.

The implications for practitioners is to teach and provide training to all heads of HR and the main identifiers of talent, what each criterion means to their unit and to the organisation as a whole. The global unit ought to inform the local identifiers and units that the set of criteria is a package and is not a 'pick and mix' of criterion that they can choose from. Additionally, the criteria ought to be coded in a way that is easy to communicate, especially, if the set of criteria are in English and not in the language of the local unit. The next section will provide a visual of the findings.

4.5. Visual Representation of the Findings

This section of the findings and discussion will visualise the main finding, in brief, in the subsequent Table 4.

Table 4. Visual Summary of the Finding

RQ1: What challenges does a multinational corporation (MNC) face in identifying internal talent? ▪ Lack of Consensus on what is Talent and Competencies ▪ Official Talent Management System and Unofficial Systems ▪ Varying Openness towards the Identification Process ▪ Lack of understanding of Talent Identification and Talent Management	**Sub-Q2:** How is intransitivity accounted for in the identification process? ▪ Providing employees with additional tasks that are associated with the next level up the hierarchy ▪ Competence reviews and discussion ▪ Providing them additional projects ▪ Career mapping Conversely, some participants noted that intransitivity was not always taken into account when identifying.
Sub-Q1: What kinds of biases exist in the identification process? ▪ Identifier Bias and Homophily ▪ Identifying People in the Inner Cycle	**RQ2:** Does identification of talent ever go wrong? ▪ Yes! If so, what are the main reasons? ▪ Lack of Time Spent on Talent Identification ▪ Selecting Criterion One Agrees With and Misinterpretation of the Criteria

The previous Table 4 has provided a brief tabulated summary of the main findings of the study. The subsequent chapter will provide a conclusion to the study.

5. CONCLUSION

This chapter will summarise and bring together the main areas covered in this study. It will commence with a summary of the content of the work and conclude with suggestions for further study. As the chapter progress the contribution, the research and practitioner implications, and the limitations of the study will be stated among other subjects.

This paper has provided an account of the background reasons for the widespread utilisation of global talent management and the explanation of why more and more organisations are utilising this new practice to differentiate their employees. Moreover, this study has explained the central importance of talent identification in a multinational corporation who are differentiating their employees.

Furthermore, the purpose of this study was to contribute at the general level to the empirical and qualitative research on global talent management from a Finnish perspective. More specifically, this study contributed to the challenges that MNCs face in internal talent identification and why it can go wrong. This paper desired to address the research gaps by examining the research questions, which were: Research Question 1: What challenges does a multinational corporation (MNC) face in identifying internal talent? Sub-Question 1: What kinds of biases exist in the identification process? Sub-Question 2: How is intransitivity accounted for in the identification process? Research Question 2: Does identification of talent ever go wrong? If so, what are the main reasons? The next section in will reiterate the main findings of the study and their implications.

5.1. Main Findings and Their Implications

This subsection of the conclusion chapter will stipulate the research findings and their implications. Additionally, the contribution of this study will be noted.

The main findings of this study are as follows, first, this study found that a challenge that the case MNC faces is the lack of consensus on who is talent or has high potential to become a leader in the case organisation. Moreover, the competencies, skills, attributes that a 'talent' or a potential leader ought to possess vary in opinion from the global unit, regional units to local units. The findings have indicated that there are global-local differences as well as HR-business line differences regarding talent and talent identification. This study has produced results which corroborate the findings of a great deal of the previous work in this field, such as Tansley's (2011: 266) article. This lack of clarity regarding the set of high potential criteria was one of the main reasons for talent misidentification. Moreover, the stage that a country unit or a subsidiary is in, for examples flux, change, growing, declining, internationalising and so forth, has a consequence on whom they perceive as talent and what competencies they ought to possess. Conversely, this part of the finding of the current study has not been found in any previous research.

The first implication is that unless organisations agree upon what talent is and is not in their organisation, they cannot know what they are looking for, and therefore they cannot identify it. This is also reiterated by Tansley (2011: 266) noting that in order to able to identified and developed, talent it must be visible, and the first step to this is to have an agreed organisational definition of talent. Moreover, having different emphasis on what is or is not talent will create bottlenecks of talent within the organisation, because the bridge from local to regional or global will have different criteria and consequently, they cannot be classed as talent at the next stage. Consequently, the talent criteria should be discussed, created and agreed upon, involving a mixture of individuals from all the units. Thereby, creating coherent criteria at all levels of the organisation can agree upon and utilise. This will truly create global talent pools and a talent pipeline.

Second, this study found that the sub-units operate an official talent management system and an unofficial system. There has been an emergence of local 'unofficial' talent management systems that has been implemented by regional or local HR departments, which are not based upon the global criteria or protocols. The local units have took it

upon themselves to create a two tiered system, one for global high potentials and another one for local and/or regional high potentials. Furthermore, evidence was found that line managers do not take into consideration the criteria or protocols and unofficially identify talent at all levels of the organisation, which is creating a more inclusive system. This study found that within the case company there are varying amounts of openness towards talent management and especially towards informing staff of their status.

In addition, utilising official and unofficial talent management systems does have implications that impacted the organisation's talent strategy and talent system. For example, utilising more than one system can create bottlenecks in the talent pipeline or the talent pipeline may not generate global talent. Furthermore, utilising a more inclusive but unofficial system can create conflict of interests and more biases can enter into the identification process, if it is a more relaxed system and fewer people are involved in the identification. Furthermore, another implication is the unofficial system is abating resources away from the official system and consequently spreading the resources too thin and making it uneconomical. Moreover, employees will be dissatisfied, if other employees are informed about their status within the company and they are not informed. Additionally, if employees discover their status from other employees from different units, this could spark demotivation or distrust in their superiors, which could affect their social capital with them.

Third, another finding was that not all units had the same level of knowledge or understanding of talent identification. The levels also varied among employees and across countries, which creates a challenge for the case multinational, when identifying talent or high potential. The implication this finding has on the organisation is the headquarters has to illustrate the benefits of talent identification for the local unit and the global whole. Furthermore, the global headquarters needs to verify that the local units have internalised the practice rather than being a ceremonial adoption.

Fourth, this study found evidence that of homophily biases within the identification process at the case company. Watts (1999: 13) stipulates that homophily is the

''tendency to associate with people 'like' yourself''. This study found that evaluators of talent and HR managers were identifying people as talent who were similar to themselves. This finding supports previous research in this area, such as Makela et al. (2010). The implications that arise from the said finding are identification of talent requires more than one identifier with a global mindset and calibration reviews ought to be with members who are informed and up-to-date with the identified employees.

Fifth, this current study found that employees are more likely to be identified as talent, if they are positioned within the inner cycle or network of the identifier. This finding, in some part, collaborates with Makela et al.'s (2010: 139) findings. An implication of this finding is more focus and time ought to be on the employees in the outer cycle of the identifier's network. Furthermore, more than one identifier ought to be identifying for a group of employees, thereby creating overlaps in the networks. Therefore, a talented employee may be in the outer cycle of one identifier but be in the inner cycle of another, creating a more likely scenario of them being identified or a rigours calibration review taking place.

Sixth, this study found how the case company takes into account intransitivity when they identify talent. The practices ranged from providing employees with additional tasks that are associated with the next level up the hierarchy, competence reviews and discussion, providing them with additional projects to career mapping. Conversely, some participants noted that intransitivity was not always taken into account when promotions or identification takes place. An implication of this finding is the top management has to press the line and HR managers to implement and unitise the tools that they have at their disposal.

Seventh, this study has found that talent identification does go wrong in the case company. The Global Head of Talent Management noted that from one year to the next the high potential population has changed by almost 50 percent, which indicates that employees are being identified as talent and then the identifier or someone else has realised that they are not talent or high potential, thus misidentification.

Eight, this study found that a lack of time spent on talent identification was one of the explanations for why talent identification went wrong at the case company. This finding was coupled with the lack of motivation towards identifying as a whole but especially identifying global talent at the local level and a lack of motivation to find the time for these practices. Another finding that leads directly from the finding of lack of time and motivation is quick fixes and lack of planning is leading to misidentification of talent. The lack of time, motivation and planning leads to quick fixes, which leads to ad hoc appointments and mistakes. The implications for practitioners are to teach and provide training to all heads of HR and to the key identifiers of talent, what each criterion means to their unit and to the organisation as a whole. The global unit ought to inform the local identifiers and units that the set of criteria is a package and is not a 'pick and mix' of criterion that they can choose from. Additionally, the criteria ought to be coded in a way that is easy to communicate, especially, if the set of criteria are in English and not in the language of the local unit. In addition, talent identification ought to take priority and HR should force managers find or make time for these actions to take place.

This paper contributes at the general level to the empirical and qualitative research on global talent management from a Finnish perspective. More specifically, this study contributes to the challenges that MNCs face in internal talent identification and why it can go wrong. Moreover, this study contributes to the body of knowledge regarding to what organisations perceive as talent and what competencies they ought to possess at different stages of their development or decline. The subsequent section of the conclusion will focus upon the limitations of the study.

5.2. Limitations of the Study

This subsection will note the limitations of this study. Similar to all research, this study is subject to a number of limitations, these are subsequently noted. First, the main weakness of this study was the paucity of line or business managers, classed as 'evaluators of talent', participating in the study. There is only one participant who is classed as an evaluator of talent. This is a weakness, because there is a lack of comparison material for the responses from the single evaluator of talent. However, this

weakness is partly surmounted by the use of HR respondents' answers, because they are also involved in the identification of internal talent.

Second, because of the case study approach, caution must be applied, as the findings might not be transferable to other organisations or multinational corporations. This is because there are variations in how MNCs conduct their talent management processes, which means that the findings may not be applicable to all practices and all systems.

Third, one limitation in this study, which could have affected the findings is the study is restricted to a given time frame, which will only demonstrate results from that given time period. Moreover, policies and practices may have changed and the challenges may be time specific, for example economic downturn. The next section will propose some areas for further study.

5.3. Suggestions for Further Study

This subsection of the conclusion will provide some suggestions for further study linked to the area of study.

A future study investigating external talent identification would be very interesting as there is a lack of knowledge on how firms identify talent outside the remit of their internal talent pools. Furthermore, more research is needed to better understand why intransitivity is not implemented in practice on a regular basis or if this finding is replicated in other MNCs. In addition, the link between the lack of implementing practices to surmount intransitivity in the leadership passage and misidentification is an intriguing one, which could be usefully explored in further research.

Moreover, a similar research project to this study could be conduct, however utilising a different case company or a multitude of case companies to gain generalisable results, is required.

There is neither consensus nor a best practice in the literature in regards to when talent should be identified or how. This area still requires additional research to gain further understanding and fill the gap in our knowledge. This study has signified that global talent management is an important topic area for practitioners and academic alike and there is still abundant amount of room for further progress.

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