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Talent Management in Multinational Corporations

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Abstract

The focus of the chapter is on the practices used by multinational corporations (MNCs) to manage employees defined as ‘talent’. We examine the content of corporate practices, the actors involved in carrying out these practices and the roles they are playing, and the effects of these practices on outcomes at different levels of analysis. Efforts are made to identify promising ways to enhance our knowledge of talent management in the context of MNCs. By way of an illustration of the kinds of issues covered we present the talent management practices of one MNC in particular, the Finland-based elevator and escalator company KONE.

Key words

Talent management, multinational corporations, the integration-responsiveness framework, implementation, internalization, integration, the HR function, talent management-as-practice

Introduction

Interest in talent management has proliferated over the last decade, with the global shortage of leadership talent being touted as one of the highest HR concerns for multinational corporations (MNCs) today (Cappelli, 2008; DDI, 2014; Guthridge, Komm, & Lawson, 2008). Consequently, MNCs have directed increasing attention to global talent management (Farndale, Scullion, & Sparrow, 2010; McDonnell, Lamare, Gunnigle, & Lavelle, 2010; Stahl et al., 2012), which can be defined as “*all organizational activities for the purpose of attracting, selecting, developing, and retaining the best employees in the most strategic roles (those roles necessary to achieve organizational strategic priorities) on a global scale*” (Scullion, Collings, & Caligiuri, 2010: 106; see also Chapter 2 of this book).¹ Although approaches vary, talent management usually focuses on a pool of employees who rank at the top in terms of performance and competencies, and are therefore considered leaders or key professionals either at present or at some point in the future (Collings & Mellahi, 2009; Lewis & Heckman, 2006).² In MNCs, talent management decisions are increasingly global in that employees may be identified as ‘talent’ or ‘high potentials’ regardless of whether they are parent country nationals, expatriates, or local employees working in foreign subsidiaries (Collings, Scullion, & Morley, 2007).

In this chapter we will review current research on talent management in MNCs. The focus is on the practices used by MNCs to manage employees defined as ‘talent’. We will examine the content of corporate practices, the actors involved in carrying out these practices and the roles they are playing, and the effects of these practices on outcomes at different levels of analysis. Efforts are then made to identify promising ways to enhance our knowledge of talent management in the context of MNCs. By way of an illustration of the kinds of issues covered we present the talent management practices of one MNC in particular, the Finland-based elevator and escalator company KONE. A comparative review and discussion of talent

management across countries fall outside the scope of the chapter (see Chapter 23 for talent management in a global context).

Talent management in MNCs: Overview

Talent management consists of a system of organizational practices used to attract, identify, develop, and retain individuals considered key for the performance of the MNC. The Finnish elevator and escalator corporation KONE illustrates some of the key central talent management practices that MNCs engage in. With some USD 10 billion in sales and close to 50,000 employees, KONE is one of the leading players in the elevator and escalator industry. At the heart of global talent management in KONE is an annual Leadership and Talent Review (LTR) which focuses on the occupants of 500 leadership roles worldwide. During this review of key people and positions, all businesses and geographic areas must: identify high potentials, nominate successors to key positions, and decide on development actions for people in key positions. Areas and businesses are expected to nominate 1-5% of their staff for review, and there are about 300 high potentials (HiPo's) worldwide who do not currently occupy key positions. Identifying high potential at an early career stage (6 months from the commencement of employment) is seen as desirable so that individuals can benefit from special development: KONE leadership training programs, cross-functional and geographical moves, and mentoring as well as coaching.

To steer this review process, top management sets annual targets including diversity (gender and nationality), development (proportion undergoing job rotation), and recruitment (external versus internal sourcing). "High Potential" is defined as the ability, commitment and motivation to succeed in more senior leadership positions. A "walk and write" approach is used at LTR meetings to stimulate input and discussion about the candidates. Reviewing the succession plan for the top positions is also part of the meeting, giving a measure of the 'bench

strength' of areas and businesses, as well as an indication of the need for external recruitment, and the urgency of renewal in management teams. As is common practice in the Nordic countries, HiPo's and succession candidates are not usually informed of their status. KONE believes that 70% of development happens through job, project and rotational challenges, 20% by learning through others (HiPo's have a mentor and many receive special coaching), and 10% through formal education and training.³

In the next sections we will examine different issues related to talent management in MNCs, using KONE as an illustration of the issues at hand. In particular, we will focus on the delicate balancing act between global integration and local responsiveness in talent management policies and practices as well as the integration and user internalization of talent management practices across the MNC. Further, we will discuss the role that the HR function plays in managing global talent globally and locally.

Global integration versus local responsiveness

It is common within international HRM research to use the global standardization/integration versus local adaptation/responsiveness framework, originally introduced by Doz and Prahalad (1991), to examine people management practices in MNCs across countries (Rosenzweig & Nohria, 1994). Global standardization refers to the extent to which the MNC uses the same talent management practices throughout the organization, and local adaptation has to do with the need to apply different practices in different countries due to local cultural, institutional, and economic factors (Doz & Prahalad, 1991). The tensions inherent in the integration/responsiveness framework are also very relevant to talent management (Hartmann, Feisel, & Schober, 2010; Tarique & Schuler, 2010), several of which have been key issues in KONE as the example of their Chinese operations illustrates.

China posed particular challenges for the global talent management process in KONE. The company entered the Chinese market after its main international competitors but set out in 2005 to catch up and managed to secure a leading position by 2013. Recruiting 1000 new staff each year, a recruitment slogan was “Come to work for the fastest growing company”, which helped overcome KONE’s lack of visibility. KONE staff teaching at 50 technical schools also assisted in recruitment. But there was a shortage of high potentials: few of the Chinese managers satisfied the global Basic Requirements, notably fluent English. The size and growth of China, virtually a continent unto itself, led KONE to relax the global criteria, allowing also local HiPo’s to be nominated who did not speak English. The relaxation of language requirements also prompted more exclusive use of Chinese as the language in communication which motivated local managers to speak up and become more proactive. However, cultural diversity within and mobility into and out of the China organization – KONE’s fastest growing market and largest country by employment – have remained a challenge. Partly in response to expectations for rapid career progression amongst Chinese employees, the high potential identification process in China was also pushed down to branch level.

Global standardization of talent management practices has many advantages. First, the firm can employ best practices throughout the organizations, and by doing so improve their effectiveness. It also makes it easier for the firm to identify and compare talents in different units, reducing potential biases of location or visibility (Mäkelä, Björkman, & Ehrnrooth, 2010). Whilst many MNCs have thus put global talent management practices in place, many more are still described as having an ad-hoc approach (McDonnell et al., 2010).

At the same time, and as seen in the KONE case, there are also benefits associated with at least some degree of local responsiveness in talent management. Cultural differences are often cited but they are by no means the only ones. Institutional factors are equally if not even more important, and characteristics of the local labor market also play a significant role

(Pudelko & Harzing, 2007; see also Chapter 23 on talent management in the global context). Such local characteristics may be particularly important in high-velocity labor markets, such as China, in which high turnover of qualified local employees is an acute concern (Hartmann et al., 2010; Ready, Hill, & Conger, 2008). Considerable research attention has been paid to general HRM practices across countries within MNCs and there are some suggestions of convergence across MNCs from different countries in terms of talent management (Stahl et al., 2012). However, there is relatively little work specifically focusing on global standardization and/or local adaptation of talent management (Vaiman & Collings, 2015), in particular work that examines how macro, country-level effects are influencing global-local tensions within talent management (Khilji, Tarique, & Schuler, 2015). In line with research on HRM in MNCs in general, cultural and institutional perspectives, but also investigations of social capital (Kostova & Roth, 2002), could be used to shed further light on similarities and differences in the patterns of talent management practices found within MNCs that span a variety of settings.

A key issue in global talent management is that of *implementation*, particularly in terms of the implementation of globally standardized policies. Wright and Nishii (2013) suggest that actual implemented practices in local subsidiaries often vary significantly from those that are intended by the headquarters. Previous research provides plenty of evidence that planned transfers of management practices to foreign subsidiaries are often far from successful (Björkman & Lervik, 2007), and the question of MNC headquarters intentions versus actual practices is therefore an important one both for scholars and for practicing managers.

In part to explain differences in implementation, Kostova (1999) introduced the notion of *internalization* of organizational practices to the international management literature. Internalization has to do with how committed managers and employees are to a certain organizational practice, and how much value they attribute to it (Kostova, 1999). Unless managers really believe in a certain organizational practice, they are unlikely to put much effort

into its use, and as a result, the practice may only be ceremonially or superficially implemented, and is likely to have disappointing results (Cascio, 2006). The consideration of key stakeholder internalization of talent management practices is also supported by the HRM process perspective developed by Bowen and Ostroff (2004; 2016), which emphasizes the role of management in shaping the signals sent by the people management system concerning the kind of behavior that is expected and rewarded in the organization. If the talent management system is to send the kind of signals intended by the corporation, it is vital that key actors have internalized the practices in question (Ahlvik & Björkman, 2015).

A related issue is that of *integration*, which in this context refers to the extent to which the talent management practices that are implemented in a subsidiary, geographical region or at a global scale are linked to other relevant HRM practices, such as performance management, training and development, and compensation. The importance of this internal fit, or linkage across practices, is widely acknowledged in the HRM literature both more generally (MacDuffie, 1995; Lepak, Lio, Chung, Harden & Joseph, 2006), and within research on talent management in particular (Pucik, Evans, Björkman, and Morris, 2016). In talent management, the integration of talent identification and leadership development practices is a crucial one (McCall, Lombardo, & Morrison, 1988). In the KONE case, for example, much effort was placed on ascertaining that those individuals identified as talent had an opportunity to participate in leadership educational programs. They were also expected to go through cross-functional and/or geographical moves as part of their development program within three years of being identified. On the other hand, evidence suggests that this kind of systematic integration across different elements of the talent management system does not always materialize (McDonnell, 2010). Both top-down approaches to managing global mobility and more bottom-up approaches have been reported in the literature (see Vaiman & Collings, 2015). However, further empirical research on this issue is clearly warranted.

Table 1 summarizes key issues related to the implementation, internalization and implementation of talent management in MNCs.

- Insert Table 1 here -

To date there appears to be little explicitly comparative work on the talent management practices in MNCs from different countries (cf. McDonnell, Lavelle, & Gunnigle, 2014; Pudelko & Harzing, 2007). Further we are not aware of research that - in line with the traditions of the comparative HRM field (Brewster & Mayrhofer, 2012; Mayrhofer et al., 2011) - would have investigated possible processes of international convergence and crossvergence in talent management practices in MNCs.

The Role of the HR Function

Another key issue for talent management in MNCs has to do with the role the HR function plays in the design and implementation of talent management practices. The HR function typically has the primary responsibility of handling functional processes, tools, procedures and policies related to talent management, including the attraction (into the company) and identification (within the company) of talent, the performance management processes that link into talent reviews, and the development and training of the identified talents (Mäkelä et al., 2010). Often talent management has a global process owner at the headquarters, who works with local business partners or unit HR managers.

Returning to the KONE example, the Head of Talent Management is responsible for the global talent management policy, process and tools and for driving the process together with the business leaders and unit HR directors. She also leads the global talent management process and does this by communicating guidelines each year, kicking off the LTR process, providing

definitions and tools, and travelling to all Area- and Unit-level LTR workshops to ensure they are run effectively. KONE has come a long way in creating a talent culture in which managers openly talk about individuals from the perspective of personal growth and thinking about developmental opportunities. One significant factor that is attributed to the evolution of this talent mindset is the support and commitment from the highest levels of management, including the CEO. Another factor has been the development of global tools and processes. However, KONE's HR team acknowledges that the real success of KONE's global talent management should not simply be measured in terms of implementation, but in terms of impact – impact on the moves, career paths and development actions of key people, and the business impact these have on KONE's competitiveness. In response to challenges in ensuring sufficient numbers of competent, ready and available successor candidates and meeting job rotation and diversity targets, KONE HR have made improvements in recruitment quality through global recruitment training for all line managers, initiated a number of employer branding projects, become more active in helping managers to identify rotation opportunities, and ramped up efforts to identify HiPos earlier by going down levels in the organization and introducing country-level LTR workshops.

The HR function typically also plays a key role in influencing the attitudes that line managers and employees have towards (their internalization of) talent management. While we seem to have only limited research-based knowledge on this issue (cf. Farndale, Scullion, & Sparrow, 2010; Sparrow, Farndale, & Scullion, 2013), the talent management-related roles played by actors in the HR functions are likely to differ across MNCs, and also across the different units within the firm – and will influence the way in which top executives and line managers (i) view or internalize talent issues and (ii) respond to them.

More empirical work is needed on the roles played by the HR function in talent management in MNCs. The HR function often has little formal authority, so the question is to

what extent and through which tools and with what tactics they influence line and top managers. In the general HRM research area, a stream of research has shed light on the various roles played by the HR function. This body of work has focused on the HR function as an organizational actor, contributing with several typologies of the HR function's work domain (e.g. Caldwell, 2003; Ulrich, 1997; Welch & Welch, 2012). Research has also advanced in how HR roles are enacted (Welch & Welch, 2012), the ways in which contextual factors influence and are influenced by HR (Caldwell, 2008), and how the HR function deals with increasing ambiguities, pressures and conflicts driven by different role and stakeholder demands (Hope-Hailey, Farndale, & Truss, 2005; Mäkelä, Björkman, Ehrnrooth, Smale, & Sumelius, 2013). In one of very few papers focusing more specifically on talent management, Farndale et al. (2010) outline four different roles that HR can play in management talent in MNCs.

Building on research done within the strategy-as-practice literature (see e.g. Vaara & Whittington, 2012) we propose that also talent management research would gain from incorporating the practices, practitioners and praxis of talent management – i.e., a shift from only studying 'talent management practices' to doing research on the 'practice of talent management' (more generally). This would imply going beyond studying talent management tools, processes and procedures to a focus on talent management praxis (the situated, social activities of those individuals and groups involved in talent management work) and the practitioners involved in doing talent management (the agency and actions of key actors from the HR function as well as line and top managers) (see Jarzabkowski, Balogun, & Seidl, 2007; see also Björkman et al. [2014] for an effort at developing such a research agenda for work on HRM in general). We believe that a 'talent management-as-practice' approach would contribute novel insights into how talent-related decisions are made, implemented and enacted in organizations, how different stakeholders interpret and engage with talent management, how HR actors in MNCs become more effective and influential organizational agents (Ferris et al.,

2002; Mäkelä et al., 2013), and what the short-term and more long-term effects of these actions and activities are.

Similar to our suggestion concerning MNC talent management practices, we suggest that scholars engage in comparative work concerning the praxis of talent management and the practitioners involved in this work. Such work could build on the research that already has been done on the devolution of responsibility for HRM issues to line managers (e.g. Brewster, Brookes, & Gollan, 2015).

Outcomes of Talent Management in MNCs

Following on from Section 2 of this book regarding talent management and performance, of considerable scholarly and practical interest is the influence of MNC talent management practices and praxis on a range of key outcomes. Building on traditions in international business research, we suggest that three different levels of analysis are relevant: the *MNC as a whole*, *MNC units* such as country subsidiaries, and *individuals* (both persons identified as talent and those not identified). In terms of outcomes one can make a distinction between *proximal outcomes* of talent management (i.e. outcomes that are likely to be directly impacted by the practices), and more *distant outcomes* of talent management – the latter likely to be mediated by the proximal outcomes (cf. Björkman and Welch, 2015).

First, corporate-wide human and social capital enhancement (Taylor, 2007; Morris, Snell, & Björkman, 2016), for example via talent mobility (Bozkurt & Mohr, 2011; Reiche, Harzing, & Kraimer, 2009), can be considered as one of the intended outcomes of talent management at the *MNC level of analysis*, although some research suggests that corporations do not always succeed in this endeavour (Espedal, Gooderham, & Stensaker, 2013). Second, international and cross-functional mobility assignments, inter-unit skills training and the like

are likely to have an impact on knowledge sharing and transfer across units in the MNC (see e.g. Minbaeva et al., 2003; Reiche, 2012). Third, the extent to which there are shared values, beliefs and norms across units in the MNC as a whole can also be viewed and studied as an important outcome of HRM in general (Chatman & Cha, 2003; Levy, Taylor, & Boyacigiller, 2010; Smale et al., 2015), but also talent management more specifically (Stahl et al., 2012). A fourth, and somewhat related outcome, is organizational climate: the degree to which managers and employees have shared perceptions of what is important and what behaviors are expected and rewarded (Schneider, 1990), the strength of which is likely to be influenced by features of the practices (Bowen & Ostroff, 2004; Sumelius et al., 2014), as well as differences in societal values about talent (Cooke, Saini, & Wang, 2014).

Fifth, employee turnover might be influenced by how talent are managed – for instance, MNCs that do not invest in or live up to employee expectations concerning training and development may experience higher turnover rates among individuals for whom there is high demand in the labor market. In this respect, studies reveal the importance of careful and honest communication and reviewing judgements on potential regularly (Fernández-Aráoz, Groysberg & Nohria, 2011), as well as organizational justice perceptions (Gelens, Hofmans, Dries, & Pepermans, 2014). Lastly, employer branding in MNCs (Martin, Gollan, & Grigg, 2011; Stahl et al., 2012) may be viewed as an additional relatively proximate outcome of how talent are managed in the corporation, epitomized by MNCs such as GE that has become known as a ‘talent machine’ (Bartlett & McClean, 2003). KONE has recently been bestowed prestigious awards as the ‘Most Attractive Employer’ with the ‘Best CEO’, and ‘Best HR’ in its native Finland. In many countries, the average length of employment of a KONE employee is over a decade. Much of this is attributed to the investments KONE has made in global talent management.

There are potentially more distant organization-level outcomes of MNC talent management, including world-wide innovativeness, flexibility, market share, and financial as well as stock market performance (see e.g. Joyce & Slocum, 2012; Schuler & Tarique, 2007). Talent management should also influence the composition of top management teams in MNCs, at least over time. When it comes to the background of those at the senior levels – and despite decades of attention to diversity in talent management – top leadership positions in most MNCs still remain dominated by parent-country nationals (van Veen & Marsman, 2008). For example, fewer than 15% of global Fortune 500 firms have a CEO or top management executive who was born outside of the country in which the corporation has its headquarters (Ghemawat & Vantrappen, 2015). The question remains, therefore, whether a truly global approach to talent change management possesses the potential to change this (cf. Mäkelä, Björkman, & Ehrnrooth, 2010).

Several of the issues mentioned above are also relevant at the *MNC unit level* of analysis. For instance, returning to the KONE example, investments in talent management was seen by the corporation as an important reason for why the corporation managed to reduce the turnover rate among its high-potentials (HiPos) and managers in China. The perceptions held about the talent management practices can also be surmised to impact the employer brand of the MNC in a certain country. Echoing the kinds of findings that have appeared in the general international HRM literature, Burbach and Royle (2010) find that the transfer and subsequent effectiveness of headquarters' talent management practices in foreign subsidiaries are influenced by stakeholder involvement and top level support, micro-political exchanges, and the integration of talent management with a supporting global HRM information system. What remains less clear is the degree to which transferred talent management practices can be regarded as distinctly different from other HRM practices (Iles, Chuai, & Preece, 2010), and if so whether they face similar dualistic pressures from headquarters and the host-country context as certain

other individual HRM practices (e.g. Smale, Björkman & Sumelius, 2013). Indeed, there may be good grounds to assume that transfers of talent management practices will encounter some unique barriers given talent management's often controversial nature and alleged management fad status (Iles et al., 2010).

At the *individual* level of analysis, talent management practices have been found to be significantly related with a range of attitudinal outcomes. Social exchange theory suggests that when individuals know or perceive that corporations invest in them, employees are likely to reciprocate these corporate investments in positive ways (Cropanzano & Mitchell, 2005), providing a useful lens through which to understand the mechanisms involved in how employees interpret and react to organizational talent management practices (Höglund, 2012). In line with this theoretical reasoning, Björkman et al. (2013) found that employees who perceived that they have been identified as talent (compared to other managers and professionals) showed a higher level of commitment to increasing performance demands, to building competencies that are valuable for their employers and to actively supporting its strategic priorities; identification with the focal MNC unit; and lower turnover intent. Similarly, Gelens et al. (2014) found that employees identified as talent were more satisfied in their jobs and displayed more work effort than those not identified as talent. Sonnenberg, van Zijderveld, and Brinks (2014) on their part found that the greater use of talent management practices was positively related to psychological contract fulfilment, as perceived by employees. Further, Dries and De Gieter (2014) suggest that identifying talent, and communicating their special status to them, may cause changes in the employment relationship in terms of raising their expectations about special treatment and development opportunities in the organization. Together these studies suggest that the communication of talent status in the organization tends to have positive attitudes in particular among the identified talent but also that organizations

need to pay due attention to perceptions of incongruence and injustice concerning the process of talent identification (cf. Mäkelä et al., 2010).

Within MNCs, there are likely to be contextual differences in both actual talent management practices and in how these impact employee attitudes (Farndale et al., 2010). For instance, there is likely to be significant variation – regardless of MNC policies – in terms of how and if individual supervisors communicate about their subordinates' talent status, ranging from explicit formal assertions to informal and indirect clues (see e.g. Sonnenberg et al., 2014). More comparative research is called for to shed light on the effects of the communication practices of superiors and the HR function across countries, and how individuals make sense of and react to the signals they are sent, formally and informally, about their talent status.

Similar to the MNC and MNC unit level of analysis, we consider individual human and social capital development as well as inter-personal knowledge transfer to be both desirable and likely outcomes of talent management practices. We further argue that not only work-life balance but also work load and stress deserve to be included as individual-level outcomes in research on talent management in MNCs, thus pointing to the potential negative effects of talent management practices on individual employees and their families (cf. Ehrnrooth & Björkman, 2012).

Finally, individual long-term career progression (Cappellen & Janssens, 2010) is an important yet more distant outcome of talent management. A study by Claussen et al. (2014) finds that human capital and experience are important for promotions at middle and senior management levels, but that the size of a person's network is only useful for mid-level promotions. This would seem to support global talent management practices that provide or encourage personal development, but sits at odds with other descriptive research reporting that around 40% of internal job moves involving high potentials end in failure (Martin & Schmidt, 2010). Although being identified as talent is associated with a greater willingness to take on

challenging global leadership development activities (Björkman & Mäkelä, 2013), research that sheds light on whether these investments pay off for the MNC and the individual is sorely needed.

We summarize the discussion about possible outcomes of talent management in MNCs in Table 2.

- Insert Table 2 here -

Conclusions

Talent management continues to be a key concern for MNCs. In this chapter we focused on practices used by MNCs for managing talent, the role of the HR function and other actors in managing talent and the outcomes of it. We started by arguing for the usefulness of an integration/responsiveness lens for examining talent management issues in MNCs, since managing talent across borders results in several global-local tensions. The case of KONE in China also illustrates this well, showing how the company had to adapt its talent pool criteria considerably in order for it to be meaningful in the Chinese context.

Next we discussed the implementation of talent management practices, focusing in particular on the importance of management internalization of talent management practices and the integration of these practices with other relevant HRM practices. In particular, we highlighted the need for a linkage between talent management and leadership development, which means that MNCs should make sure that those identified as talent actually get the opportunity to participate in relevant leadership programs and take on different roles in various functional and geographical areas within the company as a part of their development. This is also linked to outcomes of talent management at the individual level, where one key question that MNCs struggle with is whether or not to communicate talent status to employees. Issues

that require more research in the future include not only whether companies communicate talent status and with what consequences, but in particular how the communication of both talent status and the whole talent management system is carried out, and with what consequences in different contexts.

As for outcomes of talent management more generally, we posit that we still only have scant knowledge of the outcomes of talent management practices in MNCs. We suggested three different levels of analysis: MNC level, unit/subsidiary level, and individual level, discussing proximal and more distant outcomes at each of these levels. Moreover, we discussed the role of the HR function and other actors, such as top executives and line managers, in talent management. We suggested that in addition to examining talent management *practices*, research in this field would benefit from a shift towards the practice of talent management, which in line with a strategy-as-practice (Whittington & Vaara, 2012) and more specifically an HR-as-practice perspective (Björkman et al., 2014) implies extending the focus also to the practitioners (actors) and praxis of talent management.

To conclude, we hope this overview serves to highlight some of the key challenges with managing talent in MNCs, and that it provides some useful suggestions for areas for future research efforts.

NOTES

¹ For a detailed discussion of different perspectives on talent management, see also Vaiman and Collings (2015).

² For a detailed discussion of the different ways to define, operationalize and measure ‘talent’, see Nijs, Gallardo-Gallardo, Dries, and Sels (2014).

³ The description of global talent management in the KONE corporation is based on Smale, Björkman, and Saarinen (2015).

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Table 1. A summary of implementation, internalization, and integration issues in the context of talent management in MNCs

Dimensions of practice transfer (Ahlvik & Björkman, 2015)	Key issues
Implementation	<p><i>To what extent is talent management taking place in the subsidiary?</i></p> <p>Refers to the extent of use of talent management practices in the subsidiary (Kostova & Roth, 2002). Practices implemented in the subsidiary may vary from those intended by headquarters (Wright & Nishii, 2013).</p>
Internalization	<p><i>To what extent are key stakeholders committed to the company's talent management practices?</i></p> <p>Refers to the attitudes of key actors in the MNC/subsidiary and how they influence the attitudes and actions of others. If they do not actually believe in the talent management practices, they may not put much effort into using them, which in turn may result in only ceremonial or superficial implementation. (Kostova, 1999; cf. Bowen & Ostroff, 2004)</p>
Integration	<p><i>To what extent are talent management practices connected to other HRM practices in the MNC?</i></p> <p>Refers to internal fit and alignment between the company's talent management practices and other HRM practices (Delery & Doty, 1996). For instance, the integration of talent management practices and leadership development practices is important (McCall, Lombardo, & Morrison 1988).</p>

Table 2. Illustrative examples of potential outcomes of talent management at different levels

Level of analysis	Proximal outcomes of TM	Distant outcomes of TM
Corporate Level	<ul style="list-style-type: none"> - Increased knowledge sharing and transfer as a result of various international & cross-unit talent trainings and assignments (Mirzaee et al. 2009, Reiche et al. 2012) - Corporate-wide human and social capital enhancement through talent mobility (Reiche et al. 2009) - Shared values (Stahl et al. 2012) - Reduced employee turnover (Férez-Arco et al. 2013; Geleyn et al. 2014) - Employer branding (Bartlett & McClean, 2003) & Organizational reputation (Rindova et al., 2005) 	<ul style="list-style-type: none"> - World-wide innovativeness, flexibility, market share, and financial & stock market performance (Joyce & Slocum, 2012; Schuler & Tarique, 2007) - Composition of top management team (cf. Mabala et al. 2010)
Individual Level	<ul style="list-style-type: none"> - Increased work motivation & commitment (Collings & Mellahi 2009) and efforts to fulfill the psychological contract (Sonnenberg et al., 2014) - Additional attitudinal outcomes such as: willingness to take on demanding work, build valuable competencies, support company strategic priorities, MNC identification (Bjorkman et al., 2013) - Job satisfaction (Geleyn et al., 2014) - Human and social capital development & inter-personal knowledge transfer (Reiche et al., 2009) - Work-life balance, work load, stress (Throoth & Bjorkman, 2012) 	<ul style="list-style-type: none"> - Long-term career progression/success (Briscoe et al. 2012; Cappellen & Janssens, 2010) - Global mindset (Davidson et al. 2008) - Global leadership effectiveness (Caijuri & Tarique, 2012)