



Integrating global mobility and global talent management: Exploring the challenges and strategic opportunities



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ABSTRACT

Although global mobility represents an important element of many multinational enterprise's (MNEs) global talent management systems, the two areas of practice have largely been decoupled in research and practice. The current paper aims to build a dialog around the integration of these two important areas of practice and illustrate how the integration of global mobility and global talent management can contribute to the success of the MNE. Human capital and social capital theories are introduced as theoretical frames for the integration of the two areas and global talent pools and routines for managing global staffing flows are introduced as key organizational routines that can maximize the contribution of global mobility to the MNE. The paper also considers challenges and opportunities for the integration of mobility and talent and outlines some directions for future study.

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1. Introduction

The centrality of global talent management (GTM) to the achievement of multinational enterprises' (MNEs) strategic objectives has become widely acknowledged in recent years (Scullion, Collings, & Caligiuri, 2010; Stahl et al., 2012; Tarique & Schuler, 2010). Emerging empirical insights highlight the importance of international employee mobility as a key element of MNE's global talent strategies (McDonnell, Lamare, Gunnigle, & Lavelle, 2010; Sparrow, 2007; Stahl et al., 2012). Upper-echelons research provides empirical support for the positive relationship between top-management team (TMT) international assignment experience and indicators of firm performance (Carpenter, Sanders, & Gregersen, 2001), and levels of international diversification (Tihanyi, Ellstrand, Daily, & Dalton, 2000). Similarly, the use of parent-country national (PCN) expatriates to staff subsidiary operations has been shown to improve subsidiary labor productivity, particularly in new operations in culturally distant locations (Gong, 2003). An emerging body of literature also points to the strategic benefits of employee transfers from subsidiary operations to the corporate HQ (inpatriates) (Reiche, 2012). These studies point to the importance of international experience of organisational leaders on the strategic direction of their firms and its impact on firm performance. They provide an evidence-based logic for the connection between global mobility and global talent management in MNEs. Indeed, in some MNEs being open to

international job rotations is a condition of being a member of the organization's leadership talent pool (Hall, Zhu, & Yan, 2001).

The academic literature has largely been silent on the integration between global mobility and global talent management (GTM). This is a significant gap, as organisations have little theoretical or empirical guidance on how to maximise the integration of global mobility and global talent management and how to maximise the contribution of global mobility to organisational performance. This paper aims to begin a dialog around the integration of global talent management and global mobility. The paper draws upon human capital and social capital theories to integrate these areas of practice and provide a theoretical point of departure for future study in this important area. A central argument in the paper is that global mobility as a function needs to move from an overly transactional focus on compliance and tax issues, to a more strategic focus that ensures the organisation can effectively deliver its global talent strategy.

Structurally the paper begins by introducing the areas of GTM and global mobility. The different functions of global mobility and their alignment with the MNE's GTM strategy will then be explored, and human capital and social capital theories introduced as theoretical frames for considering the integration of the areas. Finally, some challenges and opportunities in integrating the GTM and global mobility functions in organisations are outlined.

2. Global talent management

While acknowledging that debate continues around the conceptual boundaries of global talent management, there are a number of principal elements of GTM that are identifiable. Firstly,

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GTM systems are generally focused on the management of high-potential and high-performing employees, or those with high levels of human capital, across the organization (Stahl et al., 2012). Second, GTM is focused on human resource (HR) practices aimed at attracting, developing, and retaining those individuals with high levels of human capital aligned with the organization's strategic intent (Scullion et al., 2010; Tarique & Schuler, 2010). Thirdly, organizations globally continue to struggle to source the quality and quantity of global talent that they require to operate effectively in the global context (Farndale, Scullion, & Sparrow, 2010; Hartmann, Fiesel, & Schober, 2010). Finally, GTM is argued to have brought issues around human capital to the agenda of the corporate top management team to a far greater degree than has been the case in the past (Joyce & Slocum, 2012; Scullion et al., 2010). For example, a study of CEOs conducted by Cornell University found that metrics around talent and leadership were those most demanded of Chief Human Resource Officers by CEOs (Wright, Stewart, & Moore, 2012).

For the purposes of the current paper, I adopt Mellahi and Collings' (2010: 143) definition of GTM as involving: (1) the systematic identification of key positions that differentially contribute to the organization's sustainable competitive advantage on a global scale; (2) the development of a talent pool of high-potential and high-performing incumbents, who reflect the global scope of the MNE to fill these roles; and (3) the development of a differentiated human resource architecture to facilitate filling these positions with the best available incumbents in order to ensure their continued commitment to the organization. This definition has a number of important implications for unpacking the relationship between global mobility and global talent management. Firstly, it acknowledges that talent management is not limited to leadership positions and that there are other pivotal positions (Becker & Huselid, 2010; Boudreau & Ramstad, 2007; Collings & Mellahi, 2009) that disproportionately contribute to the organization's sustainable competitive advantage. The filling of these positions may also be covered by an organization's global talent management system. Second, building a talent pool of high-performing and high-potential incumbents that "reflects the global scope of the MNE" reflects the importance of staffing flows beyond the traditional ethnocentric flow of parent-country national (PCN) expatriates from HQ to subsidiaries. Thus, the consideration of third-country national expatriates and inpatriates also emerge as important elements of the global talent strategy (Collings, McDonnell, Gunnigle, & Lavelle, 2010; Harvey, Speier, & Novicevic, 2000; Reiche, 2012). These staffing options are often ignored in the global mobility literature (c.f. Harvey & Buckley, 1997; Harvey, Speier, & Novicevic, 1999). Finally, the development of a differentiated HR architecture to support the deployment and retention of these talents requires organizations to carefully balance initiatives to reduce the costs of expatriate assignments with ensuring the ongoing commitment and performance of such employees (see for example Tait, DeCieri, & McNulty's, 2013 critique on the opportunity cost of the monetary savings of permanent transfers). I now consider some central issues around global mobility.

3. Global mobility in the MNE

Global mobility represents an important element of the global staffing system of the contemporary MNE. Although the landscape of global mobility has altered significantly over recent decades (see Collings, Scullion, & Morley, 2007), global mobility remains a central element of the GTM strategies of leading MNEs (Brookfield GMAC, 2013; E&Y, 2012; Stahl et al., 2012). The topography is complex however, with the contemporary MNEs relying on a range of staffing options to fulfill business needs. For example,

permanent transfers, international business travel, commuter and rotational assignments as well traditional long-term assignments (generally 3–5 years) and short-term assignments (longer than a business trip but less than a year) all represent important elements of an organization's global mobility strategies (Collings et al., 2007). For the current paper, I focus on corporate expatriates – "employees who are temporarily relocated by their organizations to another country...to complete a specific task or accomplish an organizational goal"¹ (Shaffer, Kraimer, Chan, & Bolino, 2012: 1287).

The differing objectives of international assignments have long been recognised and have significant implications for how we think about the integration between global mobility and global talent management. Over 35 years ago Edström and Galbraith (1977) outlined three objectives of international assignments as position filling, where suitably qualified local talent was unavailable; to facilitate the development of individual employees; and as a means of organisational development with a focus on the transfer of knowledge between subsidiaries and to sustain and modify the organizational structure and decision processes. More recently, Black, Gregersen, Mendenhall, and Stroh (1999) argued that the use of international assignments had become more strategic. This strategic perspective emphasises the use of international assignments for succession planning and leadership development; in coordination and control; and in information exchange around the multinational network. Recognising these differences is important in evaluating the outcomes of international assignments (IAs), and linking global mobility and global talent. For example, empirical research has confirmed that assignments premised on management development foster personal change and role innovation as the assignee adapts his or her frame of reference in acclimatizing to the new environment. This perhaps explains why developmental assignments appear to have greater career-enhancing effects than other forms of assignment (Kraimer, Shaffer, & Bolino, 2009: 42; Stahl, Chua, Caligiuri, Cerdin, & Taniguchi, 2009).

Alternatively, in control-driven assignments, locals are expected to absorb the new demands of the expatriate manager and change their frames of reference (Shay & Baack, 2004). The differing objectives of global mobility also point to potential differences in how the assignees are managed from a HR perspective. For example, an assignee deployed for position filling may require significant support in the interpersonal competencies required to adjust to the host country and to transfer his or her knowledge to the host employees, as there is often a strong teaching focus in selecting for these roles (Evans, Pucik, & Barsoux, 2002). In contrast, support for those selected for developmental assignments should focus on assimilating learning opportunities from the host country and facilitating the application of this knowledge on repatriation. Further, Dickmann and Doherty (2010) argue that, those sent on developmental assignments are more inclined to leave their organizations. They argue that, this is related to better career opportunities available to them in the external labor market, and point to the particular influence of commitment-oriented and/or retention-oriented HR policies in aiding retention.

Additionally, unpacking the various objectives of global mobility has important implications as organizations begin to consider the return on investment (ROI) on such assignments.

¹ Shaffer et al. prioritise assignments lasting several years in their definition. Given the incorporation of short-term assignments in the present discussion, I recognise the importance of such shorter-duration assignments. This definition also excludes self-initiated expatriates – those individuals who relocate internationally in search of work without the support of an employer. Although these employees clearly represent an important source of global talent, they are not generally managed by the global mobility function, and hence fall beyond the scope of the current discussion. For a discussion of these and other staffing options see Al Ariss and Crowley-Henry (2013) and Fang, Samnani, Novicevic, and Bing (2013).

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