Talent Management in Emerging Nation MNCS: A review and research agenda.

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ABSTRACT

Globalization and its impact on talent management are widely recognized as important issues in international management research. There are currently competing perspectives of the nature, policy and practice of Talent Management, and calls for more research to clarify these issues. Over the last decade, there has also been an increased focus on the international expansion of multinational corporations from emerging nations. However, the Talent Management literature has almost exclusively dealt with the expansion of MNCs from economically developed countries. This paper reviews the literature within these domains and suggest opportunities for further research into the Talent Management policies and practices in emerging nation MNCs operating in Australia.

Keywords: Talent Management, HR Policies, Multinational Corporations, Emerging Nations.

INTRODUCTION

Over the last decade, emerging market multinational corporations have arguably become the most important players in the world economy. This has led to increased interest in their operations by both academics and policy makers. Although MNCs from the largest or the most affluent emerging economies (e.g. China, Russia, Brazil and India) have led the rapid development, the phenomenon is also applied to the firms from countries such as Mexico, Chile, Malaysia, Indonesia, Egypt, Turkey and many other emerging countries which also being internationalized actively in overseas. It is increasingly recognized, both by practitioners (Sarkin et al., 2008; Van Agtmael, 2007) and academics (Ramamurti and Singh, 2008; Gammeltoft, 2008; Luo and Tung, 2007) that a surge in the activity of emerging countries’ MNCs activity is reshaping the structure of international business.

There are special issues that set emerging economies and their firms apart from their developed-world counterparts. These include central/local government effects on MNCs policies and performance
(Peng et al., 2008; Kalotay and Sulstarova, 2010); the economic institutional environment in emerging countries’ MNCs (Khanna and Yafeh, 2007; Tan and Meyer, 2010); the social and cultural effect on MNCs policies and performance (Cho and Lee, 2003; Saxenian and Hsu, 2001) and the specific business system in MNCs from emerging countries (Dunning et al., 1998; Ozawa, 1992). In addition, researchers also identified some specific areas like the ownership advantages to multi-nationalization (Mathews, 2006), home country governments interaction (Luo et al., 2010) and different industrial sector in emerging nations (Wright et al., 2005) as critical areas for future research concentration on the policy and practices of emerging market MNCs.

While it is recognized that internationalization of MNCs from emerging countries is more rapid and quite different from that of the conventional Western MNCs (Matthews and Zander, 2007), overall there little research on the internationalization of emerging economy firms either into other emerging economies or into developed economies (Wright and Filatotchev, 2005). Much of the research that does exist on emerging countries’ multinationals addresses strategy, using institutional theory, resource resource-based theory, transaction cost theory and agency theory as conceptual perspectives (Hoskisson, Eden, Lau, & Wright, 2000) or examines the application of specific market firm level market entry methods (Contractor, Kumar, & Kundu, 2007). More recently there has been some in increased focus on business functions including marketing (Melawi et al., 2014), human resource management (Thite, Wilkinson and Shah, 2012; Zhang, Edward and Ma, 2014), knowledge and technology management and logistics (Buckley and Hashai, 2014; Dubiel and Ernst, 2013) and FDI (Luo and Wang, 2012; Singal and Jain, 2012). Frequently, this literature includes discussion of country of origin as an influence on policy and practice (Thite, Wilkinson and Shah, 2012, Gerybadze and Merk, 2014). However, the literature on these aspects of emerging countries’ MNCs is nowhere
near as extensive as the literature covering developed country MNCs.

Given the international expansion of these firms from emerging nations into developed countries this has led to calls by practitioners and researchers for an increased research focus on the operations of these emerging nation firms in developed countries (Thite, Wilkinson and Shah, 2012; Gammeltoft et al., 2010; Andersson and Wang, 2011).

Currently, there has been a growing focus on Talent Management in the global context (Scullion and Collings, 2011; Tarique and Schuller, 2010) with calls for this to be more extensively researched (Dries, 2013; Iles, Preece and Chuai, 2010). A scan of available literature indicates that this area is also largely un-researched in relation to the policy and practice of emerging country MNCs (Li and Scullion, 2010; Vaiman, Holden and Scullion, 2011). In this paper, we discuss the literature on talent management and country of origin, and propose a research agenda to address these issues in emerging countries multinational operating in developed countries.

**TALENT MANAGEMENT**

There is a very extensive body of literature on how multinationals manage people in different national contexts (Ferner, 2009). It is also widely agreed that HRM policies and practices, therefore, play crucial roles in building absorptive capacity, which helps firms develop ability to recognize the value of new information, assimilate it, and apply it to commercial ends (Cohen & Levinthal, 1990). HRM policies and practices facilitate reverse knowledge transfer to emerging market multinationals’ other subsidiaries and play crucial role in the success of the firm in diverse cultural and institutional
The topic of investigating HRM practices in MNCs from emerging nations is important as evidence suggests that a firm’s HRM practices are related to its performance (Arthur, 1994; Huselid, 1995; Koch and McGrath, 1996). Scholars have argued that the management of human resources can provide firms with a sustained competitive advantage to the extent that is not easily imitable and cannot be easily replaced by technological advances (Huselid, 1995; Pfeffer, 1994; Wright and McMahan, 1992). Some evidence supports the proposed relationships between human resource policies and practices and firm performance (Arthur, 1994; Huselid, 1995; Koch and McGrath, 1996; Russell et al., 1985; Terpstra and Rozell, 1993).

A group of McKinsey consultants presented the report of the “War for Talent” (Axelrod, Handfield-Jones, & Michaels, 2002), and this has acted as a catalyst for research and action by academics, practitioners and business leaders with an emphasis on the search for talented people as the critical managerial activity (Deloitte, 2010; Guthridge, Komm, & Lawson, 2008). Talent management offers a distinct approach to the management of human resources and a response to the changes occurring in a turbulent operating environment, a means of improving firm performance (Joyce and Slocum, 2012), reducing employee turnover (Ballinger, Craig, Cross and Gray, 2011) and achieving sustainable competitive advantage (Iles, Priest and Chuai, 2010; Chatman, O’Reilly and Chang, 2005).

Four main perspectives on talent management are identified in reviews conducted by Lewis and Heckman (2006), Collings and Mellahi (2009) and Iles, Chuai and Preece (2008). The first strand of research labels talent management as a substitute of human resource management, albeit undertaken faster. Talent management is defined as particular HR practices such as recruitment, leadership
development, succession planning (Chuai, Preece and Iles, 2008; Lewis and Heckman, 2006; Collings and Mellahi, 2009). The second strand of the literature emphasized the development of the organizational talent pools which filled by high potential employees within the organizations (Tarique and Schuler, 2009).

The third strand focuses on the management of talented people. This literature argues that all ‘A performers’ in the organizations are chosen to fill in organizational talent pools while remove ‘C performers’ from the positions in the organizations (Collings and Mellahi, 2009; Chuai, Preece and Iles, 2008). Finally, the fourth perspective on talent management emphasized on identifying the key positions in organizations that contribute to organizations’ competitive advantages rather than identifying potential employees (Collings and Mellahi, 2009; Iles, Preece, & Chuai, 2010; Thunnissen, Boselie and Frutyer, 2013).

Although the importance of talent management is recognized by both academics and practitioners (Oltra and Lopez, 2013; Minbaeva and Collings, 2013; Joyce and Slocum, 2012; Guerci and Solari, 2012), the current concepts and definitions of what is ‘talent’ and ‘what is talent management’ remain unclear (Collings et al., 2011). Consequently, further research is required (Vaiman and Collings, 2013; Jones et al, 2012). The literature calls for more research to be undertaken on the applicability of these talent management perspectives to the contemporary practices of multinational corporations (MNCs) (Thunnissen, Boselie and Frutyer, 2013; Vaiman and Collings, 2013).

Talent shortages have now become major concerns for multi-national corporations (Makela, Bjorkman and Ehrnrooth, 2009). McDonnell et al., (2009) suggest that most MNCs have now realized the importance of managing talented employees in the organization. Talent management, is crucial in the organization’s ability to attract, select, develop and retain key employees has become one of the
most important issues for corporations (Makela, Bjorkman and Ehrnrooth, 2009).

McDonnell et al. (2009) also indicated that most MNCs in the US and European countries have already built specific talent management systems to do these activities. Chuai, Preece and Iles (2008) argue that talent management is a new ideology that may make differences to organizations’ sustained competitive advantages. In Australia, MNCs are frequently the leaders of human resource innovations and the drivers of best human resource practices (Hewitt, 2008). McGraw and Peretz (2011) identified that most of MNCs in Australia build formal talent management strategies, however, in a large proportion of MNCs in Australia, talent management strategies are only a part of the corporations’ human resource management strategies.

While the potential importance of Talent Management is broadly recognized, there is little empirical research that demonstrates the effectiveness of talent management practices (McDonnell et al, 2010; Makela, Bjorkman and Ehrnrooth, 2009). By constant there is research that indicates that many corporations fail to identify talented employees in the organization or why are they regarded as talented employees, and did not know how to manage talented people Jones et al (2012), or lack consistency in their approaches to Talent Management (Chen and Fisher, 2013).

There has been limited research into talent identification and management in emerging nations MNCs. Most emerging nations MNCs fail to identify who are talented employees for organizations (Zhang and Bright, 2010). Even though different organizations have different views on identifying talented employees, a clear definition of managerial talented employees is the foundation of understanding of talent management practices (Ingham, 2006). Zhang and Bright (2012) claimed that there are two talent identification perspectives, which are the inclusive perspective and exclusive perspective. The inclusive perspective treats all employees in organizations as talented employees because everyone in
an organization has their own capability to contribute to organization development (Chuai et al, 2008).

The exclusive perspective believes that talented employees should be different to other employees in organizations because of their higher performance, potential and competence (Zhang and Bright, 2010).

There has, however been very little focus on the talent management practices of emerging market multinational corporations operating in developed countries. Previous research mainly focuses on the talent management practices and policies of MNCs from developed countries operating both in developed world (McDonnell et al., 2009; Hewitt, 2008; McGraw and Peretz, 2011) and developing countries (Makela, Bjorkman and Ehrnrooth, 2009; Chuai et al, 2008). This gap in the literature illustrates need for more research into MNCs from emerging countries operating in developed countries.

COUNTRY OF ORIGIN AND TALENT MANAGEMENT

Since the mid-1960s, the country of origin effects have been identified as having an impact on firm practice. Many studies have emphasized on the home country effect on product’s quality and acceptance in the international market, which found that country of origin of a product does affect product evaluation (Baker and Currie, 1993; Baker and Michie, 1995; Yaprak and Baughn, 1991).

Several other studies conducted by marketing scholars, referred to in Balabanis and Diamantopoulos (2008), Roth and Romeo (1992), have recognized that the country of origin also has significant influences on consumers’ quality perceptions. Thus, firms need to adapt to the host country. Since
1980s, the international expansion of MNCs from developing countries has drawn the attentions from scholars start to focus on the home country effect on the practices, policies and strategies applied in the internationalization process by MNCs from emerging countries. Luo and Wang (2012) stress that MNCs from emerging nations are more likely to shape their international strategy by home country control, operations and conditions. A range of research has been conducted in HRM area to examine the nature of country of origin (Ferner, 1997) effect on HRM in MNCs (Noorderhaven and Harzing, 2003; Elger and Smith, 2005). Recently, Almond (2012) proposed a that MNCs from emerging countries should combine both their own social relationships from home countries and learning from prior strategies in host countries to achieve better outcome in the international market, and that this consideration should apply to all functions within the firm.

From recent years, scholars in international human resource management have noted, the transferring HR policies and practices from home country to other different countries is the major issue for MNCs (Huo and Von Glinow, 1995; Rosenzweig and Nohria, 1994). For example, multinational corporations (MNCs) are faced with issues such as how to adapt HRM practices to the local environment in which the subsidiary is operating. As the result, scholars have suggested that the country of origin of the MNCs is a major factor in influencing on the internationalization and local adaptation (Caligiuri and Stroh, 1995; Schuler et al., 1993; Taylor and Beechler, 1993; Thite, Wilkinson and Shah, 2012). Researchers, such as Ferner (1997) and Gamble (2003) examined the issues relating to how MNCs manage their foreign subsidiaries and concluded that the main influence on the MNCs effort to have a degree of control over their subsidiaries was the factor of country of origin (Harzing & Sorge, 2003;
Hu, 1992). Harzing and Sorge (2003) also stated that although MNCs are highly internationalized, their policies and practices at the international level tend to be guided by their country of origin.

Although some scholars (Zhang and Bright, 2012; Chuai, Preece and Iles 2008) have conducted research that suggest a relationship between country of origin and talent identification and talent management in China, there is little research addressing these issue for other emerging country multinationals operation in other national contexts. As such, there is a need to investigate how country of origin affects the talent management practices and policies in MNCs from emerging countries operating in economically developed countries.

**CONCLUDING REMARKS**

In this paper, we have presented a review of key aspects of the country of origin, talent management literature, and argued that it is important to investigate these issues as they apply in emerging market multinationals operating in economically developed countries. The first area that warrants further research is whether talent management practices and policies of MNCs are influenced by country of origin factors. Specifically, further investigation is needed to identify how emerging nation MNCs from differ countries define talent, and to explore the antecedents and outcomes of differences identified. Secondly, there is a need to investigate the nature of talent management policies and procedures of these companies in their subsidiaries and joint ventures in developed countries. Thirdly, as most emerging countries has a long history and influenced by their specific cultural and social factors in modern business, it is necessary to consider the cultural and social factors in investigating different talent management practices and policies under different national context.
Finally, we suggest that talent management becomes a critical driver for profit organizations in the modern and highly competitive business environment (Kehinda, 2012). Emerging perspectives on talent management, which identify that talent as superior individual productivity and argue that talent is particularly important for filling key positions in the organization. There is limited advice in extant research in terms of identifying how talented individuals and talent management practices affect firm performance (Collings & Mellahi, 2009). Therefore, there is the need to explore how the how different perspectives on Talent Management influence subsidiary performance in host countries.

Reference


companies are radically redefining the competitive landscape. *Strategy & Leadership* 36 (6), 36–41.


ABSTRACT

Globalization and its impact on talent management are widely recognized as important issues in international management research. There are currently competing perspectives of the nature, policy and practice of talent management, and calls for more research to clarify these issues. Over the last decade, there has also been an increased focus on the international expansion of multinational corporations (MNCs) from emerging nations. However, the talent management literature has almost exclusively dealt with the expansion of MNCs from economically developed countries. This paper reviews the literature within these domains and suggests opportunities for further research into the talent management policies and practices in emerging country MNCs operating in Australia.

Keywords: Talent Management, HR Policies, Multinational Corporations (MNCs), Emerging Country.

INTRODUCTION

Over the last decade, emerging market multinational corporations have arguably become the most important players in the world economy. This has led to increased interest in their operations by both academics and policy makers. MNCs from the largest or the most affluent emerging economies (e.g. China, Russia, Brazil and India) have led the rapid development (Gammeltoft, 2008; Luo, Xue, & Han, 2010). The phenomenon is also evident in firms from countries such as Mexico, Chile, Malaysia, Indonesia, Egypt, Turkey and many other emerging countries that are also in the process of internationalization (Shah, 2013; Tan, & Myer, 2011). It is increasingly recognized, both by practitioners (Sirkin et al., 2008; Van Agtmael, 2007) and academics (Ramamurti, & Singh, 2008; Gammeltoft, 2008; Luo, & Tung, 2007) that a surge in the activity of emerging country MNCs is reshaping the structure of international business.

There are special issues that set emerging countries and their firms apart from their developed-world
counterparts. Among those special issues, Peng et al., (2008), and Kalotay and Sulstarova (2010) investigate how central and local government actions affect the policy and performance of MNCs from emerging economies. Khanna and Yafeh, (2007), and Tan and Meyer (2010) examine the economic institutional environment of emerging country MNCs. Cho and Lee (2003) and Saxenian and Hsu (2001) discuss the social and cultural effects on the policies and performance of these MNCs. Dunning et al. (1998) and Ozawa (1992) explain the specific business system in emerging country MNCs. In addition, researchers have identified some critical areas for future research on the policy and practices of emerging country MNCs, such as the ownership advantages to multi-nationalization (Mathews, 2006), home country government interaction (Luo et al., 2010) and different industrial sectors in emerging nations (Wright et al., 2005).

While it is recognized that the internationalization of emerging country MNCs is more rapid and quite different from that of the conventional Western MNCs (Matthews & Zander, 2007), overall there is little research on the internationalization of emerging country MNCs either into other emerging countries or into developed countries (Wright & Filatotchev, 2005). Much of the research that does exist on the multinationals of emerging countries addresses strategy using institutional theory, resource resource-based theory, transaction cost theory and/or agency theory as conceptual perspectives (Hoskisson, Eden, Lau, & Wright, 2000) or examines the application of specific market firm level market entry methods (Contractor, Kumar, & Kundu, 2007). More recently there has been some increased focus on business functions including marketing (Melawi et al., 2014), human resource management (Thite, Wilkinson, & Shah, 2012; Zhang, Edward, & Ma, 2014), knowledge and technology management and logistics (Buckley & Hashai, 2014; Dubiel & Ernst, 2013) and FDI (Luo & Wang, 2012; Singal & Jain, 2012). Frequently, this literature includes discussion of country of
origin as an influence on policy and practice (Thite, Wilkinson, & Shah, 2012; Gerybadze & Merk, 2014). However, the literature on these aspects of the MNCs from emerging countries is nowhere near as extensive as the literature covering country MNCs.

The international expansion of these firms from emerging nations into developed countries has led to calls by practitioners and researchers for an increased research focus on the operations in developed countries of these emerging nation firms (Andersson & Wang, 2011; Gammeltoft et al., 2010; Thite Wilkinson, & Shah, 2012).

There has been a growing focus on talent management in the global context (Scullion & Collings, 2011; Tarique & Schuller, 2010) with calls for this to be more extensively researched (Dries, 2013; Iles, Preece, & Chuai, 2010). A scan of available literature indicates that this area is also largely un-researched in relation to the policy and practice of emerging country MNCs (Li & Scullion, 2010; Vaiman, Holden & Scullion, 2011). In this paper, we discuss the literature on talent management and country of origin, and propose a research agenda to address these issues in multinational corporations from emerging economies operating in developed countries.

TALENT MANAGEMENT

There is an extensive body of literature on how multinationals manage people in different national contexts (Ferner, 2009). It is also widely agreed that HRM policies and practices, therefore, play crucial roles in building absorptive capacity, which helps firms develop ability to recognize the value of new information, assimilate it, and apply it to commercial ends (Cohen & Levinthal, 1990). HRM
policies and practices facilitate reverse knowledge transfer to the subsidiaries of emerging country MNCs and play a crucial role in the success of the firm in diverse cultural and institutional contexts.

The topic of investigating HRM practices in MNCs from emerging countries is important as evidence suggests that a firm’s HRM practices are related to its performance (Arthur, 1994; Huselid, 1995; Koch & McGrath, 1996). Scholars have argued that the management of human resources can provide firms with a sustained competitive advantage to the extent that is not easily imitable and replaceable by technological advances (Huselid, 1995; Pfeffer, 1994; Wright & McMahan, 1992). Some evidence supports the proposed relationships between human resource policies and practices and firm performance (Arthur, 1994; Huselid, 1995; Koch & McGrath, 1996; Russell et al., 1985; Terpstra & Rozell, 1993).

The report, “War for Talent” (Axelrod, Handfield-Jones, & Michaels, 2002) presented by a group of McKinsey consultants acted as a catalyst for research and action by academics, practitioners and business leaders with an emphasis on the search for talented people as the critical managerial activity (Deloitte, 2010; Guthridge, Komm, & Lawson, 2008). Talent management offers a distinct approach to the management of human resources and a response to the changes occurring in a turbulent operating environment, a means of improving firm performance (Joyce & Slocum, 2012), reducing employee turnover (Ballinger, Craig, Cross, & Gray, 2011) and achieving sustainable competitive advantage (Chatman, O’Reilly, & Chang, 2005; Iles, Priest, & Chuai, 2010).

Four main research perspectives on talent management are identified in reviews conducted by Lewis and Heckman (2006), Collings and Mellahi (2009) and Iles, Chuai and Preece (2008). The first research perspective labels talent management as a substitute for the term of human resource management (HRM), albeit undertaken more quickly and effectively, often with the use of internet
based technology or through outsourcing. Talent management under this perspective includes HR practices such as recruitment, leadership development and succession planning (Chuai, Preece, & Iles, 2008; Collings & Mellahi, 2009; Lewis & Heckman, 2006).

The second perspective emphasizes the development of the organizational talent pools that are filled by high potential employees within the organization (Tarique & Schuler, 2009). The individuals within this pool are provided with career opportunities aimed at developing broad competencies necessary for future roles, rather than specifically targeted skill sets tied to specific jobs (Lewis and Heckman, 2006; Collings and Mellahi, 2009).

The third perspective focuses on the management of talented people. This literature argues that all ‘A performers’ in the organization are chosen to fill the organizational talent pools while removing ‘C performers’ from their positions in the organization (Chuai, Preece, & Iles, 2008; Collings & Mellahi, 2009). Finally, the fourth perspective on talent management identifies the key positions in organization that contribute to organization’s competitive advantages rather than identifying potential employees (Collings & Mellahi, 2009; Iles, Preece, & Chuai, 2010; Thunnissen, Boselie, & Frutyer, 2013).

Although the importance of talent management is recognized by both academics and practitioners (Oltra & Lopez, 2013; Guerci & Solari, 2012; Joyce & Slocum, 2012; Minbaeva & Collings, 2013), the current concepts and definitions of ‘talent’ and ‘talent management’ remain unclear (Collings et al., 2011). Consequently, further research is required (Jones et al., 2012; Vaiman & Collings, 2013). The literature calls for more research to be undertaken on the applicability of these talent management perspectives to the contemporary practices of multinational corporations (MNCs) (Thunnissen, Boselie, & Frutyer, 2013; Vaiman & Collings, 2013).
Talent shortages have now become major concerns for multi-national corporations (Makela, Bjorkman, & Ehrnrooth, 2009). McDonnell et al., (2009) suggest that most MNCs have now realized the importance of managing talented employees in the organization. Talent management is crucial in the organization’s ability to attract, select, develop and retain key employees and has become one of the most important issues for corporations (Makela, Bjorkman, & Ehrnrooth, 2009).

McDonnell et al. (2009) also indicate that most MNCs in the US and European countries have already built specific talent management systems to do these activities. Chuai, Preece and Iles (2008) argue that talent management is a new ideology that may make differences to an organization’s sustained competitive advantages. In Australia, MNCs are frequently the leaders of human resource innovations and the drivers of best human resource practices (Hewitt, 2008). McGraw and Peretz (2011) note that most MNCs in Australia build formal talent management strategies; however, in a large proportion of MNCs in Australia, talent management strategies are only a part of their human resource management strategies.

The potential importance of talent management is broadly recognized (Collings & Mellahi, 2009; Vaiman & Collings, 2013). However, there is little empirical research that demonstrates the effectiveness of talent management practices (Makela, Bjorkman, & Ehrnrooth, 2009; McDonnell et al., 2010). Further, there is emerging research that suggests corporations fail to identify who their talented employees are (Farndale et al., 2014; Nijs et al., 2014), why they are regarded as talented employees (McDonnell et al., 2010; Zhang & Bright, 2012), and how to manage talented people (Jones et al., 2012; Makela, Bjorkman, & Ehrnrooth, 2009). There is also evidence of a lack of consistency in the approaches to talent management taken by MNCs (Chen & Fisher, 2013).

There has been limited research into talent identification and management in emerging nation MNCs.
Most emerging nation MNCs fail to identify their talented employees (Menzies & McDonnell, 2012; Zhang & Bright, 2010). A clear managerial definition of talented employees is the foundation of understanding talent management theories (Ingham, 2006). Zhang and Bright (2012) claimed that there are two talent identification perspectives, the ‘inclusive’ perspective and the ‘exclusive’ perspective. The inclusive perspective regards all employees in an organization as talented because everyone in the organization has their own capability to contribute to organization development (Chuai et al., 2008). The exclusive perspective believes that talented employees should be different to other employees in the organization because of their higher performance, potential, and competence (Zhang & Bright, 2010).

There has, however, been very little focus on the talent management practices of emerging country MNCs operating in developed countries. Previous research mainly focuses on the talent management practices and policies of MNCs from developed countries operating both in the developed world (Hewitt, 2008; McDonnell et al., 2009; McGraw & Peretz, 2011) and developing countries (Chuai et al., 2008; Makela, Bjorkman, & Ehrnrooth, 2009). This gap in the literature illustrates the need for more research into Emerging country MNCs operating in developed countries.

**COUNTRY OF ORIGIN AND TALENT MANAGEMENT**

Since the mid-1960s, the country of origin effect has been identified as having an impact on firm practice. Many studies emphasize the home country effect on the quality and acceptance of products in the international market and find that the country of origin of a product does affect product
evaluation (Baker & Currie, 1993; Baker & Michie, 1995; Yaprak & Baughn, 1991). Several other studies conducted by marketing scholars (Balabanis & Diamantopoulos, 2008; Roth & Romeo, 1992) have recognized that the country of origin also has significant influences on the consumers’ perceptions of quality. Thus, firms need to adapt to the host country. The international expansion of MNCs from developing countries since the 1980s has attracted the attention of scholars who are beginning to focus on the home country effect on the practices, policies and strategies applied in the internationalization process by Emerging country MNCs. Luo and Wang (2012) stress that MNCs from emerging nations are more likely to shape their international strategy by home country control, operations and conditions. A range of research has been conducted in the HRM area to examine the nature of country of origin effect on HRM in MNCs (Noorderhaven and Harzing, 2003; Elger & Smith, 2005). Recently, Almond (2012) proposed that Emerging country MNCs should combine their home country strategies regarding social relationships with what they have learnt from prior strategies in their host countries to achieve better outcomes in the international market, and that this management style should apply to all functions within the firm.

In recent years, scholars in international HRM have noted, that transferring HR policies and practices from the home country to other countries is the major issue for MNCs (Huo & Von Glinow, 1995; Rosenzweig & Nohria, 1994). MNCs are faced with issues such as how to adapt HRM practices to the local environment in which the subsidiary is operating, leading scholars to suggest that the country of origin of the MNCs is a major factor in influencing their internationalization and local adaptation (Caligiuri & Stroh, 1995; Schuler et al., 1993; Taylor & Beechler, 1993; Thite, Wilkinson, & Shah, 2012). Researchers such as Ferner (1997) and Gamble (2003) examine the issues relating to how...
MNCs manage their foreign subsidiaries and conclude that the main influence on the MNCs’ efforts to maintain a degree of control over their subsidiaries is the factor of country of origin (Harzing & Sorge, 2003; Hu, 1992). Harzing and Sorge (2003) also state that although MNCs are highly internationalized, their policies and practices at the international level tend to be guided by their country of origin.

Although some scholars (Chuai, Preece, & Iles 2008; Zhang & Bright, 2012) suggest a relationship between country of origin, talent identification and talent management in China, there is little research addressing these issues for other emerging country multinationals operating in other national contexts. Therefore, the need remains for investigations of how the country of origin of emerging country multinationals operating in economically developed countries affects talent management practices and policies in those firms.

**CONCLUDING REMARKS**

In this paper, we have presented a review of key aspects of the literature on talent management in general and, in particular, we have focused on the country of origin effects on talent management in emerging country MNCs. We have argued that it is important to investigate these issues as they apply in emerging country MNCs operating in economically developed countries. The first area that warrants further research is whether talent management practices and policies of MNCs are influenced by country of origin factors. Specifically, further investigation is needed to identify how MNCs from different emerging countries define talent, and to explore the antecedents and outcomes of these differences. Secondly, there is a need to investigate the nature of talent management policies and
procedures of these companies in their subsidiaries and joint ventures in developed countries.

Thirdly, as most emerging countries have a long history and are influenced by their specific cultural and social factors in modern business, it is necessary to consider such cultural and social factors when investigating different talent management practices and policies in different national contexts (Fu & Kamenou, 2011; Zhang & Bright, 2012). Emerging perspectives on talent management define talent as superior individual productivity and argue that talent is particularly important for filling key positions in the organization (Makela, Bjorkman, & Ehrnrooth, 2009; McDonnell et al., 2010). However, there is little empirical research regarding the effect of talent management practices and the identification of talented individuals on firm performance (Collings & Mellahi, 2009). Consistent with Kehinda (2012), we suggest that further research needs to be undertaken into the extent that talent management is a critical driver of profitability in organizations operating in the modern and highly competitive business environments.

There are also practical implications that flow from the addressing the gaps in talent management theory in emerging market MNCs operating in developed countries. Firstly, identification of role played by country of origin will assist subsidiary managers in understanding people management expectation of head office MNC management. Secondly, it has the potential to assist in the formulation of talent management policy and practice with subsidiaries. Finally, this research could aid in facilitating effective communication between head office and subsidiary management regarding context and nature of talent management policy and practice.

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