Managing Talents for Global Leadership Positions in Multinational Corporations

Sebastian Mansson and Christian Schmidt

Graduate School
Master of Science in International Business and Trade
Master Degree Project No. 2011:16
Supervisor: Harald Dolles
**ABSTRACT**

The identification and development of internal high-potential employees is referred to as ‘talent management’ within the human resources function. Previous research argues that national culture influences organizational culture and leadership, and that human resource management practices should be adapted to local needs. There is little prior research in regards to how Western multinational corporations address this issue within their global approach to talent management, especially in China, where there is an acknowledged shortage of Chinese nationals that operate effectively within higher leadership levels of Western multinational corporations. This study shows how those multinational corporations identify and develop local leadership talents for global leadership positions, globally compared to in China. The research is based on more than 20 qualitative interviews with 14 large multinational corporations across different industries. The main finding is that in most corporations, adaptations of talent management processes in China are limited, but do exist. However, at the higher leadership levels, there are virtually no adaptations of global leadership standards as of today, and most multinational corporations are striving to continuously improve and implement a global talent management approach.

**Key words:** Talent Management, Talent, Leadership, HRM, China, Western, Global, Identification, Development, MNC
ACKNOWLEDGMENTS

We owe our gratitude and thanks to many people who have helped transform this project from an idea into reality.

First and foremost, Professor Harald Dolles was a valuable asset as our thesis advisor and went well beyond the call of duty in his diligent and thorough reflections, and our thesis benefited greatly from his contributions. In addition, our fellow classmates in our seminar group deserve much credit as well for their constructive feedback over the course of several months.

Moreover, we are thankful to all the professionals we had the privilege of interviewing. We are grateful for your time and effort to contribute and bring value to our findings. Additionally, we would like to direct a ‘thank you’ to Christie Caldwell for introducing us to talent management in the first place.

We also extend much appreciation to our families, who have kept us grounded both throughout this process and beyond, as well as our friends, who brought (and still continue to bring) much needed distraction to our scholastic routines.

Finally a small, but important thanks goes to the Gothenburg spring and summer weather, whose decision to be fashionably late in sharing sunshine and warmth this year, did not tempt and pull us from our endeavor.

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Sebastian Mansson                                      Christian Schmidt

Gothenburg, 23 May, 2011


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1. INTRODUCTION

In this chapter we present the problem background and discussion, highlighting the underlying reasons and forces that inspire this research. Subsequently, a research question is formulated, followed by delimitations, and purpose of the research.

1.1. Background

The global demand for talent is ever-increasing, and multinational corporations (MNCs) are experiencing fierce competition in finding talent to manage global operations (Ready, Hill, & Conger, 2008; Sanyal, 2007; Schuler, Jackson, & Tarique, 2011). ‘Talent management’ has been defined by several academics and professional organizations, and Guillory’s (2009: 2) definition reflects its main purpose well (emphasis maintained from Guillory):

“The vision of talent management is to achieve a goal and an objective. The goal is to create a specific percentage of higher-functioning individuals where his or her potential approaches maximum performance. The objective is to create a permanent environment (culture) where higher-functioning individuals continually learn, flourish, and grow.”

The extensive attention that the ‘war for talent’ has received during the last decade has been acknowledged both in business and academic spheres, and is expected to intensify (Heid & Murphy, 2007). Along with a need of developing local leaders for global positions, a 2007 Boston Consulting Group report stated that talent management is one of the most significant features of a firm’s human resource management (HRM) function (Friedman, Hemerling, & Chapman, 2007). Improving the aforementioned HRM function is considered to be essential for large MNCs in the future (Brotherton, 2011; HR Focus, 2010).

Talent management on a global level involves several dimensions, including attracting, indentifying, selecting, recruiting, developing, and retaining high performing and competent individuals who match the firm’s objective and goals in a global environment (Tarique & Schuler, 2009). These talented employees are often referred to as ‘high potentials’ - individuals who consistently outperform their peer groups, while reflecting their company’s culture and values, and show a strong capacity to grow and succeed within their organizations (Ready, Conger, & Hill, 2010).

It is argued that successful domestic managers necessarily cannot transfer that same level of success into the global arena (Jokinen, 2005). To complicate things further, some scholars argue that there is no universal consensus on a specific model of competencies or criteria for
these global managers (Bartlett & Ghoshal, 1992; Baruch, 2002). The challenge for many MNCs has been to adapt traditional talent development practices to the global level and environment (Jokinen, 2005; Ready, Hill, & Conger, 2008). This is predominantly true for Western MNCs operating in emerging markets, as successful practices ‘at home’ often require significant adaptation to be effective in a different environment (Björkman & Lu, 1999; Ready, Hill, & Conger, 2008).

In emerging economies, the shortage in the supply of skilled talent is a significant problem, particularly in filling leadership positions (Lim, Dai, & Meuse, 2009). When filling global leadership positions, MNCs can either choose from acquiring and recruiting external talent, or identifying and developing internal talent (Caligiuri, 2006). It has been widely acknowledged that it is beneficial to invest resources in developing talented employees with the ability to adapt to various situations and fit into global roles. This has motivated MNCs to create talent management programs to develop and nurture their own future leaders (Collings & Mellahi, 2009; Hawser, 2008; Ready, Hill, & Conger, 2008), with the ambition to maximize the potential of human capital and gain competitive advantage (De Pablos & Lytras, 2008).

It is further recognized that MNCs have a demand for leaders and managers that understand the operational conditions and business environment on the local level, while simultaneously understanding the firm’s global strategy (Harvey, Speier, & Novicevic, 1999). Some companies chose to recruit from the global open market, but according to Tan and Wellins (2006) this has yielded less than desirable results in attaining successful global leaders. These negative results are largely due to recruited leaders being poorly prepared and having high turnover. This indicates that it is beneficial for MNCs to develop local talent from subsidiary locations, so that a global mindset grows from a local emerging market perspective, which stays with that talented individual throughout the development (Caldwell & Xiong, 2010).

1.2. Problematization
During the last decade, MNCs have taken a significant amount of interest in the BRIC economies, Brazil, Russia, India and China, and there has been a vast flow of foreign direct investment (FDI) into these countries. Of the BRIC countries, China has displayed the highest economic growth and is becoming increasingly integrated into the global business

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1 The term Western MNC refers to MNCs from North America and Western Europe. Western MNCs are the focus of this thesis, and to avoid repetition of the word ‘Western’, the term ‘MNCs’ is used to represent Western MNCs.

2 Throughout this paper China refers to Mainland China.
environment. This economic development has led to a higher demand of, and talent management strategies for, Chinese nationals with talent and leadership potential (Caldwell & Xiong, 2010; Tung, 2008). Fortunately for MNCs, high potential Chinese employees with a global mindset usually consider it more attractive to work for a foreign corporation compared to a Chinese one (Hawser, 2008; Ma & Trigo, 2008), much due to the fact that they offer more career opportunities and high wages (Schuler, Jackson, & Tarique, 2011).

However, many researchers find China’s supply of employees with the competencies and potential to develop into higher-level leaders limited. China’s shortage in this talent pool of potential leaders is the largest among all BRIC economies, and it is within the global and executive leadership job function that it is experiencing the highest deficit (Dietz, Orr, & Xing, 2008; Farrell & Grant, 2005; Ready, Hill, & Conger, 2008; Tan & Wellins, 2006; Teagarden, Meyer, & Jones, 2008; Wooldridge, 2006). In the past, this shortage has forced MNCs to bring in overseas Chinese and expatriates from Western economies to fill leadership positions. Now, the focus has strongly shifted towards developing local employees within China’s domestic talent pool. There is a tendency for the MNCs’ Chinese division to neglect or demonstrate indifference for global and strategic thinking. Thus, the development of global leadership skills in Chinese nationals represents an important strategic initiative for MNCs (Caldwell & Xiong, 2010). This focus on developing global leadership skills within Chinese nationals translates into developing local Chinese talents into potential global leaders.

Internal talent development programs help to ensure potential future leaders stay with the company (Hawser, 2008). MNCs are expected to emphasize internal talent development activities into the future in order to bring forward the most talented individuals in their organizations (Taylor, 2007; Wooldridge, 2006). The lack of global leadership skills within the Chinese talent pool is significant, and MNCs need to set out talent criteria and practices to identify the best employees available (Caldwell & Xiong, 2010). While many MNCs have begun developing talent in China, the nature and characteristics of these activities require further study. Björkman and Lu argued as early as 1999 that MNCs need to adapt development practices to the Chinese business environment. However, a recent qualitative study by Hartmann, Feisel, and Schober (2010) found that there is little to no cultural adaption of talent management practices in China.

Although the strategic importance of talent management has been acknowledged in recent years, few studies analyze MNCs’ talent management strategies and practices in China.
(Hartmann, Feisel, & Schober, 2010). In addition, Lewis and Heckman (2006) found no research that specifically investigated the link between the identification/selection and development practices of talent management. In the context of this research gap and relevancy to the modern global business environment, we find both reason and motivation to research this topic in greater depth. Although talent management has been given a significant amount of academic and professional attention in recent years, there is limited in-depth research and analysis on certain specific phases of the process, including identification/selection and development. In addition, in many studies the concept of talent is oftentimes defined quite vaguely and linking certain talent management practices to specific roles within the organization is given little attention.

Given China’s shortage of top-level talent for leadership positions and the paucity of research that examines the specific phases of the actual talent development process, it is valuable to focus on MNCs’ global approach to talent management and leadership development. Additionally, considering China’s global leadership shortage, we want to investigate if, how, and to what extent MNCs are employing and adapting talent management practices for potential future global leaders in China.

1.3. Research Question

_How are MNCs’ approaches to global talent management for employees with global leadership potential structured and adapted to China?_

In order to understand these processes and approaches, we set forth four sub questions regarding identification and development of talent. The first sub questions involve the way MNCs identify leadership talent globally and locally;

**Sub Question 1.** How do MNCs identify and select internal talents for leadership development?

**Sub Question 2.** What difficulties do MNCs encounter when identifying and selecting Chinese leadership talents?

Furthermore, two related sub-questions that follow from the results of the prior questions and bring additional value to this research by investigating potential specific differences in talent management and leadership development are;

**Sub Question 3.** How do MNCs approach the development of global leadership talents?
Sub Question 4. What difficulties do MNCs encounter when developing Chinese leadership talents?

1.4. Delimitations
This study is neither focused on evaluating nor assessing MNCs’ efficiency, success rate, or result of talent development processes. Within the context of this paper, ‘talent leadership development’ refers to the management of the process of developing talent for future higher leadership positions, not the managers themselves that are involved in the implementation of talent development programs and practices. Furthermore, this thesis does not explicitly focus on recruiting or retention practices, but implications of the research offers insight into these activities. Additionally, this thesis is not focused on overseas Chinese or expatriates in China.

1.5. Research Purpose
The aim is to describe MNCs’ global approaches to talent management, and to discover potential differences and adaptations used by MNCs to manage and develop local Chinese talent for higher leadership positions. Although talent management and talent pools are prevalent research topics, there are few studies that explicitly focus on MNCs’ talent management practices and adaptations when operating in a country with a shortage of leaders that can operate effectively in a MNC. Rather, many studies address all dimensions of talent management. Hence, the purpose of our research is to contribute to the academic literature on the talent management adaptations that MNCs make when implementing global talent management practices for identifying and developing global leaders in China. In addition to this, we want to add value for MNCs creating and implementing leadership development programs for global leaders in China and provide insight into preferred and prevalent practices.

1.6. Research Outline

Literature Review
This chapter presents the conceptual framework that contextualizes this paper. The literature review starts with the basic premises and definitions that serve as the underlying basis of the research approach and argumentation. The literature review is developed and structured to show the connection between talent management and leadership development for global leaders and the significance of organizational culture in that process.
Methodology
This chapter provides a detailed overview of the methodological design we used when we approached the researched phenomenon. Specifically, it explains the preparation and effectuation of the research, steps taken to assure credible and high validity, the process of collecting data, and certain limitations that should be taken into consideration.

Empirical Findings
This chapter outlines the qualitative interview findings. We present different understandings of a global leader, approaches to talent management and leadership development, how MNCs transfer and implement practices worldwide, and difficulties experienced, if any, when implementing and executing their approach in China.

Analysis
In this chapter we analyze our research findings and discuss the propositions developed in the literature review. We outline recurrent patterns that can be linked to these propositions, interpret the empirical findings, and highlight topics we found significant to understanding and answering our research question.

Conclusions
In this chapter, we formally answer our research question. We also highlight plausible explanations for why MNCs are experiencing a shortage of Chinese global leadership talents. Finally, we discuss our research findings’ contribution to the academic literature, as well as suggestions for further research.
2. LITERATURE REVIEW

In this chapter we present the conceptual framework that contextualizes this paper. The literature review starts from basic premises and definitions that serve as the underlying basis of our research approach and argumentation, explaining different terms and processes that are important to understand. Then, we explain the role and link between talent and leadership management, followed by the global aspect of talent management and leadership development, and how identification and development of internal talent are related. Finally, we show the significance and impact that national and organizational culture have on leadership perceptions and development.

2.1. Talent Management - Defining the Terms

In the early 2000s, talent management was expected by some to be an HR buzzword that would come and go (Stainton, 2005; Sullivan, 2004). However, talent management has proven itself to be more than just a buzzword, as the importance of talent management has been receiving increasingly greater levels of attention in academic and professional spheres. Most academics and HR professionals seem to agree that there is real substance and value behind the concept (Ashton & Morton, 2005; Frank & Taylor, 2004; Phillips & Edwards, 2009: 1; Scullion, Collings, & Caligiuri, 2010; Sullivan, 2004).

Upon reviewing various definitions of talent management, one thing becomes evident; there is no universal definition of the term and no universal consensus of the activities that should be included under its umbrella (Blass, 2007; Lewis & Heckman, 2006; Sullivan, 2004; Tarique & Schuler, 2009). Nevertheless, the literature points to a number of recurring themes and there seems to be a consensus on one central and fundamental goal of talent management: finding the right person, at the right time, to put in the right position (Conger & Fulmer, 2003; Phillips & Edwards, 2009: 1-2; Stainton, 2005; Watkin, 2007).

2.1.1. Talent

Before the concept of talent management is discussed in more detail, it is important to clarify what is meant by the word ‘talent’. This is quite difficult, as each organization has its own definition of talent (CIPD, 2011) and what constitutes a high potential employee (Stainton, 2005). Numerous studies have focused on understanding what is meant by talent and a number of different definitions have emerged. In general, talent is a vague term that oftentimes relates to people with high performance ability and potential (Lewis & Heckman, 2006).
Brittain (2007) argues that there are different levels of talents. High potential talent concerns managers and leaders within the organization, and involves a small fraction of the entire internal workforce. In contrast, ‘key talent’ makes up a larger portion of employees and consists of employees that stay in the same positions for a much longer time (ibid.). It is also argued that talent can be taken to include anyone at any level who can help an organization reach its goals and drive performance (Michaels, Handfield-Jones, & Axelrod, 2001: viii). However, it seems that talent more often takes on a more specific meaning. Oftentimes when scholars and researchers define and discuss talent management, they specifically refer to a certain pool of individuals categorized as ‘talents’ or ‘high potentials’, with particular ability or possibility to have an immediate or future positive effect on corporations’ performance (Brittain, 2007; CIPD, 2011; Stahl et al., 2007). This understanding refers to talent as a small, select group of employees rather than the entire workforce (Stahl et al., 2007).

2.1.2. The Talent Pool
In its most basic form, a talent pool is a term that refers to all employees within a company that have been identified as talents. These talent pools are used to group together employees who are being prepared for internal advancement, either vertically or horizontally (Rothwell, 2010: 207). The concept of the talent pool, just as the concept of talent, varies between companies. Nonetheless, many companies are creating talent pools to help track individuals identified as talents within the organization (Cappelli, 2008; Connor, 2000; Ready & Conger, 2007). In some cases, these talent pools stretch across different business units and develop competencies that can be applied to a range of job functions (Cappelli, 2008).

2.1.3. Talent Management’s Purpose and Relationship to HRM
The purpose of talent management is to develop an employee’s potential into performance (Buckingham, 2005), and to maximize her/his potential to the fullest (Guillory, 2009). Sullivan (2004) adds that the goal of the talent management process is also to increase the overall workforce productivity through constantly improving the utilization, retention, and attraction of talent.

While talent management is sometimes used interchangeably with HRM, there is an important distinction to be made. Talent management is considered to be an activity that falls under the HRM umbrella (Blass, Knights, & Orbea, 2006). It has been referred to by different terms such as human capital management, employee relationship management, or workforce management (Oakes, 2006). As such, the specific goals and objectives of talent management goes beyond the traditional, general HRM activities that apply to all employees (Blass,
In addition, talent management is also considered to be more strategic in scope and integrated with the overall corporative strategic goals (Lewis & Heckman, 2006). Furthermore, it seeks to integrate relevant HR practices into a seamless process (Sullivan, 2004). Hence, talent management involves all HR functions striving towards the same objective, managing the top talents within the firm. Talent management programs are usually designed to develop a company-wide, holistic mindset among employees that are seen as potential future leaders within the company by developing skills, competencies, and behaviors that will contribute to successful careers (Iles, Chuai, & Preece, 2010).

**2.1.4. Leadership Talent Management**

One vital trend in talent management is using internal talent pools to identify promising leaders among existing employees (Collings & Mellahi, 2009; Hawser, 2008; The Conference Board, 2011). In a study conducted by Ready, Conger, and Hill (2010), all of the companies in their sample stated that they purposely identify high-potential managers, and consider it to be one of the most crucial strategies to pursue. There are two essential phases of leadership management; identification and development (Tan & Wellins, 2006). Many large MNCs see benefits in monitoring the internal leadership pipeline for talents that have leadership potential, and there are certain development practices and programs focusing specifically on managing leadership talents (Conger & Fulmer, 2003; Groves, 2007). It is argued that improving internal development practices and programs focusing on the internal talent will reap more benefits, such as cost advantages, productivity, and a higher retention and success rate of actually developing future leaders, compared to bringing in talent from the open market (Crossland, 2005; Tan & Wellins, 2006). In regards to this, investing in the establishment and quality of internal talent pools of high-potential leaders is a key factor for companies that are successful at developing future leaders. This is further seen as a more favorable way of ensuring that companies find the right kind of leadership candidates for filling executive positions (Crossland, 2005; Watkin, 2007).

In the past, Conger and Fulmer (2003) found that many companies kept their talent management initiatives and succession planning strategies separated. Additionally, many companies look upon succession planning as being equivalent to effective talent management, which is not the case (Kesler, 2002). There is a strong case, however, for companies to combine these two functions as they ultimately have the same end goal of putting the right people in the right positions (Conger & Fulmer, 2003; Lewis & Heckman, 2006). In addition,
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Kesler (2002) concludes that companies garner the most benefit from using the entire leadership talent pipeline in the succession planning of managers, rather than limiting the selection to only a few employees. By integrating succession planning and talent management, companies can focus on which competencies need to be developed for certain individuals in the organization, as well as establishing an internal education system that works to develop those competencies (Conger & Fulmer, 2003).

2.1.5. Contributions to Conceptual Framework and Proposition
This section has contributed to the conceptual framework by introducing the concepts of leadership pipelines and succession planning. Both of these concepts are important in understanding leadership development within talent management. Out of this section, one assumption emerges that is central for this research;

Proposition A: MNCs have an approach to talent management that encompasses succession planning and leadership development.

2.2. Talent Management - Defining the Process
Scholars and researchers describe the holistic process of talent management as having several steps or phases (Blass, Knights, & Orbea, 2006; Boxall, Purcell, & Wright, 2007; CIPD, 2011; Farley, 2005; McCauley & Wakefield 2006; Sharma & Bhatnagar, 2009; Smith & Rutigliano, 2004; Stahl et al., 2007). Some of these talent management phases include: attraction, recruitment, identification, selection, development, education, succession planning, retention, and various ways of measuring and reviewing the result and performance of talent management’s effectiveness. This list is neither exhaustive nor universal, and there are differences in the number of and which exact steps are included in the process. Generally, MNCs find greater value in developing a firm-specific definition of what talent management is (CIPD, 2011; Sims, 2008; Sullivan, 2004). However, Stahl et al. (2007) acknowledge the fact that there is a global convergence of talent practices and programs, and many companies tend to imitate and implement best practices.

2.2.1. Talent Identification
Before talent management programs and practices can begin, companies must identify which employees will take part in these activities. Generally, talent identification processes look for employees who are deemed to be high performers with high potential (Blass, 2007). Different companies have different identification and selection processes for identifying talent as well as different criteria regarding which individuals are considered talent (Blass, 2007; Stainton,
2005). When companies search for talent, one approach is to look for competencies within individuals that have been determined as the most important (Crossland, 2005). These can differ across companies based on a company’s priorities and values. Sample competencies or criteria for talent can include but are not limited to: leadership, judgment, accountability fulfillment, organization and planning, use of delegation, initiative, decisiveness, professional competence, and problem analysis (Edwards & Bartlett, 1983). In addition to looking at specific competencies, another approach is to look at capability frameworks. These capability frameworks act to capture subjective characteristics and capacity to develop. They can include: cognitive ability, learning ability, cognitive complexity/capacity, emotional intelligence, and personality traits (Corporate Leadership Council, 2003).

Regardless of whether or not companies look at specific criteria or capability frameworks, there are a number of different processes whereby companies identify talent. In some companies the responsibility of talent identification falls on dedicated members of the human resources department who work with executives who are doing the talent assessments (Fulmer & Conger, 2004: 59). Another identification process that has emerged is known as an organizational talent review (OTR). During an OTR, high potentials go through an evaluation of a number of different criteria, such as their potential, learning agility, people skills, and their ability to drive change (Aguirre, Post, & Hewlett, 2009). An OTR can be conducted both by internal resources or outsourced for a third-party assessment (Watkin, 2007).

### 2.2.2. Talent Development

Once talents have been identified and selected within the organization, the next major process in talent management is developing those talents. Learning and performance development are cornerstones in talent management, and the practices vary from trainee and early orientation programs to leadership development and executive training (Frank & Taylor, 2004). These practices entail the efficient administration of the HR departments’ specialty and generalist functions, and different practices target different kinds of development (Lewis & Heckman, 2006). This is a subjective process and there is no common standard that runs true across all organizations. Additionally, Barlow (2005) notes that differences in current talents’ skills and abilities result in different learning and development potential based on the development approach. Barlow continues to argue that in addition to each individual’s unique capacity to learn and develop in different ways, development should also be dependent upon that individual’s likely career trajectory.
The literature suggests that while there are many overlaps between the talent management and global talent management process, there are a few practices that are more prevalent in the latter. Caligiuri (2006) discusses many of these practices and they include international assignments, cultural training, formal education, and developing language competencies. The global approach to talent management is discussed in more detail in a following section.

**2.2.3. Contributions to Conceptual Framework**
This section contributes to the conceptual framework by introducing the talent management process, and two specific functions of that process: identification and development. The literature suggests that while the identification and development of talent are important functions of the HR department, there are many different approaches to both these processes. Additionally, there are different or additional practices used in global talent management compared to domestic talent management.

**2.3. Talent Management Identification and Global Leadership Development**

**2.3.1. Identification of Global Leadership Talent**
Identifying potential leadership talent within an organization, and targeting the key high potential talent, is among the most imperative solutions talent management can bring (Kesler, 2002). The profiles of these leadership talents share a common basic core of features and characteristics (Ready, Conger, & Hill, 2010), although those features and characteristics are constantly evolving and expanding (Bass & Bass, 2008: 24). All in all, there is no universal list of what competencies are needed for a global leader (Bartlett & Ghoshal, 1992). However, at the first GLOBE (Global Leadership and Organizational Behavior Effectiveness) research conference in 1994, 54 researchers from 38 countries developed a common understanding of what organizational leadership constitutes;

“...the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members.”

(House et al., 2002: 5)

Stainton (2005) argues that companies should determine a defined set of indicators to identify leadership talents they consider vital for their company. These indicators come in the form of competencies and personal traits that are deemed necessary by each specific MNC to succeed as a global leader (Caligiuri, 2006). In addition, another central aspect is that the future potential connotation of leadership competencies and personal traits should have a high priority when identifying talents (Kesler, 2002; Stainton, 2005).
A global leader has quite broadly been defined as an executive having some kind of international task or assignment incorporated in her/his job scope (Spreitzer, McCall, & Mahoney, 1997), and being globally responsible is considered to be more complex and unpredictable compared to merely a domestic focus (Bartlett & Goshal, 1992; Caligiuri & DiSanto, 2001; ITAP International, 2011; Jokinen, 2005; Terrell, 2011). Caligiuri (2004) identified certain tasks or assignments being unique to the global leadership role. Some of these tasks include working, interacting and negotiating with colleagues and clients from other countries, supervising employees who are of different nationalities, having a role in a foreign supply chain management, and developing and managing a business strategy on a worldwide basis. When employees have been identified as future potential global leaders and segmented into talent pools, MNCs can start to develop strategies for global leadership practices and programs (Lewis & Heckman, 2006).

2.3.2. The Development of Global Leadership Talent
As previously stated; global leaders face more complex and sophisticated challenges than domestic leaders. This observation indicates that the skills and competencies required of global leaders are different from those required of non-global leaders (Marquardt, 2000) and that domestic leadership models can be, and often are, inadequate and insufficient for international leadership (Morrison, 2000). While the differences between global and non-global leaders include different skills and competencies, the difference is not limited simply to different skills and competencies. The degree of leadership skills and competencies is important as well (Black & Gregersen, 2000). This means that while both global and non-global leaders share some competencies and skills, the global leaders’ competencies and skills must be more developed than her/his non-global counterpart.

Lewis and Heckman (2006) state that when structuring the process of identifying and developing talents, companies should evaluate which practices efficiently meet predetermined talent goals and can be captured within the company-specific talent management approach. As all companies operate differently and have different talent goals, there are different approaches to global leadership development. This focus on company-specific talent management systems can explain the differences in the best practices outlined in Table 1. The table exemplifies three different views on what steps talent management encompasses, and how identification and development of global leadership talents are linked together.
The table illustrates that while there are some similarities, there are also a number of key differences, which suggests that there is no universal approach to identifying and developing potential future global leaders.

**2.3.3. The Link between Identification and Development of Leadership Talent**

The aptitude-treatment-interaction approach to the development of global leaders is of particular relevance of this research. This approach states that different people will respond differently to various development processes and activities due to differences in their aptitudes (Snow, 1991). In other words, depending on an individual’s aptitude, he/she will respond and develop differently to different types of practices and activities. Snow (ibid.) refers to aptitude as an individual’s personal traits that are relevant to those different development processes and activities. Caligiuri (2006) used this approach to argue that offering the right and appropriate development activities and opportunities to the right individuals will yield leaders that can effectively perform as global leaders. The opposite is...
true as well; using development practices without the development results of the individual in mind become little more than pointless activities (Kesler, 2002). Stainton (2005) argues that companies should pursue an extensive and detailed talent audit in order to fully understand their talent pool’s level of skills, knowledge and behaviors. The result of this audit could, and at many times should, influence the development activities that are implemented (Caligiuri, 2006; Stainton, 2005), underscoring a strong link between the identification and development processes of talent management. Furthermore, understanding talents will ultimately enhance the end result of the development, increasing its effectiveness (Smith & Rutigliano, 2004). This indicates and stresses the importance of not only creating, but understanding the link between identification and development of leadership talent. In order to be successful in developing global leaders, MNCs must carefully analyze each step in the talent management process to maximize the effectiveness of their goals of developing global leaders.

2.3.4. Contributions to Conceptual Framework and Propositions
This section has contributed to the conceptual framework by introducing the concept of leadership development and global leadership development in the context of talent management. It has shown that different approaches to leadership identification and development exist within MNCs and that there is no universal standard process. It has also introduced the concept of linking the identification process of talent management to the development process of talent management. Out of this section, we put forth three propositions;

**Proposition B:** Different MNCs have different processes of identifying and selecting global leadership talents.

**Proposition C:** Different MNCs have different processes of developing global leadership talents.

**Proposition D:** MNCs directly link talent leadership development practices to an individual’s personal traits and competencies.

2.4. The Role of Culture in Talent Management
Derr, Roussillon, and Bournois (2002: xi) argue that leadership development within MNCs must consider the cultural backgrounds of its employees when it comes to training techniques, methods, and philosophies. HRM practices, such as leadership development, that are developed in one context cannot be presumed to be completely functional and appropriate in other regions of the world, where people have significantly different values (Rowley et al.,
An individual’s cultural background has a strong influence on their cognitive maps, values, demeanor, and language (Derr, Roussillon, & Bournois, 2002: xi), which could have impacts on the appropriateness and effectiveness of HRM practices such as leadership development.

2.4.1. The Relationship between National and Organizational Culture
MNCs operate in the context of two different types of culture; national culture and organizational culture, where the former refers to the set of common beliefs and values of a nation and the latter refers to the set of common beliefs and values of an organization. This distinction is important for two reasons. First, the national culture of the home country of an MNC has a significant impact on the organizational culture of that MNC (Derr, Roussillon, & Bournois, 2002: xiii; Schein, 2009: 61). This is also known as the country-of-origin effect, where the national culture of the MNC has a strong influence on the management style and employment practices of that MNC (Edwards, 2011). This suggests that a Swedish company’s organizational culture will be based in Swedish national culture, and similarly, that a Western company’s organizational culture will be based in the Western national culture of that company.

Second, the national culture of an employee has a significant impact on how that employee thinks and operates (Derr, Roussillon, & Bournois, 2002: xiii-xiv). An employee’s national culture will influence her/his professional behavior and shape their expectations of how a company should operate. The different types of behavior and expectations that result from different cultures impacts how well employees function within a specific MNC.

2.4.2. Model of Organizational Culture and the Relationship to National Culture
While several models of culture have been developed in academia and the professional world alike, Schein’s model (originally presented in 1985) and the expansion of this model by Derr and Laurent (1989), is particularly applicable in this study because the model provides a foundation for understanding the connection between culture and the leadership development process. Schein (2004: 17) defines culture as:

“...a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in those problems.”
The use of the word group in this definition is notable, because it leaves the possibility open for it to be applied to groups that range from MNCs (organizational culture) to nations (national culture). Additionally, this definition includes the notion that culture influences the way concepts and issues are perceived, which allows the definition to apply to concepts such as leadership.

Schein (2004: 25-36) expands on his notion of culture and discusses three different levels;

1. **Artifacts** refer to visible manifestations of a culture. This includes things such as architecture, language, technology, dress codes, etc. Artifact culture is easily observed, but not easily understood and decipherable.

2. **Espoused Beliefs and Values** are the manifest values of a culture. These are the guiding beliefs and preferences of a culture. The values and norms of a culture is what place emphasis on one set of values rather than another, i.e. achievement or affiliation, competition or collaboration, and confrontation or avoidance of conflict. This level of culture can partly be inferred from analysis of the artifacts and is more difficult to assess.

3. **Basic Assumptions** are the invisible, preconscious or unconscious, non-debatable, underlying cognitive structures that determine how people from that culture think, feel, and perceive. Basic assumptions are what give meaning to the values and norms. Examples of basic assumptions include conceptions of time (limited vs. infinite), nature (respected by humans vs. mastered by humans), and behavior (determined fate vs. self determination). These assumptions are rooted in wide cultural settings, such as nations, and therefore are largely based upon, or solely based upon, national culture (Schein, 2009: 61).

Derr and Laurent (1989) arranged Schein’s three levels of culture into a triangle to illustrate how these different levels of culture relate to MNCs, as can be seen in Figure 1.
Basic Assumptions are at the foundation of the triangle and can be considered tantamount to national culture. They serve as the foundation for Values and Espoused Beliefs, making up the middle level of the triangle and the first level of organizational culture. While Values and Espoused Beliefs are based in Basic Assumptions, they can be altered by organizational culture. Finally, Artifacts are at the top of the triangle and the most superficial level of organizational culture. Employees, regardless of national culture, take part in organizational culture and therefore adjust on the Artifacts level (Derr, Roussillon, & Bournois, 2002: xi-xv).

2.4.3. Cultural Model of Leadership Dynamics
This section shows how Schein’s three levels of culture fit into a model that relates culture and leadership development. The model, see Figure 2, was originally presented by Derr and Laurent in 1989. It builds upon Schein’s levels of culture to show how national culture and organizational culture interact in leadership development, as demonstrated by the arrows.
Literature Review

The model starts with National Culture (or Basic Assumptions in Schein’s model) and shows that National Culture influences both Organizational Culture as well as the Cognitive Map of the individual. The Organizational Culture of the MNC significantly influences the Leadership Development and Dynamics of that organization. The Individual Differences contextual variable in this framework acts to take into account the fact that not all people from one culture have the same exact Cognitive Map, and there are individual differences that shape the way individuals behave and operate. The potential problems that can arise from differences in Organizational Culture and employees from a different National Culture arise in interaction between Leadership Development and Dynamics, and Individual Differences (Derr & Laurent, 1989).

2.4.4. Culture and the Transfer of HRM Practices and Programs
Several authors have argued that culture is a major challenge that needs to be taken into consideration when transferring HRM practices and programs from the home country to China (Björkman & Lu, 1999; Easterby-Smith, Malina, & Lu, 1995; Warner, 1998). Furthermore, Björkman and Lu (1999) argue that MNCs need to adapt development practices to the Chinese business environment. This can be understood if one considers that the effectiveness of HRM practices largely depend on the degree to which those practices fit the values and beliefs of the host country (Huo & Von Glinow, 1995). This phenomenon is often described in terms of best practices vs. best fit, and researchers have generally found that HRM is one of the business functions that attempts to maintain the national flavor of the MNC’s home country, while still adjusting to local conditions (Brewster & Mayrhofer, 2011). Empirical findings indicate that this adjustment does take place and that these practices are adapted locally (Björkman et al., 2008).

2.4.5. Culture and Leadership
Leadership values and the importance of leadership vary across cultures (House et al., 2004: 5). Effective leadership behavior or practices in one culture can be completely ineffective in another and therefore, the leadership development consulting firm ITAP International (2011) argues that a single global leadership-development approach across an international organization will not work when developing global leaders. Furthermore, Peterson and Hunt (1997), writing specifically on American concepts, state that the common American understanding of the concept of leadership is specific to America and may not be applicable or practical when applied to different cultures, especially Chinese society. They continue to argue that the American concept of leadership may be fitting for capturing the American
conceptualization of leadership, but transferring this concept globally will pose difficulties. This is not only true for American concepts of leadership, but can be applied to the understanding of leadership concepts in other countries as well.

In the GLOBE study, in which 62 societies were broken down into 9 cultural dimensions, 6 culturally-endorsed leadership theory dimensions, and 21 primary leadership dimensions, it was found that different cultures yield different culturally implicit theories of leadership (House et al., 2004: 728). The study also found, however, that certain leadership attributes exist that are universally desirable and undesirable across cultures. This is important to consider for global leadership development within MNCs with regards to which leadership competencies are developed. In order to operate effectively as a leader, an individual must first be perceived as a leader by the people he/she is leading (Gerstner & Day, 1994). If the leadership competencies developed by leadership development practices and programs in MNCs are not perceived as leadership competencies by employees in the host country, problematic issues could potentially develop (ibid.).

2.4.6. Contributions to Conceptual Framework and Propositions

This section has contributed to the conceptual framework by introducing the concepts of national and organizational culture. Furthermore, we introduced a model that demonstrates how national and organizational cultures operate simultaneously within the MNC and how they impact the dynamics of leadership development. This section has also presented the notion that MNCs may encounter disparities in the effectiveness of HRM practices based on culture. To investigate this, and how MNCs’ talent management and leadership development practices and programs are structured and adapted to China, we put forward the following proposition;

**Proposition E:** MNCs have difficulties in implementing their talent management and leadership development approach to China.

Additionally, as it was demonstrated that conceptions of leadership are grounded in culture, this indicates that the concept of leadership will be different in the West compared to China. This suggests that Western leadership competencies will not be as prevalent in China, and to test this, the following propositions are put forward;

**Proposition F:** MNCs have difficulties in identifying certain personal traits and leadership competencies in Chinese employees.
**Proposition G:** MNCs have difficulties in developing certain personal traits and leadership competencies in Chinese employees.

In accordance with the literature review, and building upon Propositions E, F, and G, we also put forth the following propositions;

**Proposition H:** MNCs adapt leadership identification processes in China.

**Proposition I:** MNCs adapt leadership development practices in China.

### 2.5. Conceptual Framework Derived from Literature Review

In order to put all relevant aspects of talent management and global leadership development into one context, we developed our own understanding of the process of identifying and developing talents. The model, see Figure 3, serves as a conceptual framework and guide through the research, with each step being of significance for understanding MNCs’ approaches to leadership development within talent management.

*Figure 3. Conceptualization of talent management of global leadership talents*

- Identify and determine tasks and assignments global leaders have within the MNC
- Determine competencies and personal traits needed to complete these global tasks and assignments
- Identify and select internal talents that have the leadership competencies and experience, along with the potential to develop them
- Evaluate existing leadership competency and experience gaps of identified talents for global leadership positions
- Match individual development needs with leadership development practices and/or programs

*Type of Talent*

*Identification, Selection, and Evaluation of Talents*

*Development of Talents*
Each part of the process in the model represents a step in the talent management process. For example, only when the tasks and assignments of global leaders have been identified can the MNC determine the competencies and characteristics needed to complete those global tasks and assignments. Therefore, this model does not only represent the process, but it also represents the chronological order in which the steps in the process take place. This process is presented by the downward-pointing arrows.

Four propositions can be linked to the ‘Identification, Selection, and Evaluation of Talents’ phase: 1) Proposition B: Different MNCs have different processes of identifying and selecting global leadership talents, 2) Proposition F: MNCs have difficulties in identifying certain personal traits and leadership competencies in Chinese employees, and 3) Proposition H: MNCs adapt leadership identification processes in China, and 4) Proposition D: MNCs directly link talent leadership development practices to an individual’s personal traits and competencies.

Three propositions can be linked to the ‘Development of Talents’ phase: 1) Proposition C: Different MNCs have different processes of developing global leadership talents, 2) Proposition G: MNCs have difficulties in developing certain personal traits and leadership competencies in Chinese employees, and 3) Proposition I: MNCs adapt leadership development practices in China.

The remaining propositions relate to the overall approach of talent management: Proposition A: MNCs have an approach to talent management that encompasses succession planning and leadership development, and Proposition E: MNCs have difficulties in implementing their talent management and leadership development approach to China.
3. METHODOLOGY

This chapter includes a detailed overview of our research methods. Specifically, it explains the preparation and effectuation of the research, steps taken to assure credible and high validity, the process of collecting data, and limitations of the research that should be taken into consideration.

3.1. Research Approach

The character of the study is of the qualitative approach, describing a phenomenon’s current characteristics and outlook. The purpose is to describe an observed reality, and provide findings, analysis, and conclusions from the sample participants’ perspectives (Fraenkel & Wallen, 2006: 455; Merriam, 1998: 6), which could support and/or challenge both previous and future theories regarding cultural adaptation and global leadership development in HRM. Since the research questions focus on how MNCs approach and transfer talent management practices in China, this study can be considered to be exploratory as well. This is especially true as there is little prior research that investigates how MNCs transfer their talent management process to China, especially leadership development practices.

The qualitative approach was conducted through a typical particularistic and descriptive basic/generic qualitative study. The ambition was to describe and understand the phenomenon under study, in order to identify and pinpoint certain recurrent patterns (Merriam, 1998: 11-13). In the end, we categorized these patterns into themes that followed our own interpretation of global leadership talent identification and development within talent management. By doing so, we were able to answer our research questions by discussing our propositions.

3.2. Literature Review Focus

Following Fraenkel and Wallen’s (2006: 75, 86) and Merriam’s (1998: 55) directions, we organized the literature review in different steps and themes we found easy to comprehend. Thorough preparation and understanding of a researched topic is crucial for the data collection’s efficiency and validity (Fraenkel & Wallen, 2006: 67; Merriam, 1998: 50-51; Wilson, 2004), and as we had limited previous knowledge of these HRM programs and practices, we wanted to establish a solid and valid understanding of what talent management and global leadership development comprises. Hence, we started by gathering macro-level data on talent management, and subsequently worked our way deeper into the subject matter. Miles and Huberman (1994: 25) stress the importance of narrowing down the phenomenon in its bounded context, explicitly focusing on the heart of the research, which we did. Based on
this, we were thorough in writing our literature review and were diligent in only including relevant literature that was directly applicable to our study. We were then able to develop propositions that emerged logically from the literature review. Finally, we created our own conceptual framework that reflected our understanding of the literature, which provided us with a way to structure our empirical findings and analysis. These propositions and conceptual framework created a central thread that further enhanced the reasons for and relevance of the study.

3.3. Research Design
In creating the research design for this study, we drew from the expertise of several different authors to create a research design that was aligned with our research purpose and questions. The following sections outline the entire research process, from selecting the sample to the procedures of analyzing the data collected.

3.3.1. Research Sample
According to Merriam (1998: 40) and Miles and Huberman (1994: 29), the more diverse and contrasting the cases are that are used to describe a phenomenon, the more stable and compelling the eventual findings become. Diverse and contrasting cases also enhance the value of the findings in terms of precise contributions to the existing body of academic literature and allow generalizations to be drawn from the findings. To do so, we pursued non-random, purposeful sampling. There are several different types of purposeful sampling, listed by Fraenkel and Wallen (2006: 439-440) and Merriam (1998: 62-64). We created a maximum variation sample, in order to garner a greater diversity of perspectives even from a relatively small sample. With this in mind, we targeted MNCs from different countries and different industries, and interviewed employees that worked either at the MNC headquarters, in China, or held significant global responsibility for talent management and leadership development. Additionally, we only approached MNCs that employed at least 5000 employees worldwide, and employed Chinese nationals in China.

Since the sample selected must be within an accessible population (Ghauri, 2004), and within a certain time and financial frame (Merriam, 1998: 63), our sampling was based on convenience. Thus, we chose to approach most of the largest companies in Sweden, due to their availability and geographical proximity. Because of this, we were also able to conduct face-to-face interviews with all but one of the respondents located in Sweden. With regards to approaching non-Swedish MNCs, to enhance the diversity of sample, we contacted dozens of Fortune 500 companies, and tried to establish interviews with the appropriate person for our
study. This was much more difficult than establishing contacts with Swedish companies, due to the fact that many times companies had a policy of not participating in student research, or the operator did not have the authority to connect us without a connection to the specific person we wanted to speak to. However, it was evident that once we were able to reach someone, the topic was of significant interest to many MNCs.

At the end of this process, we established interviews with 14 large MNCs with operations in China. This process lasted roughly one month due to the fact that many times we were assisted by the MNCs to reach the appropriate and key actors, with the most information to provide regarding our research. These included HR professionals who were either directly responsible for or worked within the talent management function, or HR executive-level employees with extensive experience working in China. In doing so, we followed the guidelines outlined by Daniels and Cannice (2004: 193-196).

First we wrote emails to the general information center at the targeted MNC. If we didn’t receive an answer within seven days, we phoned the MNC’s switchboard, trying to get a hold of someone within the HR department who was one of the aforementioned key actors in the sample. Once connected, we presented ourselves, our case and research purpose, and asked to speak with someone who worked with talent management or global leadership development. After getting hold of the appropriate person, we then set up an interview. Choosing the right interviewees and informants is considered to be a central aspect of sampling, but also to the entire study’s validity. (Daniels & Cannice, 2004; Fraenkel & Wallen, 2006: 434, 456; Ghauri, 2004; Merriam, 1998: 83). Thus, we heavily emphasized this matter in our sampling process, trying to pursue and persuade the key actors to participate in the study. Table 2 shows the MNCs that are included in our sample. For more information on the profiles and professional backgrounds of the interviewees, please see Appendix 1.
### Table 2. MNC Sample and Features

<table>
<thead>
<tr>
<th>Company</th>
<th>Country-of-origin</th>
<th>Industry</th>
<th>Revenue 2010 (bln$)³</th>
<th>Countries active in China</th>
<th>Year of entry in China</th>
<th>Employees Worldwide (China)</th>
<th>Interviewee title(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB</td>
<td>Switzerland/Sweden</td>
<td>Power &amp; Automation Technology</td>
<td>31.6</td>
<td>100</td>
<td>1979</td>
<td>116 500 (10 000)</td>
<td>Talent Manager Northern Europe, Learning &amp; Dev.; Regional Talent Manager for North Asia Region</td>
</tr>
<tr>
<td>AstraZeneca</td>
<td>Sweden</td>
<td>Pharmaceuticals</td>
<td>33.3</td>
<td>100</td>
<td>1993/94</td>
<td>60 000 (4 500)</td>
<td>Global Leadership Talent Development Partner; Global Talent Development Director</td>
</tr>
<tr>
<td>Atlas Copco</td>
<td>Sweden</td>
<td>Construction &amp; Mining, Power Tools, Assembly Systems, Compressors</td>
<td>11.6</td>
<td>170</td>
<td>1983</td>
<td>33 000 (4 300)</td>
<td>VP China Investment Company</td>
</tr>
<tr>
<td>Electrolux</td>
<td>Sweden</td>
<td>Home Electric Appliances</td>
<td>17.7</td>
<td>150</td>
<td>1993</td>
<td>52 000 (&lt;2 000)</td>
<td>Senior Learning &amp; Development Manager; Director Head of HR in China</td>
</tr>
<tr>
<td>Ericsson</td>
<td>Sweden</td>
<td>Telecommunication Services</td>
<td>33.8</td>
<td>190</td>
<td>1892</td>
<td>90 400 (12 000)</td>
<td>Head of Global Leadership Talent Planning; Head of HR in China &amp; North East Asia; Director for Executive Development</td>
</tr>
<tr>
<td>GE</td>
<td>USA</td>
<td>Conglomerate</td>
<td>150</td>
<td>100</td>
<td>1908</td>
<td>300 000 (14 000)</td>
<td>Manager Global Recruiting &amp; Staffing Services; Manager of HRM Organizational Dev. in Asia/China</td>
</tr>
<tr>
<td>Mölnlycke Health Care</td>
<td>Sweden</td>
<td>Health Care</td>
<td>1.4</td>
<td>30</td>
<td>2006</td>
<td>7 000 (70)</td>
<td>Global HR Director, Leadership and Capability Dev.</td>
</tr>
<tr>
<td>Nestlé</td>
<td>Switzerland</td>
<td>Food &amp; Nutrition</td>
<td>126.9</td>
<td>140</td>
<td>1908</td>
<td>280 000 (4 000)</td>
<td>HR Operations Manager, Zone Africa, Oceania &amp; Asia</td>
</tr>
<tr>
<td>Philips</td>
<td>The Netherlands</td>
<td>Electronics</td>
<td>37.1</td>
<td>100</td>
<td>1920</td>
<td>200 000 (1 100)</td>
<td>Senior Director Talent Management, Learning &amp; Organizational Development</td>
</tr>
<tr>
<td>SCA</td>
<td>Sweden</td>
<td>Global Hygiene &amp; Paper</td>
<td>18.1</td>
<td>100</td>
<td>1998</td>
<td>45 000 (950)</td>
<td>VP Management &amp; Organizational Development</td>
</tr>
<tr>
<td>Scania</td>
<td>Sweden</td>
<td>Commercial Vehicles</td>
<td>13</td>
<td>100</td>
<td>1996/97</td>
<td>34 000 (50)</td>
<td>Head of Competence Development; Product Manager for Leadership Training</td>
</tr>
<tr>
<td>SKF</td>
<td>Sweden</td>
<td>Engineering</td>
<td>10.1</td>
<td>130</td>
<td>1916</td>
<td>45 000 (4 800)</td>
<td>Senior VP Group Demand Chain; Director of Talent Management</td>
</tr>
<tr>
<td>Volvo Car Corporation</td>
<td>Sweden</td>
<td>Automotive</td>
<td>18.8</td>
<td>100</td>
<td>2006</td>
<td>20 000 (100)</td>
<td>VP HR, Talent Management</td>
</tr>
<tr>
<td>ZF</td>
<td>Germany</td>
<td>Engineering</td>
<td>19.1</td>
<td>50</td>
<td>1998</td>
<td>70 000 (4 000)</td>
<td>Deputy General Manager Finance/IT in Shanghai</td>
</tr>
</tbody>
</table>

³ Exchange rates as of May 3rd, 2011
3.3.2. Collection of Data
In qualitative studies, the researchers act as the primary instruments for both collecting and analyzing data (Merriam, 1998: 20). It is the researchers who prepare, execute, structure, and interpret the data throughout the collection. In this study, primary data was desired, and there are several ways of retrieving such data (Fraenkel & Wallen, 2006: 400-402). In order to retrieve rich descriptive information, and the fact that there is little to no previous data about our research focus, an interview is a good channel to use when collecting material. Interviews are also a good way of retrieving honest and accurate data (Ghauri, 2004). However, setting up interviews in international business studies is not an easy task, and requires a lot of time, effort, and sometimes money (Daniels & Cannice, 2004). The researchers must be prepared to face rejections, cancelled interviews, and unmotivated interviewees (ibid.). It is also vital to demonstrate a certain degree of trustworthiness and professionalism, and invest time in building interview contacts and relationships (Holme & Krohn Solvang, 2006: 105-106; Zalan & Lewis, 2004). Thus, in order to establish trust and commitment from the respondents, we gathered what information was accessible about the MNCs’ talent management prior to the initiation of contact, and promised a certain degree of confidentiality and the opportunity to read through both transcriptions of the interviews and a draft of the thesis before the final submission. Additionally, we did not receive many rejections and cancelled interviews, and found that the MNCs and interviewees in the sample were very open and motivated to share and discuss their perspectives on our research topic. The interviews were set up and conducted during the period of March 2011 - April 2011.

Patton (1990: 278) explains that “the purpose of interviewing is to find out what is in someone else’s mind”. Hence, Merriam (1998: 20-24) accentuates the significance of excellent communication skills. Fortunately, practice does make a difference, and by thorough preparation the interviewer can significantly improve her/his communication skills along with the interview protocol (ibid.: 23, 75). To improve our own communication skills and the interview protocol’s questions, we conducted two shorter pilot interviews and received feedback on the questions from tutors and fellow researchers. In addition, we carefully familiarized ourselves with specific techniques and behaviors that ought to be used in the interview process (Andersen, 1998: 161-178; Christensen et al., 2001: 163-185; Daniels & Cannice, 2004; Holme & Krohn Solvang, 2006: 99-107; Fraenkel & Wallen, 2006: 455-462; Merriam, 1998: 71-91), which are mentioned throughout the following sections.
METHODOLOGY

The Interview Protocol
There are three ways in which the researcher can structure an interview; Structured/Standardized, Semi-structured, or Unstructured/Informal (Christensen et al., 2001: 164-166). This study is qualitative and benefitted from a semi-structured interview protocol. In the interviews, we were able to pose a mix of less structured and open-ended questions along with predetermined questions from the interview protocol, ensuring that all topics were included.

When preparing for the interview, we used De Geer, Borglund, and Frostenson’s (2004: 330) interview process model to structure the interview protocol (see Figure 4). While structuring the interview guide, researchers must be accurate in their way of phrasing the questions, and how to structure them into different sections (Wilkinson & Young, 2004). We were influenced by several authors on how to structure interview questions as well as to avoid leading, long and complex, multiple, and yes-or-no questions (Andersen, 1998: 165-167; Christensen et al., 171; Merriam, 1998: 78-79).

In the warming up phase, Daniels and Cannice (2004) emphasize the importance of making sure that the interviewee is comfortable, and to establish a certain degree of relaxed relationship between the interviewer and the interviewee. Thus, we posed questions that gave the interviewees the chance to freely explain and decide the direction of the answers.

In the focus part of the interview, we asked interpretive and open-ended questions regarding the identification and development of talent with global leadership potential, with the ambition of extracting and including topics that might otherwise have been neglected. By letting the interviewees respond rather freely, giving personal reflections and using own words instead of ‘official corporate answers’, the aim was to garner insight specific company experiences. Subsequently, if ambiguity arises, Daniels and Cannice (2004) stress the importance of clarifying certain issues or questions to not lose time with respondents and to make the analysis process straightforward without ambiguous words or topics. Hence, we realized that while giving time for interpretive questions, there was still a need to maintain
control over the interview’s course and direction. Therefore, at occasions we asked yes or no questions, and sometimes asked interviewees to clarify certain responses.

Near the end of the interview, we asked the interviewee if there was any additional information on our research that we had not asked or talked about that he/she thought was important. This allowed the interviewee to fill any potential gaps there may have been in the interview. To be able to comprehend as much as possible what the respondents said during the interview, we practiced and learned the interview guide’s different sections and questions so that we did not constantly have to refer back to it throughout the interview.

**The Interview Process**

A total of 22 interviews were conducted and recorded, and both authors were present at all times. Out of the 22 interviews, 11 were conducted face-to-face, and took place in Sweden. We wanted to conduct personal interviews, because they oftentimes offer more in-depth responses, and more open attitude respondents (Daniels & Cannice, 2004; Fraenkel & Wallen, 2006; 401-402). The remaining 11 interviews were phone interviews. In order to mitigate disadvantages of phone interviews, such as misunderstandings or lack of focus, Anderson and Arsenault (1998: 192) suggest that the effectiveness of phone interviews can be enhanced by establishing pre-contact with the interviewees. Hence, we contacted these respondents first by email, and then when possible tried to schedule the interview date and time via phone, in order to present ourselves and establish a more personal relationship prior to the interview.

Ten interviews were conducted in Swedish, and 12 were conducted in English. Marschan-Piekkari and Reis (2004) discuss both advantages and disadvantages with using multilingual interviews. However, since one of us is a native English speaker, the other a native Swedish speaker, and both are fluent in both languages, we concluded that the advantages of conducting interviews in Swedish with Swedish respondents were greater than the disadvantages. The main reason was that we did not want to create an unrealistic and uncomfortable relationship with the Swedish respondents, which risked creating an undesirable scenario of receiving superficial or short answers.

During the interviews, we tried to follow our predetermined structure, continuously thinking about how to phrase follow-up questions, tried to act in a neutral manner when posing questions or reacting to answers, and were patient and allowed interviewees time to elaborate on answers. In regards to phone interviews, we sometimes asked the respondents for visual aids at the conclusion of the interview, which could support or clarify certain responses. In
addition, during the interviews respondents sometimes suggested that we speak with some of their colleagues who could offer additional information. Also, at occasions we asked for a China/Asia contact person, in order to extract as valid information as possible about the actual transfer and implementation of talent management practices, but also to try to detect possible misunderstandings between headquarters and subsidiary. We followed up on these contacts whenever possible to receive different perspectives within the same MNC.

**Post Interview**

When the interview was finished, we followed Wilkinson and Young’s (2004) advice to jointly discuss the content of the interview, as well as the notes written down during the process. This was to make sure that we as a research team shared the same impressions of the interviewee’s responses. We also discussed the quality of the interview, as it is important to determine how the respondent’s mood and behavior might have affected her/his thoughtfulness of their responses (Whyte, 1982). In regards to this, we noticed that the face-to-face interviews were in general a better method to establish a personal relationship with the respondents, ensuring her/his concentration and willingness to share information. While the respondents in the phone interviews were committed to share information, there were a few occasions where visual aids would have been helpful, and it would have been beneficial to gauge the non-verbal signals of the respondents.

Following the interviews, Merriam (1998: 87-91) argues that verbatim transcriptions provides the most suitable foundation for qualitative data analysis. The interview logs can then be used to more easily detect emerging themes or categories to organize in the analysis phase of the research. According to Creswell (2002: 259), having all interviews transcribed provides the most complete procedure and structure for the analysis, and this is the procedure we followed.

**3.3.3. Analytic Procedures**

Merriam (1998: 161-164, 181-182) argues that the right way to perform data analysis is to analyze the data simultaneously with data collection because without ongoing analysis, the data can be unfocused, repetitious, and overwhelming. Therefore, during the interview process, we analyzed and interpreted the interviewee’s responses as the interview was taking place, as well as analyzed data between interviews. We prepared and organized the information gained from interviews by transcribing all interviews, making the data more pragmatic and easy to analyze. After the interviews were completed and transcribed, we focused on each interview and MNC individually before comparing them to others, to become familiar with each case. Then, by using the qualitative data software NVivo 9, we compared
our findings from each MNC with other MNCs and began to look for similarities and differences between them. We then coded our data by looking for common themes or concepts and began to categorize information, incidents, remarks, and quotes. These themes were linked together either with specific phases of our conceptual framework, or became subcategories within those phases.

Subsequently, we looked for different patterns within the different cases, in order to address our propositions. This is listed by Ghauri (2004) as a way to answer the main research question of qualitative studies. The process involves cross-case analyses and looking for commonalities and differences that shape into trends which then indicate support for or against the propositions (ibid.). To develop a pattern, we reflected on the interviews and went through our data several times, trying to understand the depth and context of the data in regards to our research. Stake (1995: 78) writes that it is important while interpreting the data to ask the question; “What did that mean?”. Although continuously striving for accuracy and an unbiased neutral perspective, we believe that we followed Diener and Crandall’s (1978: 162) advice to build up a substantial and sufficient amount of information to support our analysis. When we evaluated that our data was not sufficient to draw conclusions, we tried to include enough data for the readers to come to their own understandings of the issue of focus.

3.4. Assessment of the Study

Validity and Authenticity
We took several steps to try to increase the validity of our study, such as interviewing more than one person in the MNC when possible and asking clarifying questions when something was unclear in order to increase the accuracy of the information retrieved. With that said, there is always an issue of how much information the respondents are willing to provide, especially information regarding company challenges. However, we felt that we established an open environment in our interviews, where the respondents felt comfortable speaking about difficulties and challenges.

Another challenge of qualitative and semi-structured interviews, stated by Frankel and Wallen (2006: 457), is that we as researchers are posing questions differently to each interviewee, as the questions are asked in response to something that the interviewee has said. This could make it difficult to compare answers across different interviews as the respondents are not always answering the same questions. Also, when using semi-structured interviews, some interviewees might respond differently and not go into certain topics that others speak about.
This could leave the impression that the MNC does not have a specific type of program or use a specific development practice, when in fact they do and just did not mention it.

Since we are both from Western cultures, we do have an inherent Western bias that is difficult to leave behind. With that said, we made a conscious effort to leave that bias behind when asking questions during the interview and when analyzing the data obtained in the interviews. Also, we are aware that some interviews might have more resonance in our thought process, especially the face-to-face interviews since this type of interview is more personal, and therefore has an influence on the way we remember those experiences.

**Limitations of the study**

The interviews were conducted in a relatively short time frame, which limited the amount of time we could reflect on each interview before the next interview. More time to reflect on the interviews could have allowed us to gain a better understanding of the interviews and been able to ask more focused questions in subsequent interviews.

This study is only focused on Western MNCs and therefore Chinese MNCs’ perspectives are missing. Additionally, we only interviewed the people administering the talent management practices and procedures in the MNCs. Speaking with actual talents about their experiences with leadership development would have yielded a different perspective.

Although we think that we collected good and reliable data in our phone interviews, it would have been preferable to conduct them in person. Also, the fact that interviews were different lengths meant that we were able to ask more questions to some interviewees and learn more about their perspectives compared to some of the other interviews who we spoke to for a shorter length of time.

Since the majority of the interviews were conducted in native language of both the interviewee and interviewers, language issues were reduced. With that said, a number of the interviews were conducted in English, which was not the native language of some of the interviewees. However, this should not have been too significant of an issue, because the interviewees who did not have English as a native language, used English every day in their professional capacities and we did not experience any language issues.

With regards to the sample size, while 14 MNCs provides a relatively large sample size for a qualitative study of this nature, it may be skewed in the Swedish direction and may not be as reliable as a quantitative study that used a greater number of MNCs.
EMPIRICAL FINDINGS

This chapter outlines the findings of our research. We use our conceptual framework to build categories that follow the process of talent management. First, we present the types of talents MNCs consider with particular focus on global leaders and the competencies needed. Then we focus on the identification, selection, and evaluation process of talents, followed by the development process. Additionally, within these categories we present how MNCs’ global approaches to talent management and leadership development differ in China.

All MNCs have a systematic approach to talent management, whether they use the term talent management or not. MNCs vary in the length of time their current talent management models have been in place, with some employing a similar approach for decades, while others are currently in the process of revamping their systems. Despite this difference in deployment time, the vast majority of MNCs consider talent management to be high on the agenda.

4.1. Type of Talent – Global Leaders

4.1.1. Levels of Leadership

Although MNCs acknowledge different levels of leadership, some find it difficult to draw a line between local and global leadership. Three MNCs mentioned local, regional and global levels of leadership responsibilities, but others consider any leader within a global company to be a global leader. For example, SKF stated “…if you want to take on a role of any kind of responsibility within SKF, you cannot ignore the global aspect of it, because that’s just the way we work” (SKF Interview, 2011a\(^4\)), and GE said “…everyone is global” (GE Interview, 2011a).

MNCs have a clear and oftentimes visual understanding of what leadership means for the specific MNC. This understanding is meant to be completely universal, and runs through all business divisions and across borders. A leader’s behavior should be the same no matter the location or leadership ranking. Generally, it is the demonstrated level of the competencies, experience, and personal traits, rather than having additional competencies, that is the influencing factor for leadership promotion.

4.1.2. Competencies Needed for Global Leadership Positions

MNCs described a global leader’s competencies, experience and personal traits in various ways, and value these attributes unequally. While a track record of a sustainable performance

\(^{4}\) Refer to List of Interviews, and Appendix 1 for more detailed information on the interviewees.
and strong result is a foundation for being promoted to a higher level of leadership responsibilities, there are additional things that are of importance. Seven MNCs stated that it is not enough to merely achieve good results; it is also important to evaluate how these results were achieved. All in all, the more responsibility a leader has, the greater the leader’s holistic strengths must be. This is highlighted by SCA, explaining that ‘holistic thinking’ and ‘makes the vision happen’ are two aspects important to move up to higher-level leadership positions in the organization (SCA Interview, 2011).

Some of the leadership competencies and personal traits that MNCs mentioned are: customer focus, people engagement, commitment and loyalty to the company, drive performance, works collaboratively, self-leadership, and good communicator. When referring to a global leader, MNCs highlighted some competencies that are of significant importance to global responsibilities, such as innovation, visionary, strategic, develops the organization, being able to work in a diverse environment, and developing other leaders. Additionally, a few MNCs stated that a college degree, fluency in English, having lived abroad, and worked in different business functions are requirements of reaching a global responsibility level of leadership.

4.2. Identification, Selection, and Evaluation of Talents
Identifying and selecting talent for leadership development practices and programs are commonly referred to as a talent or performance review within MNCs. There is no single way of conducting this review, although certain methods are recurrent.

4.2.1. Approaches to Identifying Talents
In the identification process, six MNCs explicitly explained that they use a matrix to categorize their internal talents into different sections in accordance to their performance and potential. Different names and different classifications of talents are used when structuring the matrix, and there are different approaches to where the focus lies. One MNC focuses on the top 15% in terms of performance and potential, and also addresses the bottom 15% in need of improvement. There are many similarities in the matrices as a whole. The majority of MNCs place most of their focus on leadership talents, while the minority state that all internal employees are talents. Figure 5 presents one MNC-specific nine-box matrix as an identification tool, which largely represents how many MNCs evaluate and audit their talents via matrices.
While this example shows how all talents are reviewed, the talents placed in the highlighted boxes are considered to be high-level leadership talents. The Top Talents box is commonly referred to as the top 200-250 talents within the corporation, while Emerging Talents are considered to be leadership talents with a high degree of readiness to move into a higher-level leadership position. Long Term Emerging Talents have been identified as having leadership potential, but need time to further demonstrate that they are able to take on more responsibility and move up in the company.

In regards to identifying leadership potential, MNCs look at various aspect of potential. No MNCs define potential exactly the same way, but learning agility, personal motivation, mobility and innovation were four recurrent aspects described and particularly linked to potential. When auditing and reviewing talents’ performance, whether using a matrix or not, MNCs have a predetermined manual of criteria to evaluate their employees. It is common to use an explicit talent review framework, where talents are graded on different levels (most commonly A, B, C, etc.). AstraZeneca uses five different levels of assessing their six leadership capabilities (AstraZeneca Interview, 2011a). This is illustrated in Table 3, using one of their leadership capabilities as an example.
Table 3. Classification and Levels of Leadership Criteria at AstraZeneca

**Leadership Capability:**

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<td>Identifies Critical Issues using basic knowledge of AZ’s business, and takes action on key issues relating to their role</td>
<td>Applies a Broad Perspective: Thinks more broadly than their role and uses this insight to challenge and adapt current approaches/ways of doing things</td>
<td>Uses Deep Insight to Impact Broadly: Still thinking broadly, but also identifies opportunities and develops solutions that impact beyond their role/function</td>
<td>Anticipates the Future: Has a future oriented, long-term view due to the depth and breadth of insight. Develops plans that have impact across AZ and are based on what is likely to happen</td>
<td>Shapes the Future: Thinks innovatively about the industry and not just AZ. Develops plans and strategies to change the future of AZ and impact the industry</td>
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Source: AstraZeneca, 2011

Most often, managers have personal feedback sessions with their subordinates where they go through how the individual is performing and developing her/his competencies, but also what improvements are needed for advancement for higher leadership positions. Together, an individual development plan is developed, directly linking an individual’s current status with the development gaps that need to be filled in order to advance. Eight MNCs explicitly referred to this identification practice, either as Individual Development Plan (IDP), Personal Development Plan (PDP), or Individual Performance Management (IPM). This process takes place one to two times per year.

After completing the individual development plan, seven MNCs stated that they have a calibration meeting, where a team of managers go through each and every talent profile together. These MNCs indicated that this meeting takes place together with the talent’s manager’s manager, commonly referred to as ‘grandfather’. When this process is completed, the profiles are used in an annual talent review process. For instance, Ericsson has their talent review deadline in late April, when all talent profiles should be conducted, reviewed, and sent to regional and central headquarters. The time-span, tools, and criteria are the same worldwide. Then, during a two-month period, the central HR managers evaluate every talent from every region, and make decisions on each individual’s development needs (Ericsson Interview, 2011a).

Another common practice to identify and select talents for leadership development practices and programs is the use of assessment centers. Eight MNCs explicitly mentioned that they use either external or internal assessment centers for different levels of leadership within the
company. One of the central purposes of both talent reviews and assessment centers is to determine which leadership talents are ready to move up in the company. In fact, eight MNCs explicitly declared they oftentimes value readiness as a determinant when identifying, nominating, and selecting leadership talents.

Noteworthy in the context is also that MNCs place different emphasis on where the responsibilities lie on selection for leadership development programs. Atlas Copco explained that the employees themselves have to apply and show their readiness and interest in moving up in the company. Although talents are reviewed against a number of competencies, in order to get selected to leadership programs and positions, the individual needs to ensure that he/she is actively looking for a higher-level of leadership role (Atlas Copco Interview, 2011). However, most MNCs emphasized that they use nominations for at least some of their higher leadership development programs.

4.2.2. Global Approaches and Adaptations in Identifying and Selecting Talents
Eleven MNCs clearly stated that the identification process of talent within the company looks the same worldwide. While identification practices take place locally, the same platform and protocol of finding internal talents are used globally. Talents are measured against the same leadership criteria and competencies everywhere within MNCs. In regards to China, decisions as to who is identified and selected for leadership development practices and programs are local responsibilities, but the processes and standards come from headquarters. Only two MNCs explained that although there is a standard identification approach, various degrees of local adaptations exist as of today. For instance, Nestlé explained that with all Nestlé markets, best practices are developed and shared across markets. Most HR initiatives are rolled out globally, however Nestlé is flexible as to the timing the market adopts to implement the global initiatives. This is very much the case in China, where scale can stretch the resources in a growing organization (Nestlé Interview, 2011). Additionally, SKF also mentioned that its identification process is currently different depending on where you are in the organization. However, SKF also mentioned that it is in the midst of creating and implementing a more standardized process worldwide (SKF Interview, 2011a).

4.2.3. Difficulties in Identifying and Selecting Talents in China
Nine MNCs explicitly stated that there are no significant issues with transferring and using the identification standard procedure in China. ABB explained that although there is no difficulty in implementing the identification system and approach, they have experienced
some difficulties in getting managers to understand the differentiation between performance and potential when auditing their internal talent pipeline (ABB Interview, 2011a).

Furthermore, seven MNCs explained that there are no particular difficulties in finding talent in China. However, three MNCs explicitly mentioned that it is difficult to identify talent for senior leadership positions. Other difficulties MNCs have in identifying leadership talents for global leadership development include finding talents that are visionaries, loyal, English-proficient, mobile and willing to relocate, ready to accept global responsibilities, and willing to take initiative.

4.3. Development of Talents – Higher and Global Leadership Positions

4.3.1. Approaches to Developing Talents
MNCs have different approaches to developing talents although there is some overlap in the practices and programs used. In a holistic view of the development philosophy, five MNCs explicitly stated that they followed a ‘70-20-10’ approach with regards to development activities, where 70% of development takes place on the job, 20% takes place through learning from others through activities like coaching, mentoring, and/or networking, and 10% comes from formal training.

To enhance development through on-the-job training, MNCs try to give talents the opportunity to work in different roles, business divisions, and geographic locations. MNCs use these mechanisms to give talents exposure to different experiences. Six MNCs explicitly mentioned that they use international assignments to develop global leadership skills. Nestlé says that international experience is a prerequisite for becoming a global leader and that it is a key development tool within Nestlé (Nestlé Interview, 2011). Also, seven MNCs explicitly stated that they use rotational assignments in different business divisions for developing talents. This would mean that if a talent has worked in HR, he/she would receive an assignment within Finance or Sales in order to gain a better understanding of how the company functions as a whole. ABB emphasized that this type of cross-functional experience is important because if you want to develop leaders “…with a big view, a holistic helicopter view, big-picture thinking, then you need to take them out of their comfortable area in the business” (ABB Interview, 2011b).

Eight MNCs indicated that they use coaching and/or mentoring programs to guide talents throughout their personal leadership development, and/or through specific leadership development programs. Mentors and coaches are used to give talents more personalized
attention to help their development. Mölnlycke Health Care said that coaches have conversations with the talents, discuss frustrations or roadblocks, as well as help them with sensitive issues like how to overcome problems with one’s superior (Mölnlycke Health Care Interview, 2011). In addition, nine MNCs stated that networks were an important part of leadership development. Philips holds that networking is important for several reasons, including developing a relationship with the people who will help a leader perform better, sharing good ideas, and allowing leaders to figure out new ways to improve efficiency between different organizational units in the MNC (Philips Interview, 2011).

With regards to formal training programs, all MNCs have leadership development programs at different levels of the organization. These programs range from basic leadership development programs designed for new managers, to elite executive development programs designed for top talents at the highest levels of the MNC. The content, frequency, amount, length, and number of participants in the programs vary between MNCs. The typical length of a module of a formal leadership development program is about one week, but ranges from three to twenty days. One program may also contain several modules. For instance, Volvo Car Corporation has four modules in its global leadership development program that takes place in four different locations which could change every year. This year they take place in Sweden, the UK, Switzerland and China (Volvo Car Corporation Interview, 2011).

Four MNCs operate a company-specific training institution where employees come from around the world and attend training sessions with international coworkers. For example, GE holds development programs at its Crotonville facility in the United States where programs include participants from all over the world. Their modules can include both internal and external speakers, covering various topics that are important to that specific leadership development program (GE Interview, 2011a). GE also runs a China Crotonville in Shanghai that has the same content, speakers, design, and outline as the facility in the United States (GE Interview, 2011b). Additionally, four MNCs use or send employees to external organizations for development, such as business schools. These business schools are located in various parts of the world including the USA, the UK, and China.

The content of the leadership development programs varies between MNCs. The content focus changes depending on the level of leadership the programs are designed for. People leadership, leadership principles, and company core values tend to be the main focus on the lower level programs. When moving up to more senior, higher-level leadership positions,
development programs tend to focus more on strategic thinking. Ericsson explained that “thought leadership” is the focus of their senior level leadership development programs, where talents learn not only how to think strategically, but also how to question and build new strategies in a global environment (Ericsson Interview, 2011a; b; c).

4.3.2. Global Approaches and Adaptations in Developing Talents

MNCs have different approaches to developing talent across their global operations. These approaches range from a high degree of standardization across different countries to high degrees of freedom by local operations to choose which programs and practices they want to use. Also, MNCs differ in the level to which global talent management practices can be adapted to local environments.

The majority of MNCs transfer some standardized leadership development programs to China. For example, Electrolux’s leadership programs look exactly the same on a global level and they have developed a clear manual and instructions on how the instructor should act, what he/she should include, and how the program should be run. The only adaptation is on the basic leadership level for newly appointed leaders, where that leadership development program is adapted to the local language on occasion (Electrolux Interview, 2011a).

Five MNCs have specific programs created for China or the Asia Pacific region. For example, ZF has a China Leadership Program for developing employees who have the potential to move into a manager role. It needs to be clarified, however, that this is on a lower leadership level, and the next level leadership development course is global (ZF Interview, 2011). This trend is common for the other MNCs that have country-specific or China specific leadership development programs.

Most MNCs stated that the higher and more global level of leadership, the more standardized the practices and programs are. A good example of this is Scania’s ‘Manager and Leadership Education System.’ At lower levels of leadership responsibilities, programs for things such as business acumen and communication are the responsibilities of the local HR department, although there are strong guidelines on how they should be structured. Regarding higher-level leadership programs, Scania uses standardized global program offerings in all countries (Scania Interview, 2011a; b).

4.3.3. Difficulties in Developing Talents in China

MNCs cited a number of difficulties in developing talents in China. Some of these difficulties were related to developing specific competencies within talents, and others were related to the
business environment in China. With that said, eight MNCs explicitly stated that the
difficulties were not significant and/or posed no bigger problem than talent development
challenges in other countries. Additionally, many of the difficulties were only expressed after
first stating that there are no major difficulties.

The following competencies were directly cited as being difficult to develop in Chinese
employees: English language skills, challenging the status quo, taking responsibility and
accountability, thought leadership, critical thinking, strategic thinking, driving the
development of business, executive presence, having a global mindset, learning a new
leadership style, expressing opinions, and confidence.

The talent development difficulties that are related to the business environment in China are:
employee mobility, employee retention, developing educational standards, different values,
talents wanting to be promoted quickly, talents caring more about money than development,
expectations about work, creating trust, and cultural difficulties.

Additionally, when asked about difficulties in development of talents, four MNCs referred
specifically to the Chinese educational system as one of the reasons why certain competencies
were difficult to develop. More specifically, these MNCs indicated that the Chinese education
system placed virtually no emphasis on critical thinking, which is one competency that some
MNCs find difficulty in developing leadership talent. Furthermore, SKF’s experience of the
Chinese education system is that it is focused on memorization rather than expressing
feelings, which is reflected in the business spheres where people have difficulties discussing
issues that arise, and merely wait for their superior to take initiative (SKF Interview, 2011b).
5. ANALYSIS

In this chapter, we analyze our research findings in order to discuss our propositions. By doing so, we identify recurrent patterns that can be linked to the propositions and the literature review. Throughout this analysis process, we also interpret our empirical findings, highlighting aspects that we found to be of both interest and significance to understand the global approaches to talent management of employees with global leadership talent.

5.1. Approaches to Talent Management and Leadership Development

**Proposition A:** MNCs have an approach to talent management that encompasses succession planning and leadership development.

All MNCs in our study consider leadership development to be an integrated part of talent management, and furthermore, a central aspect of talent management. This strengthens Sullivan’s (2004) finding that talent management seeks to integrate vital HR practices into one combined approach. Succession planning also falls under the talent management umbrella for most MNCs, but in varying forms. A few MNCs have designated successors for the top positions in the company, but as a general trend, MNCs seem to be moving away from this type of succession planning and instead moving towards an approach where there are talent pools or ‘talent benches’ where MNCs can pick and choose talents to fill vacancies as they arise. In sum, succession planning and leadership development are highly integrated in talent management, therefore supporting Proposition A.

Furthermore, in regards to Proposition A and the link it has to the first two steps of our conceptual framework, it is rather obvious that in practice all MNCs have a defined set of leadership talent indicators that reflects their organizational cultures’ attitude towards leadership. Our findings confirm what Stainton (2005) recommends and Caligiuri (2006) found, MNCs use a competency and personal traits framework when identifying and selecting leadership talent. Also, our results show that not only do MNCs have different levels of talents, as suggested by Brittain (2007), they also have different levels of leadership talents. Whether it is top talent, emerging talent, long-term emerging talent, rapid high potentials, or young talents, many MNCs have different pools characterized by a certain level or type of leadership talent (AstraZeneca Interview 2011a; Ericsson Interview, 2011a; SCA Interview, 2011).
5.2. Identification and Selection Processes of Global Leadership Talents

The identification phase of finding and selecting leadership talents is something that MNCs relate to internal talents. When we asked questions regarding how the identification process of finding and selecting talents for leadership development, the vast majority of MNCs directly link it to internal talents. This indicates that the identification phase of talent management is clearly separated from recruiting or acquiring external talent.

**Proposition B:** Different MNCs have different processes of identifying and selecting global leadership talents.

MNCs use different ways of structuring the identification process of finding and selecting global leadership talent within the company. However, it becomes evident that there are also similarities. For instance, annual performance reviews of internal employees are a standard among all MNCs, where it is implied that such a process should take place in all business functions in the MNCs. For example, Philips has an annual process across the organization where potential talents are identified, and then assessments are done on those talents (Philips Interview, 2011). This is in line with Aguirre, Post, and Hewlett’s (2009) finding that talents go through an evaluation process to assess a determined set of leadership performance and potential criteria. The process of these evaluations is conducted either by internal managers, or internal and external assessment centers, verifying Watkin’s (2007) research. The performance reviews are handled differently within MNCs in our research; either they are sent to headquarters, or the local HR department is responsible for making sure that the reviews are taken care of.

One method that also is a prominent identification practice is the utilization of a matrix to categorize talent. Many MNCs talked about this performance and potential matrix when asked about how they identify and categorize talent. This supports Blass’s (2007) findings that talent identification processes look for employees with high performance and potential. Our research findings also suggest that the leadership talent categories are given the most attention out of all different talent categories. For instance, Mölnlycke Health Care identifies the top three boxes in their performance-potential matrix as talents. Managing those talents is the focus of its talent management, but with that said, the company also makes sure that all employees within the company have the opportunity to develop (Mölnlycke Health Care, 2011). Additionally, many MNCs use specific development plans for talented individuals, that outline strengths, weaknesses, and perhaps most importantly the leadership competency and personal trait gaps that exist and are in need of development.
Another aspect of leadership development where there is no consensus among MNCs is the way to select which talents will participate in leadership development practices and programs. Some MNCs point out that it is the talents themselves that need to seek out higher leadership opportunities, while others explain that they get selected via a nomination process, where their superiors act as nominators.

On the macro level, there seems to be convergence of some prominent identification practices. Nonetheless, although there are certain clear patterns of how to identify talents, the overall finding is that there is no explicit standard used by all MNCs on the specific level. Therefore Proposition B is concluded to be generally supported.

**Proposition H: MNCs adapt leadership identification processes in China.**
The guidelines of how to identify and select talents for development towards higher-level leadership positions is highly standardized within most MNCs. In principle only one MNC stated that although the guidelines of what leadership criteria and competencies talents ought to be measured and evaluated against is determined from headquarters, the responsibility of how to implement and adapt the process of finding and selecting talents is local. Additionally, MNCs do not only have internally standardized identification processes; they also display a trend of moving towards an even higher degree of internal standardization and control of reviewing talent. For example, SKF is currently looking to implement a standardized global identification processes (SKF Interview, 2011a). Therefore, based on our findings and as this example illustrates, Proposition H is not supported.

While conducting the interviews, certain explanations emerged as to why a globally standardized internal approach to talent identification exists. Our interpretation is that the MNCs in our sample have a clear understanding of what leadership stands for at their company, and that it is important that this perspective is transferred worldwide. For instance, SCA explained that the experience of SCA’s organizational culture is that when meeting a group of people from other countries, one can immediately tell who is an SCA employee and who is not (SCA Interview, 2011). Thus, in order to ensure that a MNC-specific leader follows the same basic principles, and has the fundamental competencies needed to develop and manage towards higher-level leadership positions, it is central that the same identification tool is used globally. In the context of this discussion, it needs to be highlighted that a few MNCs pointed out that the intention of identification, and perhaps even more development, is not to force the MNC’s organizational culture upon individuals. Instead, our interpretation is
that the ambition for some MNCs is to find individuals who fit in with the MNC’s organizational culture. When doing so it is important that all these leadership talents share a common set of competencies and personal traits, regardless of national culture.

**Proposition D:** MNCs directly link talent leadership development practices to an individual’s personal traits and competencies.

As indicated earlier, MNCs have performance or talent reviews of employees. In this process, the majority of MNCs use a customized development plan for each individual (referred to at most occasions as IDP), clearly stating and oftentimes ranking what criteria or competencies that are either at a good level or are in need of improvement. This development plan acts as a guide for both the talent and the manager to evaluate the talent’s development needs. As an example; some MNCs stated that international experience is a requirement for moving up to certain higher leadership positions, especially global positions. This customized development plan then serves as a manual for matching international assignments to those talents that do not have international experience. Although each individual’s IDP is different from another’s, the practice of using IDPs to identify who is a leadership talent and also her/his gaps is standardized within the MNCs that use this identification practice. Thus, which kind of development practices that are needed, whether it is experience, coaching, formal training, etc., is commonly a local decision that takes place within the identification and selection process of talent management.

In conclusion, although not explicitly mentioning IDP as a practice, most MNCs directly customizes the development plan to each individual, and then choose from different leadership development practices that exist within the company. Hence, Proposition D is largely supported by the MNCs in our sample. This confirms that most MNCs follow Caligiuri’s (2006) findings and Stainton’s (2005) recommendations, indicating a strong link between the identification/audit and development processes of talent management.

### 5.3. Development Processes of Global Leadership Talents

**Proposition C:** Different MNCs have different processes of developing global leadership talents.

While no two MNCs have the same exact global leadership development approach, there are many overlaps in the types of practices used. All MNCs have formal leadership development programs that range from basic levels to elite levels of talent in the organization. The majority of MNCs have mentoring or coaching programs and use international assignments and job rotations as practices in the global leadership development toolkit. With that said, the form
and structure of those development practices, coaching and mentoring programs, international assignments, and job rotations are different in all MNCs. This could be due to the fact that, as Lewis and Heckman (2006) indicate, companies evaluate and select the practices that efficiently meet predetermined talent goals. As MNCs have different definitions of talent and no MNCs have the same exact leadership competencies, it can be understood that no MNCs have the same predetermined talent goals. And as the goals are different, the means of reaching those different talent goals is different as well. For example, Scania has a very specific conception of what a leader at Scania should look like, and as such, has a highly developed and standardized formal leadership development programs that are the same around the world (Scania Interview, 2011a; b). Scania’s talent goal then can be understood to be to develop its talents into leaders within the Scania image, so that they can operate effectively within Scania.

Ericsson takes another approach, at least in the executive development programs, where three of the four programs are focused on inspiring their top talents and future leaders, educating them on key markets and industries, and giving them the opportunity to reflect on their own personal view of leadership and the power and responsibility that comes with that (Ericsson Interview, 2011c). These examples are reflective of the many differences that exist between MNCs’ leadership development practices and illustrates that MNCs employ practices that meet their own specific talent goals. Therefore, our research supports Proposition C.

**Proposition I:** *MNCs adapt leadership development practices in China.*

MNCs adapt leadership development practices in China to varying extents. The level of the adaptation of leadership development practices varies based on the specific leadership development practice and on the specific MNC. With regards to leadership development programs, there are different degrees of adaptation. The leadership development practices largely adhere to the structure and guidelines established by the headquarters of the MNCs, and in some cases no adaptations are made and trainers from the MNC’s headquarters administer the development practices worldwide to ensure that they follow standard protocol. Some MNCs allow these globally standardized programs to be locally adapted in relatively small ways, such as using the local language while keeping the content exactly the same. This is in line with Hartmann, Feisel, and Schober’s (2010) findings on HRM practices (not necessarily leadership identification and development), that MNCs transfer HRM practices to China relatively unchanged.
Other MNCs allow greater levels of adaptations based on cultural differences. The greatest adaptations were displayed in the establishment of China-specific leadership development programs. These programs were specifically designed with the development needs of Chinese nationals in mind, and thus are different than any other country-specific leadership development program that may exist in the MNCs. These types of localized programs were recommended by Björkman and Lu (1999). One example of this is ZF’s ‘China Leadership Program’. After being identified by their managers, talents from different locations in China are sent to participate in this program when they first become managers within the company. The program runs every two years, and is focused on leadership in the China region (ZF Interview, 2011). With that said, all MNCs indicated that there was a certain core value of principles and guidelines that must be adhered to, regardless of cultural differences.

Additionally, at higher levels of leadership development programs, the level of adaptation to China and Asia decreased significantly. Once leaders were responsible for regional or global operations, there was a certain standard of leadership competencies that had to be met, regardless of whether or not that leader was from China or any other country. Thus, when operating on a global level of leadership, no customization or special attention is given to any country. Volvo Car Corporation holds this to be true, by stating that regardless of where people are coming from; “…they got to be people who can actually operate globally as leaders in a global corporation” (Volvo Car Corporation Interview, 2011).

Many MNCs indicated that international assignments are more important practices for the leadership development process of Chinese employees than their Western counterparts. Several MNCs mentioned that Chinese talents face difficulty in succeeding at higher levels of leadership within the MNC, because they can be less accustomed to global interaction with a variety of different cultures and are not as comfortable socializing with colleagues from other countries. This can give the impression that Chinese talents are shy or timid, when in reality, there is a language and lack of experience barrier that acts as a speed bump to Chinese talents’ climb up the MNC’s corporate ladder. Based on this, international assignments give Chinese employees the opportunity to spend time in an international context and gain the international exposure needed to develop a more global mindset.

Proposition I can be confirmed for some MNCs and it can be confirmed for some specific practices, but not all. With that said, our research indicates that for most MNCs, adaption in the global leadership development process does take place on lower levels, whether it be
using the local language, having China specific leadership development programs, or placing
more emphasis on international assignments as a development tool. But again, at the higher
levels of the leadership hierarchy there is virtually no adaptation from the global standard for
China, or any other country for that matter.

5.4. Adaptations and Difficulties of Global Approaches to Talent Management

**Proposition E:** MNCs have difficulties in implementing their talent management and
leadership development approach to China.

Overall, MNCs did not experience significant difficulty in transferring the identification
processes of their talent management approach. The use of IDPs and talent reviews
encountered no difficulty and there were virtually no incompatibilities between the
organizational culture of the MNC and the Chinese national culture.

With that said, MNCs experienced some difficulty in transferring development processes of
their talent management approach. For example, MNCs encountered difficulty in sending
Chinese nationals on international assignments. These difficulties can be linked to differences
in the organizational culture of MNCs and the Chinese national culture. International
assignments and job rotations are part of the organizational culture of MNCs and future
leaders are expected to take part in these practices as part of their development. This could be
problematic for Chinese nationals because of their national culture. Cultural family ties create
a difficulty when MNCs want Chinese nationals go to on extended international assignments
in order to gain experience so that they can move into higher leadership positions. These
family ties make mobility a barrier to develop Chinese global leaders (ZF Interview, 2011).

In conclusion, overall Proposition E is not supported by our findings. Although some
difficulties are mentioned in specific development practices, they are not of any significant
hindrance when implementing the whole global approach to talent management in China.

**Proposition F:** MNCs have difficulties in identifying certain personal traits and
leadership competencies in Chinese employees.

As indicated in the empirical findings, most MNCs do not encounter major difficulties in
identifying leadership talent in China in general. However, MNCs do have difficulty in
identifying certain leadership competencies in Chinese employees that are directly related to
different perceptions of leadership. These competencies are having a visionary outlook, and
having difficulty in taking initiative. SKF echoes what many MNCs expressed, that while
Chinese employees were very results-oriented and excellent at implementation of various
practices and strategies, it is difficult finding employees who have their own vision, and then have the ability to take the initiative to act on that vision (SKF Interview, 2011b). Also, it may be difficult to identify certain personal traits and leadership competencies in Chinese employees because those traits and competencies show up differently in different cultures. As an example of how MNCs are addressing this issue, AstraZeneca has recently introduced an initiative that looks at how its company-specific leadership competencies emerge in different cultures in order to be able to be more accurate in identifying talent early in career (AstraZeneca Interview, 2011b).

In sum, some MNCs are having difficulty in identifying certain personal traits and leadership competencies in Chinese employees, but these are not considered to be more significant than in any other country. Nonetheless, Proposition F is supported within our sample, but according to the HR professionals in this study, this does not pose a major concern.

**Proposition G:** MNCs have difficulties in developing certain personal traits and leadership competencies in Chinese employees.

As displayed in the empirical findings, the majority of MNCs indicated that there are no significant difficulties in the development of leadership competencies for Chinese employees and that China does not represent any greater development challenge than other countries. With that said, however, some MNCs still cited a number of leadership competencies that were difficult to develop in Chinese talents. These competencies are listed in the Empirical Findings, but fall into the major categories of strategic thinking, taking initiative, and projecting confidence. If these competencies are examined through Schein’s (2004: 25-36) three levels of culture, they would mostly fall into the second level, ‘Espoused Beliefs and Values’, and perhaps scratch the surface of ‘Basic Assumptions’. This indicates that MNCs are trying to develop competencies that may not always be compatible with Chinese espoused beliefs and values or Chinese basic assumptions. For example, there is a traditional Chinese perspective on authority that effects the way senior managers are treated (Philips Interview, 2011), which is different from the Western perception of authority. In other words, some MNCs are experiencing friction between their organizational culture and Chinese national culture.

These development difficulties may arise due to the fact that Chinese employees do not view the Western leadership competencies as leadership competencies at all, as suggested by Gerstner and Day (1994). The Chinese employees’ perception of what a leader is, and thus what leadership competencies are, could be the reason why some MNCs find difficulty in
developing the aforementioned competencies. Regardless of the reason, some MNCs do have difficulty in developing certain personal traits and leadership competencies in Chinese employees, and thus, Proposition G has been found to be confirmed for some MNCs but not all. It is important to note though, that again, the majority of MNCs explicitly stated that there were no significant development difficulties in China.

5.5. Discussion

5.5.1. Culture in Talent Management and Leadership Development

Many MNCs stated that their approach to talent management and leadership development are very much reflective of their organizational culture, and by association, Western national culture. GE and Nestlé, the largest MNCs in our study, explicitly stated that their company-specific leadership development institutions, Crotonville and Rive-Reine, create a stronger worldwide organizational culture. Furthermore, this leadership development and culture transfer system is a retention tool for leadership talent. This was also mentioned by more MNCs, declaring that when talents are given the opportunity to participate in leadership development practices and programs, they feel more attached to the MNC and its organizational culture. Thus, effective and high-quality talent management and leadership development practices and programs become core values for MNCs. This is particularly important in China, where leadership talent loyalty and turnover is regularly mentioned to be a significant issue in our research. For example, Electrolux noted that when Chinese employees do not see growth opportunities within a company, they will seek out other opportunities at other companies (Electrolux Interview, 2011b). Thus, having relatively small operations in China with limited opportunities for advancement could have a detrimental effect on retention.

One could argue that when a MNC is establishing operations in China, that the MNC’s organizational culture would be influenced by Chinese national culture. However our findings indicate that the organizational culture of the MNC is in fact having an impact on Chinese talents’ culture. This finding is interpreted and presented in Figure 6, which is a revised version of Derr and Laurent’s (1989) use of Schein’s ‘Leadership and Dynamics Model’ (see Figure 2), and builds upon the model with the results of our findings. The arrows between the West’s and China’s leadership culture dynamics display how the organizational culture of Western MNCs are having an impact on Chinese talents’ national culture; not the other way around.
If MNCs have a vision and framework of how leaders should behave, both on lower and higher levels of responsibilities, then it is logical that they focus on transferring and implementing a globally standardized talent management and leadership development system. These aspirations to transfer Western organizational leadership principles relates back to Schein’s (2004:17) definition of culture, as Western MNCs have found success with their global leadership styles in the past, and have no reason to believe they will not work in China. Although Rowley et al. (2011) argue that HRM practices developed in one culture cannot be presumed to be effective in other cultures, where people have different values and perspectives, MNCs on the contrary believe this approach to be effective and successful. The global talent management approach is relatively centralized in the form of which and how processes are supposed to be transferred and implemented. The Western perception of a global leader may not be in sync with the Chinese perception of a global leader, but the way MNCs are addressing the shortage of Chinese global leaders tends to be to standardize a global talent management approach.

MNCs have actively been developing Chinese leaders by using this global approach for a limited time. As most MNCs stated that it is important to align talent management goals with their business strategies, talent management is a growing priority in China as China becomes
a key market for many MNCs. This is in line with Lewis and Heckman’s (2006) contention that talent management should be integrated with overall business goals.

As previously mentioned, many MNCs have not experienced any major difficulties with identifying leadership talent in China. Furthermore, many MNCs also stated that they have no major difficulties in developing leadership competencies in Chinese talent. However, a few MNCs explicitly said that they want more Chinese leadership talents in their companies and in the higher-level leadership talent pools. Age, experience, and years at the company are seen as important determinants when developing and appointing leadership talents for global positions within MNCs. Additionally, many MNCs stated that there is a huge leadership talent pool available in China, but that the majority of this talent pool is very young. With that said, due to the fact that many MNCs have not developed talents for global leadership positions in China for that long, it is perhaps only a matter of time until Chinese talents gained the necessary experience and exposure to the Western organizational culture, and then become ready to take global leadership positions.

5.5.2. Best Practices
Our findings do to some extent support Stahl et al.’s (2007) finding that there is global convergence of certain talent management practices. The most common best practice is using globally standardized processes and frameworks of how to identify, select, evaluate, and develop leadership talent. There are also certain specific recurrent practices and approaches, which despite adaptations, are prominently used by many MNCs. The four most dominant ones being:

1) Having a leadership competency and personal trait framework to identify talent
2) Using a matrix to categorize not only leadership, but different types of talent within the company
3) Developing an individual development plan for leadership talents
4) Increasingly standardizing higher-level global leadership development practices and programs.

Our research suggests and supports Brewster and Mayrhofer’s (2011) finding that HRM is a business function that maintains the home country’s organizational culture, while adjusting to local conditions. The relationship between best practices vs. best fit seems to be a bit different, however, as the practices are best fitted with the MNC’s organizational culture rather than the operating country. Additionally, our research shows that the adjustment to
local conditions is slight, and MNCs want to have more global control by using a system that allows them to monitor and make its internal talent visible throughout the company.

Figure 7 sums up and describes MNCs’ global approaches to leadership development within talent management. The Leadership Development Focus, represented by the y-axis, reflects our finding that on lower levels of leadership development, the focus tends to be on how to lead people and leadership behavior within the MNC while at higher levels of Leadership Development Focus our findings indicate that these programs are more focused on strategic and global leadership. In general, at higher levels of leadership development there is more focus and strategy-related issues and an overall high degree of standardization. Additionally, the Basic Level Leadership Development has different degrees of standardization among the MNCs within our research sample, with some using specific practices and programs for China and others using largely standardized content. The ‘X’ in the top left corner shows that no MNCs have low degrees of standardization in strategy-focused leadership development.

Figure 7. The global approach to leadership development within talent management

With this standardized organizational approach to talent management and leadership development, one step that becomes crucial in order to identify and develop internal leadership talents is to have a well functioning and effective external recruitment system. This is especially true considering that the leadership competencies and personal traits included in the leadership identification framework are rooted in Western MNCs’ national culture. Since national cultures are different, it is important to identify leadership talent that fit and match the specific MNC’s organizational culture. This is also found by Tarique and Schuler (2009), who say that talent management’s objective is to find individuals that match the firm’s goals...
in a global environment. The fact that many MNCs stated that the similarities between Western and Chinese people are larger than the differences might be an understanding that has developed out of having a recruitment system that focuses on employing Chinese nationals with Western mindsets. Thus, when MNCs experience that there are relatively few difficulties in identifying or developing Chinese nationals, this may be due to MNCs actively recruiting Chinese talents that have already been exposed to another MNC’s Western organizational culture, and therefore are able to more easily transition to a new MNC.

5.5.3. Trends within the Sample

Although the purpose of this research was not to investigate the differences between Swedish MNCs and non-Swedish MNCs, the composition of the sample provides some interesting insight. However, as the non-Swedish MNCs are on average significantly larger than the Swedish MNCs (average revenue being $73 billion and $17 billion, respectively), it is difficult to determine if the differences between the Swedish sample group and non-Swedish sample group are based on their country-of-origin or on their size. With that said, there are a number of issues worth mentioning. One issue is that the majority of the non-Swedish MNCs explicitly mentioned that they bring their Chinese employees to their global headquarters to learn about the MNC’s culture firsthand. These MNCs were clear in stating that bringing foreign employees to the headquarters gives those employees an opportunity to experience the MNC’s culture. None of the Swedish MNCs explicitly mention this focus of culture transfer when bringing foreign employees to headquarters.

Additionally, when discussing the degree to which adaptations are made to talent management processes in China, two of five non-Swedish MNCs explicitly mentioned that at some point, organizational culture is non-negotiable and there comes a point where local adaptation is no longer acceptable. Swedish companies respond to this same point with more regularity; eight of nine Swedish MNCs mentioned that up to a certain point, organizational culture is non-negotiable. Based on this, our research suggests that Swedish MNCs advocate for stronger adherence to their company standards than others. Due to the aforementioned reasons we do not mean to imply that this is a concrete finding in our research, but it is certainly interesting and warrants acknowledgements.

With regards to how long each MNC has been active in the Chinese market, the MNCs in our sample can be split into two broad groups; entry into China before 1921 (five MNCs), and entry into China after 1979 (nine MNCs). There are no strong differentiating trends between
these groups when it comes to levels of adaptation in their practices to China. An equal number of both categories have China- or Asia-specific development programs for Chinese or Asian talents. It could be argued that the percentage of MNCs from the before 1921 group is higher than from the after 1979 group, however the sample size is not large enough to draw any definitive conclusions on this matter. With regards to difficulties in developing talents in China the post 1979 group displayed a higher frequency of retention difficulties than the pre 1921 group. This could perhaps be explained by the fact that the pre 1921 MNCs have had more time to build up their brand equity in China and therefore is more attractive and well-known to employees. Additionally, the pre 1921 group experienced a higher frequency of difficulty with developing English language capabilities than the post 1979 group. However, although our study was not meant to investigate this question, a possible explanation could be that the post 1979 MNCs entered China when English was more common and also entered China in areas such as Beijing and Shanghai, where English is more common.

With regards to number of employees in China, some trends emerged as well. It was much more common for MNCs with 2000 or more employees in China to have China- or Asia-specific leadership development programs than those with less than 2000 employees. This could potentially be explained by the fact that MNCs must be able to achieve some sort of economies of scale effect in order to make a China- or Asia-specific leadership development program financially viable. With regards to difficulties faced in China, the MNCs with 2000 employees or less in China cited more frequently that one of the difficulties faced was that Chinese nationals had different perspectives on leadership that differed from their organizational definition of leadership.

All in all, while some potential trends emerged within the sample based on different characteristics of the MNCs, no trends can be confirmed with validity as the sample size does not provide definitive evidence. However, the potential trends highlighted in this section could be the focus of further research.
6. CONCLUSIONS

In this chapter, we answer our research question and draw conclusions from our findings and analysis. We also suggest plausible explanations as to why the literature states that MNCs are experiencing a shortage of Chinese global leadership talents. Then we elucidate some managerial implications of our research. Finally, we discuss our research findings’ contribution to the academic literature, as well as suggestions for further research.

In our literature review, we indicated that several authors have argued that culture is a barrier when transferring and implementing HRM policies from the home country to China (Björkman & Lu, 1999; Easterby-Smith, Malina, & Lu, 1995; Warner, 1998). Additionally, Björkman et al. (2008) found that HRM practices indeed are adapted locally. With this backdrop, we initiated this research, expecting to find differences and local adaptations of talent management and leadership development. However, this was only partly supported.

6.1. Research Question Revisited

We would now like to answer our research question: How are MNCs’ approaches to global talent management for employees with global leadership potential structured and adapted to China? We can sum up our findings and analysis quite concisely: MNCs have limited or no adaptations of the overall approach to talent management in China and most of those limitations come at the lowest levels of leadership development. At higher levels of leadership, there are virtually no adaptations and all countries, including China, adhere to, and are measured against, the internal global standard set by individual MNCs.

While the identification process of finding and selecting internal talents for leadership development practices and programs is globally standardized within the vast majority of MNCs, the actual development process is slightly adapted. Leadership development practices at lower levels of leadership tend to be adapted to local needs, although there is a consistent emphasis that MNCs do not compromise on their leadership values and principles. Leadership development practices at higher levels of leadership, such as global leadership positions, are globally standardized. When operating at a global level, talents are expected to adhere to global internal standards, and we did not identify any special consideration based on Chinese talents’ national culture. Hence, although some adaptations exist within leadership development, most MNCs indicate that they are moving towards even more integrated and unified talent management processes within their companies.
To be more specific in regards to MNCs’ approach to talent management, our research also found some recurrent practices within talent management and leadership development that emerged as best practices and are worth highlighting. The most prevalent ones are:

- Having a leadership competency and personal trait framework to identify talent
- Using a matrix to categorize not only leadership, but different types of talent within the company
- Developing an individual development plan for leadership talents
- Increasingly standardizing higher-level global leadership development practices and programs.

Although MNCs are facing a shortage of global leaders in China, they do not face any significant difficulties with transferring their talent management and leadership development approach. They are also not experiencing any major difficulties with implementing and executing their global approach. In fact, although there are some difficulties with finding and developing certain competencies and personal traits, most MNCs do not consider this to be a significant problem. On the contrary, many MNCs explicitly stated that the differences between talents’ competencies and personal traits are individual, not cultural. To address this, we would like to suggest three plausible explanations that have emerged from our findings as to why some MNCs do not experience difficulties even though acknowledging a shortage of global leadership potential.

**Plausible Explanations for Shortage of Chinese Global Leaders**

The first explanation is that Western MNCs are attracting and recruiting Chinese talents with a Western mindset, and that Chinese nationals are adapting to the Western concept of leadership; not the other way around. Ralston et al. (1996) found that this type of emerging Chinese ‘cosmopolitans’ openly embrace Western managerial individualistic values. Ralston et al. mainly stress two aspects of Western management styles that Chinese cosmopolitans adapt; 1) Openness to change - willingness to accept new ideas and ways of doing things, and 2) Self enhancement - attach greater attention to social power than traditional, local Chinese. If this is the type of Chinese leadership talents that MNCs attract, then most likely the difficulties MNCs experience could be perceived as a minor obstacle in talent management and leadership development. If we relate this back to Figure 6 in our analysis, these cosmopolitans would fit into the ‘Individual Differences’ variable, to further explain why difficulties are not significant.
Additionally, if this truly is the case, then there might be a time lag responsible for the shortage of global leadership talent in China. Many companies have not actively been transferring their talent management and leadership development systems to China for too long, especially relative to how long it has been implemented in their home countries. Company loyalty is a significant aspect when selecting internal talents for global leadership development practices and programs, and many MNCs stated that they do not want to spend resources on leadership talents that they are not sure will stay at the company. Thus, as of today, relatively few Chinese leadership talents have been formally trained in the Western organizational leadership culture and are hence lacking the long-term experience with Westernized global leadership values and principles.

Another explanation worth raising is introduced by Barlow (2005); in addition to individuals’ unique capacities to learn and develop, development should also be dependent upon individuals’ career trajectories. In line with Barlow’s finding, a few MNCs stated that some Chinese leadership talents do not see any reason for moving up in the company to take on international responsibility. China is considered to be the most important market in the future for many MNCs, and it is also where the highest economic growth takes place, so many Chinese talents do not see the value in leaving China. All in all, the mobility problem that many MNCs face when developing Chinese talents for higher, global leadership roles, could be related to their career trajectories and their desire to stay in China.

The final explanation explicitly mentioned to be a barrier to global leadership development is the Chinese education system, which is rooted in Chinese national culture. The core values of the Western and the Chinese education systems do not emphasize the same principles and content. Thus, behaviors and values incorporated in leadership styles are also different. This finding is not unique to our research findings, but is discussed frequently in academic spheres. Although there are reports citing China’s increasing amount of university graduates, they are considered to be a misconception by some. According to Sanyal (2007), there are several problems with China’s higher education system, such as improper and exaggerated estimates of actual numbers of graduates, and a significant divergence in quality compared with Western standards. Ready, Hill, and Conger (2008) further strengthen this finding, explaining that China’s talent pool has unrealistic expectations. Chinese higher education programs, such as MBA programs, struggle to implement global standards, particularly in leadership education. Tan and Wellins (2006) argue that Chinese universities heavily emphasize recitation and memorization rather than problem solving and strategic analysis; skills that are
deemed vital for higher leadership positions in MNCs. However, this does not mean that Chinese employees are incapable of operating in global positions within a MNC. Chinese MNCs have been successful in using their homegrown talent to excel in international business, as can be seen from the prominence of many Chinese companies in the international arena, such as Lenovo and Huawei. It must be understood that oftentimes MNCs operate very differently than Chinese MNCs, which results in different leadership skills and values (Hay Group, 2007; Mills, 2005). This raises an important question; why are Chinese MNCs capable of bringing up Chinese local leadership talents for global leader positions, but their Western counterparts are still struggling?

6.2. Managerial Implications
Our research has clearly indicated that MNCs have a defined vision of what leadership encompasses within their own companies. They have also explained that this perception of leadership should be the same worldwide. Thus, it is vital for MNCs that there is a universal understanding throughout the company of what specific leadership competencies and values pervade the organizational culture. Having globally standardized processes of how to identify and develop leadership talents helps to transfer these organizational leadership culture principles worldwide, including to China, and this is the approach that most MNCs use. However, it is also crucial in that sense to analyze how these leadership competencies reveal themselves in different cultures to understand the gaps that need to be filled. The execution and effectiveness of the link between leadership talent identification and development therefore becomes an important part of both talent management and leadership development. Our research indicates that this link is what characterizes individual differences that should have an impact on the leadership dynamics of talents.

Regarding these leadership gaps, we have found from our research that critical and strategic thinking, international experience, a global mindset, and English proficiency are competencies and personal traits that Chinese leadership talents are lacking. Thus, in order to develop Chinese talents for global leadership positions in MNCs, it is important to emphasize proactive development practices to fill these gaps early in career. Practices that may be more important in China may include being exposed to Western organizational culture by going on international assignments, and tailoring coaching and mentoring practices to Chinese talents.

Our research has also shown that culture is not a significant barrier when implementing a globally standardized talent management and leadership development process in China, which
deviates from previous research. The reason for this may be that MNCs attract Chinese nationals who have developed a Western mindset, i.e. cosmopolitans. Due to the fact that MNCs do have certain leadership criteria specific to each MNC’s organizational culture, it is also these cosmopolitans that MNCs should try to not only identify within the company, but also recruit and acquire externally.

Another important aspect of our research is that MNCs point out that there is a lack of Chinese leadership talents with enough experience, thereby indicating a time lag. Thus, we conclude that because of this time lag, MNCs need to have patience with their standardized talent management approach, and be diligent in making sure that the processes are completely universal within their company. There is no need to rush or force the development of Chinese talents for global leadership positions if the MNCs believe and hold their own leadership visions to be as important as we have found in our research. Promoting Chinese talents to higher-level or global leadership positions prematurely without understanding and embodying the MNC’s organizational culture could yield significant problems. It does not matter what national culture talents originate from, they all need to share and believe in the same principles and values emphasized by MNCs’ unique organizational cultures.

6.3. Literature Contributions and Recommendations for Future Research

Previous research has investigated and found that culture is a barrier when transferring HRM practices from one country to another, and that HRM is one organizational function that companies tend to value highly and attempt to maintain the flavor of its national culture. With this said, our research has found MNCs’ talent management and leadership development process to be one part of HRM that clearly tends to preserve a single standardized and global system, rooted in MNCs’ organizational culture and thus also their national culture.

Furthermore, our research fills the existing research gap about talent management and leadership development, and how identification, selection, evaluation, and development of leadership talent falls under the talent management umbrella. Although culture has been found to potentially be a barrier to transferring HRM practices, our research also shows that MNCs do not find any notable difficulties in implementing a globally standardized approach to talent management and leadership development in China.

While our research has helped fill some of the gaps in the academic literature on talent management and global leadership development, new and interesting questions have emerged. One recommendation for further research is to perform a quantitative study with a large
sample size to gain more insight into our study’s findings. Quantitative studies could focus on looking into how much MNCs adapt the various practices not only in China, but in other countries as well to add validity to our findings.

Another recommendation for further research is to perform an extensive longitudinal case study of one MNC and focus in much more detail on leadership development in the home country and in China. This study could interview Chinese talents in addition to HR professionals within the MNC in order to understand how talents perceive the talent management approach and why they are not reaching global leadership positions.

One more interesting area is to compare the contemporary approaches of Western talent management and leadership development with the Chinese approach to talent management and leadership development in China. This would allow more direct comparisons between talent management processes and perhaps shed more light on why some difficulties arise when identifying and developing Chinese talents, and also why there is an acknowledged shortage of Chinese global leaders.

Furthermore, studies on talent management and leadership development within Chinese MNCs operating in Western countries would also contribute to the academic literature and offer insight into differences between Western and Chinese MNCs with regards to global talent management and leadership development practices. A complementary study to ours from this perspective would also allow the comparison between the degree to which Western and Chinese MNCs adjust these practices to the host country, and what competencies and personal traits Chinese MNCs consider vital for global leadership positions.
7. LIST OF INTERVIEWS


List of Interviews


8. REFERENCES


References


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APPENDIX

1. Interviewee Profiles and Backgrounds

**ABB**

Dongli Li, *Regional Talent Manager for North Asia Region*

Dongli works at ABB in China, where she is the Regional Talent Manager for North Asia Region. Within talent management, she is also responsible for leadership learning and development.

Marie Bellö-Yngvesson, *Talent Manager Northern Europe, and Learning & Development Manager*

Marie has worked at ABB for almost 15 years, mainly within learning and development at ABB in Sweden. She was previously responsible for Performance & Talent Management, implementing new performance management processes. Since January 2011 she is responsible for Talent Management Northern Europe Region, which includes performance and succession management as well as learning and development.

**AstraZeneca**

Shannon Boyle, *Global Talent Development Director*

Shannon has worked for AstraZeneca for almost eight years. She has been both Senior Director of HR, and is currently the Global Talent Development Director. She is responsible for setting the global talent development strategy for AstraZeneca worldwide, focusing on effective succession planning for top leadership positions, and early identification of talent in emerging markets.

Sandra Ridell, *Global Leadership Talent Development Partner*

Sandra has worked for AstraZeneca for five years. She was previously Recruitment Partner for Global Talent and Development, but is since January 2011 Global Leadership and Talent Development Partner.
**Atlas Copco**

**Magnus Gyllö, Vice President of China Investment Company**
Magnus has worked for Atlas Copco for almost 40 years. During his time at Atlas Copco, he has been Deputy Managing Director, General Manager, and Holding Manager in countries such as Zambia, Peru, South Africa, and Italy. Currently Magnus is the Vice President of Atlas Copco (China) Investment Company Ltd., and is in addition to that a member of Atlas Copco’s ‘ASAP HR Service Board’, and Chairman of the Board of Directors of Atlas Copco’s subsidiaries in eight Asian countries.

**Electrolux**

**Jan Dahlman, Senior Learning and Development Manager**
Jan has worked at Electrolux for several years. He has held many positions within HR, such as Vice President of Human Resources Floor Care Operations, both in North America and globally. He has also been coordinating HR Manager in Sweden, and is currently Senior Learning and Development Manager.

**Tony Pu, Director Head of HR in China**
Tony has been at Electrolux since 2008. He has worked within human resources for a total of 18 years. He is currently Director Head of HR in China, responsible for overall human resources and organizational development for all business units in China.

**Ericsson**

**Jessica Häggström, Head of Global Leadership Talent Planning**
Jessica has worked at Ericsson for more than 10 years. Previously she worked with compensation and benefits, executive compensation, and she has been HR manager. Jessica has for the last two years been the Head of Global Leadership Talent Planning for Ericsson.

**Marita Hellberg, Head of HR in China & North East Asia**
Marita has worked for Ericsson for over 30 years. Throughout her career, she has held various positions in the company. Before her current position as Head of HR in China & North East Asia, Marita served as the Senior Vice President of Human Resources for the Ericsson Group.
Steve Newman, **Director for Executive Development**  
Steve has been the Director for Executive Development at Ericsson since 1997. He is responsible for the design and delivery of Ericsson’s executive development programs; those programs targeted at the top 200 executives, candidates for those positions, and the next generation of executives.

**General Electric**

Jacqueline He, **Manager of HRM and Organizational Development in Asia/China**  
Jacqueline has worked at GE for almost ten years within HRM. At the time of interview, she was the Manager of HRM and Organizational Development for GE in Asia/China, a position she had held for five years.

**Steven Canale, Manager of Global Recruiting and Staffing Services**  
Steven has worked at GE for more than 30 years. He is currently the Manager of Global Recruiting and Staffing Services, a position he has held in more than 10 years. His responsibilities include leading college and MBA global recruiting strategy across GE.

**Mölnlycke Health Care**

Tracy Tan, **Global HR Director, Leadership and Capability Development**  
Tracy has worked at Mölnlycke Health Care for three years. She was previously the Regional HR Director in Asia, responsible for the China market. Tracy is currently the Global HR Director for Leadership and Capability Development, positioned in Sweden.

**Nestlé**

Uzma Qaiser Butt, **HR Operations Manager, Zone Africa, Oceania & Asia**  
Uzma has worked in a few HR positions during her career at Nestlé. Previously, she has held different positions within HR in Nestlé Pakistan, the last one being Head of HR. Uzma is currently the HR Operations Manager for the Zone Africa, Oceania & Asia, and focusing on supporting markets to implement global HR initiatives, and providing customized HR support to her zone’s markets, if needed.
Philips

Enio Velazco, Senior Director for Talent Management, Learning and Organizational Development

Enio has worked for Philips Healthcare for four years. He was previously Director for Talent Management and Organizational Development, where he designed leadership and executive coaching development programs, drove succession planning, and partnered with business leadership to accelerate talent development. He is currently Senior Director for Talent Management, Learning and Organizational Development, now also responsible for building leadership bench strength and fostering an innovative/high-performing organizational culture.

SCA

Karin Nyström, Vice President Management and Organizational Development

Karin has worked at SCA for almost three years as the Vice President of Management and Organizational Development. In the past, she has worked for Ericsson at different business functions, the last one being HR Business Partner.

Scania

Stig Olofsson, Product Manager for Leadership Training

Stig has worked at Scania for more than 10 years. He was previously Manager for Competence Development, and is currently Product Manager for Leadership Training. He is responsible for the development and implementation of leadership training within Scania’s sales and service organization worldwide.

Therese Lundén, Head of Competence Development

Therese has worked at Scania for more than 10 years. She was previously Head of Employer Branding, and is currently Head of Competence Development. Some of her specialties are talent management, leadership training and development, and trainee programs.

SKF

Dorothy Leo, Director of Talent Management

Dorothy has worked at SKF for more than 15 years. She was previously responsible for the SKF College, developing and delivering development programs across the organization. For
the last six years, she has been the Director of Talent Management, responsible for the global talent management processes, including identification, development, and succession planning.

**Magnus Johansson, Senior Vice President Group Demand Chain**

Magnus has worked at SKF for almost 30 years. He has worked within HR at SKF for many years, and been the HR director during 1995-1998. He has previously also been President in SKF Sweden and SKF China (Shanghai) for five years respectively. Currently, he is the Senior Vice President for SKF Group Demand Chain.

**Volvo Car Corporation**

**Geoff Glover, Vice President of HR, Talent Management**

Geoff has worked at Volvo Car Corporation for four years. Previously, he was the Vice-President of Learning and Development, and was then responsible for centralizing a global learning and development organization. For the last 2 years he has been the Vice-President of Talent Management, responsible for integrating the talent management strategy into the business strategy, as well as all steps of talent management, including leadership development, succession planning, and organizational development.

**ZF**

**Michael Babo, Deputy General Manager Finance/IT in Shanghai**

Michael has worked at ZF Sachs AG for 10 years. He was previously in the Strategic Planning Department for five years, and is currently Deputy General Manager in Finance/IT at Shanghai Sachs Powertrain.
2. Interview Guide - English

Interview Guide

1. Open-answer questions
   a. What does talent management mean for your company?
   b. What different levels of talents do you have?
   c. Do you have a specific focus on developing leaders?
   d. Is there a different focus on global leadership talent compared to domestic leadership?

2. Identify and determine tasks and assignments global leaders have
   a. Which positions/roles make up the global leadership of your company?
   b. What are the responsibilities/tasks/assignments of global leaders?

3. Determine competencies and characteristics needed to complete these tasks and assignments
   a. Which competencies and characteristics are needed to complete these tasks and assignments? Examples
   b. Is there any kind of standardized list, or does it vary?

4. Identify the internal talent that both has these characteristics and competencies and the potential to develop these characteristics and competencies
   a. How do you select talents for global leadership development?
   b. Does your company have a set of criteria for selection of high potentials for global leadership development?
   c. What are the criteria and practices for identification of talent in China? (What are the differences and challenges?)

5. Evaluate what talent management and leadership development practices and programs will develop the competencies and characteristics of the identified talent needed to develop global leaders
   a. Which practices or programs do you use when developing global leadership competencies?
b. What are the differences in developing global leadership talent in China?

c. Do you have a unique practices and programs for Chinese high potentials that is different from other practices and programs?

d. Are there any talent development processes / practices that are more important or valued more highly in China compared to in your home country?

e. Are there any competencies that are more difficult or more important to develop in Chinese talents compared to other talents?

6. Integrate practices and programs into the talent management strategy
   a. Are practices tailored to individual talents?
   b. Is it important to adapt your practices in China compared to home?
3. Interview Guide - Swedish

Intervjuguide

1. Öppna frågor
   a. Vad betyder talent management för ert företag?
   b. Hur kategoriserar ni talanger? Vilka nivåer av talanger finns det?
   c. Inom ramarna för ert talent management, har ni ett specifikt fokus på att utveckla ledare?
   d. Vad är skillnaden i fokus på global ledarskapsutveckling kontra inhemsk?

2. Identifiera och bestämma uppdrag och uppgifter som globala ledare har
   a. Hur definierar ni en global ledare på ert företag?
   b. Vilket ansvar/uppgifter har globala ledare?

3. Bestämma vilka kompetens och egenskaper som behövs för att klara av dessa uppdrag och uppgifter
   b. Finns det någon standardiserad ”check” lista över vad som behövs, eller är det olika?

4. Identifiera den interna talangen som både har dessa egenskaper och kompetens och dessutom potentialen att utveckla dem
   a. Hur identifierar och väljer ni talanger för global ledarskapsutveckling?
   b. Har ert företag ett set av kriterier i identifieringsprocessen av talanger med hög potential som kommer ingå i globala ledarskapsutvecklingar?
   c. Hur ser kriterier och praktiker ut för att identifiera talang i Kina? (Vad är skillnaderna, utmaningar?)

5. Utvärdera vilka talent management och ledarskapsutvecklings program och praktiker som kommer att utveckla de kompetens och egenskaper hos den identifierade talangen som behövs för att utveckla globala ledare
a. Vilka praktiker och program använder ni för att utveckla globala ledarskapskompetenser och egenskaper?
b. Vad är skillnaderna på att utveckla talang i Kina jämfört med ”hemma”?
c. Finns det program och praktiker som är speciellt adapterade till Kina och skiljer sig från andra program/praktiker?
d. Finns det utvecklingsprogram och praktiker som är viktigare i Kina jämfört med ”hemma”?
e. Är det några kompetenser eller egenskaper som är mer viktigt att utveckla hos kinesisk talang jämfört med annan talang?

6. Integrera praktiker och program ihop med talent management strategin
   a. Är praktiker skräddarsydda till individuell talang?
   b. Ser ni någon fördel i att adaptera praktiker i Kina jämför med ”hemma”?