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Seven myths of global talent management

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The challenges associated with managing talent on a global scale are greater than those faced by organisations operating on a domestic scale. We believe that the former relate to the fact that a number of key myths regarding talent management may undermine talent management's contribution to multinational corporation effectiveness and retard the development of management practice in this regard. Our aim is to unpack some of those myths and offer some suggestions for advancing the practice of talent management on the basis of insights from both practice and academic thinking in this area.

Keywords: global talent management; international HRM

Introduction

After a group of McKinsey consultants proclaimed a 'War for Talent' in the late 1990s, 'talent management' became one of the most common terms in the managerial lexicon. A simple Google search for the term returns over 24 million results.[1] Initially, the war for talent was driven by intense competition among leading US organisations to attract key talent, as demand for talent far exceeds its availability. This trend was exacerbated by demographic trends in the US labour market, the most notable of which was a decline in the number of workers aged 35–44, which was expected to continue through 2015 (Chambers, Foulon, Handfield-Jones, Hankin and Michaels 1998). In fact, this trend remains evident in much of the developed world. While the demographics in key emerging economies, such as China and India, may be more favourable, organisations in such countries face similar challenges related to the availability of talent with the skill sets that organisations require (Ali 2011; Cooke 2011; Doh, Tymon and Stumpf 2011; McDonnell, Collings and Burgess 2012). Therefore, the focus is again on labour quality.

In the European context, a study conducted by the Boston Consulting Group identified talent management as one of the five key challenges facing human resources (HR) during the last decade (Boston Consulting Group 2007). Notably, talent management was the one challenge that the surveyed executives felt least prepared to handle. The demographic challenges associated with the ageing workforce were another of the top five concerns (Collings, Scullion and Vaiman 2011b). These challenges have brought people issues to the fore and put talent management at the top of organisational leaders' agendas. Organisations have invested significant efforts and resources into recruiting, developing and retaining top talent with the potential to contribute significantly to performance (see Tarique and Schuler 2010). However, the talent management process is difficult. As noted above, many organisations struggle to effectively manage talent.

In this paper, we are particularly interested in talent management challenges in the context of the multinational corporation (MNC), an activity that is broadly captured under

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the rubric of 'global talent management' (GTM). GTM involves: (1) the *systematic identification of key positions* that differentially contribute to an organisation's sustainable competitive advantage on a global scale, (2) the *development of a talent pool* of high-potential, high-performing incumbents to fill those roles that reflect the global scope of the MNC and (3) the development of a *differentiated human resource architecture* to facilitate the filling of positions with the best available incumbents and to ensure their continued commitment to the organisation (Mellahi and Collings 2010).

Clearly, the challenges associated with managing talent on a global scale are greater than those faced by organisations operating on a domestic scale. For example, how can MNCs identify, develop and utilise their top performers regardless of where those staff members are located? What are the barriers to and enablers of top talent relocation? How can MNCs sufficiently involve subsidiary managers in GTM decisions and actions? Are decisions related to talent made by the corporate headquarters perceived as fair? What is the role of corporate HR function in GTM?

We believe that the challenges associated with GTM are related to the fact that GTM is poorly defined. Furthermore, the academic research upon which practitioners can draw is extremely limited (for exceptions, see Scullion, Collings and Caligiuri 2010; Tarique and Schuler 2010; Stahl et al. 2012). In addition, we contend that a number of key myths regarding talent management have the potential to undermine talent management's contribution to MNC effectiveness and to retard the development of management practice. Therefore, our aim is to unpack some of those myths and present some ideas for advancing the practice of talent management. We rely on insights found in both practice and academic thinking. We have also included comments from our discussions with senior HR professionals, such as Maria Pejter, Head of Global Talent Management at A.P. Møller-Mærsk, on the topic of GTM in MNCs.

In the ensuing sections, we outline each myth, explain why we believe the myth exists and offer some suggestions for minimising the impact of the myth in question. We conclude the paper by highlighting some avenues for future research on GTM that may encourage researchers to move away from the myths to focus on the actual issues at hand.

The myths

Myth 1: Talent management is not an HR responsibility

Much of the academic work on talent management has argued in favour of 'putting talent management issues on top management's agenda' (Schuler, Jackson and Tarique 2010). As Murray Dalziel, Group Managing Director of Hay Group, explains: 'These issues aren't HR issues anymore. They are line management issues. There's been a profound shift'. A survey of CEOs in the European context finds that most CEOs feel that talent management is 'too important to be left to HR alone' (Economist Intelligence Unit 2006). Furthermore, the majority of those CEOs surveyed report that they spend more than 20% of their time on these issues. Former Senior Vice President of General Electric (GE), Bill Conaty, argues that the first principle of mastering talent management is ensuring the support of an enlightened leadership team, starting with the CEO, as 'the enlightened CEO recognizes that his top priority for the future is building and deploying the talent that will get it there' (Conaty and Charan 2010, p. 18).

Although we do not doubt the critical roles played by the CEO and other senior leaders in setting the tone for talent management within the organisation, we argue that corporate HR should retain a central role in the operationalisation of GTM. Talent management initiatives should be aligned and integrated with other HRM systems, policies and practices implemented in different units of MNCs. Together with the HR systems, we suggest that GTM practices can contribute to strategy implementation across MNCs. Maria Pejter, from A.P. Møller-Maersk, comments: 'Yes, GTM is the critical business process, but it is governed by HR and it resides with HR. Can HR run it alone? No. As any other critical business process, it should be anchored in strategy and owned by senior management, much like the budgeting processes are owned by senior management, but governed by the accounting function'.

The challenge for HR is convincing organisational leadership of its capability to manage global talent. As noted above, several consultancy reports indicate that HR departments often have little capability to manage talent (Boston Consulting Group 2008, 2009). In essence, top leaders question the ability of HR to accommodate the strategic importance of talent management, while the HR departments themselves believe that they lack the competencies needed to effectively address the GTM challenge (Schuler, Jackson and Tarique 2011).

How can HR departments convince top management that they are capable of managing talent on a global scale? First and foremost, GTM must be linked to the global business strategy or the global strategic intent of the firm. GTM should then be understood as a strategic business process – one of several interrelated business processes that link global strategy and edge global performance (Becker and Huselid 2006). A 'business process' refers to the way in which the competitive potential of a firm's resources and capabilities are realised (Ray, Barney and Muhanna 2004). Such a process has significant, firm-specific dimensions and results in 'strategic implementation effectiveness'. Given its firm specificity, which implies both effectiveness and difficulty of imitation, a business process may result in a sustained competitive advantage.

As a strategic business process, GTM should be manifested in the HR architecture (core and differentiated) that, when implemented, aims to change employees' behaviour and, in turn, affect the effectiveness of a GTM programme's implementation (see Figure 1). Although a core HR architecture consists of best practices that have 'equal value in all strategic business processes', a differentiated HR architecture is 'structured to provide the unique human requirements of a specific business process' – GTM in this case (Becker and Huselid 2006, p. 906). In other words, GTM must be linked to the core and differentiated architectures of HRM systems that aim to support and develop the knowledge, skills and competencies needed for those employees included in GTM programmes (in the case of differentiated architectures) or the whole organisation (in the case of core architectures). In such a system, the selected group of employees are included in the GTM pool and managed

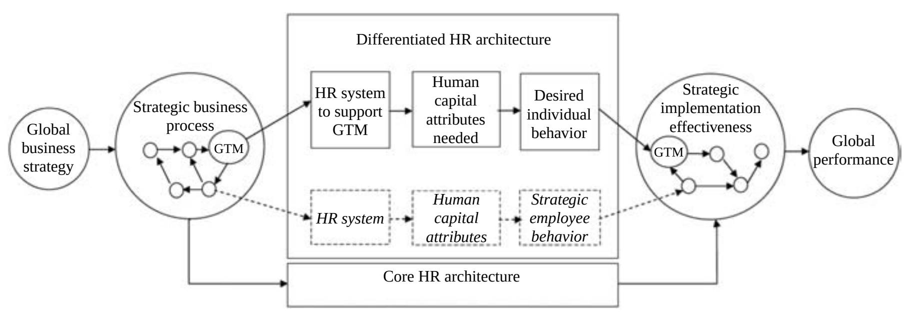

Figure 1. Differentiating the HR architecture contingent on strategic business processes. Source: Adapted from Becker and Huselid (2006).

on a differentiated basis, while other employees remain outside the talent system. However, there must be enough fluidity within the system to enable emerging talent to gain entry to the differentiated architecture and those who perform poorly to be removed from the differentiated architecture.

> Conquering myth 1: In MNCs, GTM is the joint responsibility of top management and corporate HR, as it is owned by management but governed by HR through the differentiated HR architecture.

Myth 2. It is all about people

Central to much of the early thinking about talent management was the idea that talented people were critical to organisational performance and success (Michaels, Handfield-Jones and Axelrod 2001; Pfeffer 2001). However, organisations that place too much emphasis on attracting the 'best' may fail to think strategically about how that talent can best be deployed in the origination (Pfeffer 2001; Gladwell 2002).

In this regard, a growing body of literature on strategic talent management calls for the consideration of strategic *positions* as a key point of departure for talent management systems. This approach follows more general calls for greater differentiation among roles within organisations and a greater focus on strategic jobs (Becker and Huselid 2006), particularly those organisational roles that can create an above average impact (Boudreau and Ramstad 2007). This is especially relevant for GTM in MNCs, where the differences between strategic and non-strategic jobs are highly reflective of their respective impacts (above average versus marginal) on the MNC's overall global performance. For example, a corporate function, such as marketing, may be important but not in terms of its impact on the MNC's overall performance. In contrast, variations in the performance of sales managers in a subsidiary located in an MNC's fastest-growing market may significantly affect the global performance of the entire MNC, as there is potential for greater differentials in performance between an average-performing and a high-performing incumbent in this role.

We argue that the focus of GTM should switch from evaluating the importance of jobs based on the inputs required to handle those jobs (such as qualification or experience) to evaluating the importance of jobs based on the potential outputs from the job combined with the potential for differential performance within the job's role. In line with Huselid, Beatty and Becker (2005), we argue that the focus of the differentiated architecture should be on the human-capital attributes required for resourcing A-level positions, which are strategic positions (see Figure 1). These positions: (1) relate to company strategy and have a direct impact on the effectiveness of strategic implementation, (2) exhibit high variability in the quality of the work carried out by the people who occupy them and (3) require unique, firm-specific know-how, tacit knowledge and industry experience that cannot be easily found in the external labour market (Huselid et al. 2005; Evans, Pucik and Bjorkman 2011).

As Huselid et al. (2005) note, even for jobs that are strategically important, regulation and standardised training or professional qualification mean that performance in a role may be relatively standardised. For such jobs, the potential for differentiation is limited. Some roles allow little room for individuals to excel beyond a predefined performance level. Take, for example, an airline pilot. Although an airline cannot function without a team of pilots who possess the skills and capabilities necessary to fly their fleet of aircraft, as long as these pilots meet a minimum prescribed set of performance criteria, their potential to deliver added value to the airline is limited. Their performance is highly prescribed by training, procedures and restrictions from air traffic controllers and other authorities. Pilots generally do not have the autonomy to alter routes, arrive earlier than their prescribed slot or otherwise attempt to improve service for customers or save costs for the airline. In contrast, members of the cabin crew can widely vary in their interactions with passengers, and the level of service they provide is not as tightly prescribed. By going the extra mile for passengers, they can significantly improve customer satisfaction and enhance the levels of return business the airline receives (see, for example, Boudreau and Jesuthasan 2011, pp. 34–39). Thus, the relative impact of the group of pilot employees will be minimal, while the potential value added by high-performing members of the cabin crew can be far more significant. An equally significant role in airlines might be held by those people who negotiate landing rights in different countries (Evans, Pucik and Bjorkman 2010). In addition to outstanding firm- and industry-specific know-how, their position requires local tacit knowledge and extensive experience in the local market. Variability in their performance has a much greater impact on the company's overall success.

> Conquering myth 2: When MNCs design GTM systems, strategic positions should be taken as a key point of departure. Such positions should (1) relate to global strategy and have a direct impact on strategic implementation effectiveness, (2) exhibit high-performance variability in terms of the quality of the work carried out by the people who occupy them and (3) require unique firm- and industry-specific know-how, local tacit knowledge and experience in the given market.

Myth 3. All positions should be filled by 'A players'

Closely linked to the preceding myth is the opinion pervasive in the literature that all positions should be filled with star employees or 'A players', and that 'C players' (consistently poor performers) should be managed out of the organisation (Michaels et al. 2001). In this regard, talent is viewed rather generically as an unqualified positive resource for the organisation regardless of how it is deployed (Lewis and Heckman 2006). This approach calls for talent to be managed on the basis of performance, with a resultant emphasis on forced performance distribution. Forced performance distributions, or 'rank and yank' systems, became pervasive after they were pioneered by Jack Welch at GE. In such systems, only a set percentage of employees (perhaps 20%) can be identified as top talent, while the largest cohort (perhaps 70%) of employees makes up the core group of average performers. A residual group (perhaps 10%) of low performers is targeted for development or termination. This approach results in the pursuit of 'topgrading', or the filling of all positions with star performers (Smart 2005).

Although we agree that talent matters and that key talents might contribute disproportionately more to organisational performance, we suggest that the all positions do not require 'A players'. As Huselid et al. (2005) astutely note, companies simply cannot afford to have 'A players' in all positions. Indeed, there is a growing awareness that many organisations overinvest in non-strategic employees and fail to invest enough in strategic ones (Huselid et al. 2005; Boudreau and Ramstad 2007; Collings and Mellahi 2009). We argue that resources are wasted when a star performer is in a position with little potential for differentiation between an average and a top performer. In line with Huselid et al. (2005), we argue for differentiation not just by performance (A, B and C players) but also by position (strategic and non-strategic). Accordingly, we suggest that 'A players' should predominantly occupy strategic positions, while their presence in non-strategic could be smaller.

In this regard, the clear challenge for MNCs is to ensure internal equity in the global performance management and rewards for 'A players' in strategic positions regardless their location. Although global companies such as Schlumberger, Novartis and Microsoft are insistent on strict global consistency in performance evaluation and rewards, especially for top performers, they also acknowledge the need to vary appraisal and feedback processes according to local cultures (Evans et al. 2010). Such variation may be negatively perceived by ‘A players’ and create retention problems for the MNC.

An even greater cultural challenge arises when dealing with ‘C players’ – those whom the ‘topgrading’ perspective suggests should be replaced. Along this line, Evans et al. (2010) report a remarkable story. In a speech to Japanese industrialists, Jack Welch’s remarks on leadership were frequently interrupted by applause, but his advice on how to deal with ‘C players’ was met with stony silence.

> Conquering myth 3: MNCs’ GTM systems should focus on placing and retaining “A players” in strategic positions regardless of where they are located.

Myth 4. Talent is portable

When organisations speak of GTM, their discussions are generally premised on the assumption that their internal talent systems and markets operate on a global, coordinated basis. However, this myth questions the ‘G’ in GTM. Our argument is premised on two key misunderstandings in the MNC. First, when there is a shortage of local talent, headquarters tend to assume that they can simply transfer talent from other parts of MNCs to fill the talent gap. This implies a second assumption – that there are few barriers to individual mobility. Therefore, organisations often operate under the assumptions that talent is portable and that re-locating top talent within MNCs will result in immediate improvements in performance. However, individuals are often reluctant to relocate internationally, as such relocations disrupt family and personal lives, and many individuals harbour some scepticism regarding the potential career benefits of a sojourn abroad (see, for example, Collings, Scullion and Morley 2007; Collings, Doherty, Osborn and Luethy 2011a; Hippler 2009). The literature also indicates that it is unwise to “force” individuals to relocate globally. For example, Feldman and Thomas (1992) find a positive relationship between an individual’s perception of whether they are free to choose to accept an overseas assignment and their success on that assignment. Similarly, Kramer and Wayne (2004) find a negative relationship between a lack of free choice and an expatriate’s adjustment to the new environment and their commitment to the foreign subsidiary.

Indeed, even when individuals who are viewed as top talent choose to relocate internationally, there is no guarantee that their high performance will be maintained in the foreign context. Specifically, ample evidence indicates that technical competence is often emphasised in selection for an international role (Harris and Brewster 1999). However, technical competence in the home country is no guarantee of success in an international role, where ‘softer’ skills and adaptability emerge as central to performance (Harris and Brewster 1999). This demonstrates the importance of effective selection systems and effective cross-cultural preparation for assignees and their families in advance of their taking on international roles (see Collings et al. 2011a).

While research on the global context is somewhat limited, a stream of literature points to the limited portability of performance. For example, in their analysis of the performance of Wall Street’s top market analysts over almost a decade, Groysberg, McLean and Nohria (2006) find that analyst performance declines when they changed employers nearly 50% of the time. Furthermore, their performance falls by an average of 20% and it often takes up to 5 years for their performance to return to the levels evident before the move. Based on this analysis, Groysberg et al. (2006) argue that only 30% of analyst performance is determined by the individual. The other 70% is determined by resources and qualities specific to the firm. Such resources include reputation, IT, leadership, training and team chemistry. However, when star analysts moved with other members of their original teams, the decline in performance was mitigated to a significant degree. Specifically, 'when analysts who switched firms moved with teammates there was no significant effect of performance' (Groysberg 2010). Workers who move with teams bring many of the relationships that enable their performance with them.

Similarly, another study examined the performance of GE executives who were hired as CEOs of other organisations from 1989 to 2001 (Groysberg et al. 2006). This study, which includes data on approximately 20 moves, found that hiring a former GE executive as a CEO had a positive impact on the share price in all instances. However, very different stories emerged thereafter. When the systems and culture of the new organisation were similar to those of GE, the returns were positive. In contrast, when the systems and culture of the new organisation differed from those of GE and the skill sets of the executives were mismatched, returns were significantly negative. As Groysberg et al. (2006, p. 4) surmise, 'when the strategic need matched the strategic experience of the hired GE executive, the company saw annualized abnormal returns of 14.1%, while mismatched pairings saw returns of −41.3%'. The positive impact of teams of colleagues simultaneously joining a new organisation was also evident in this study. When three of more GE alumni joined an organisation at the same time, the returns were more than 15% above average.

On a more general level, the importance of context is reinforced in a recent study of cardiac surgeons performing the same surgical procedures across multiple hospitals at roughly the same time (Huckman and Pisano 2006). This study identifies significant performance differentials among individual surgeons working across different hospitals. Surgeons perform better (measured in terms of risk-adjusted mortality) in hospitals where they perform a higher number of procedures. The fact that the same talented surgeon can perform differently in different hospitals at roughly the same time may be explained by the surgeon's familiarity with critical assets in the hospital, such as specific employees, team structures and operating routines, and by the fact that surgeons with higher volumes at a specific hospital may be able to bring their influence to bear in ensuring access to better resources. Again, the importance of the discreet social and physical context is apparent.

As a whole, this body of work confirms the importance of the GTM context. A star's performance is not solely a function of individual capabilities. That performance also relies on a range of factors and resources, some of which are clearly firm specific and therefore lost when these employees change employers. 'The talent myth assumes that people make organizations smart. More often than not, it is the other way around', writes Malcolm Gladwell in *The New Yorker*. Maria Pejter agrees:

> We truly believe that talent management is contextual: it matches with the business you are in and the culture of your company. Just because you are a talent in your company, does not mean that you automatically become talent elsewhere.

> Conquering myth 4: When re-locating top talent within MNCs, GTM systems should strive to offer access to social and physical contexts that are similar to those from which the talent comes.

Myth 5. Talent turnover is always bad for the organisation

Ever since the war for talent was declared, a major concern among executives has been the resolution of any issues that might push top talent to seek employment elsewhere. People deemed 'top talent' have therefore been constantly promoted, moved into new jobs and trained to be globally mobile. These firms assume that it is only a matter of time before their top-talent assets cash in on their global experience in the external labour market by joining another organisation. Nevertheless, the reality of the twenty-first century is that employee mobility has become – and is likely to remain – more pronounced owing to increased globalisation, demographic shifts, changing career norms and new trends in education. As Somaya and Williamson (2011) argue, the war for talent is over talent has won. A number of years ago, Bill Gates argued that if the top 20 talents in Microsoft left the company, the organisation would quickly become 'ordinary'. However, when the top 20 eventually left over a period of time, Microsoft sustained its performance to a large degree.

Therefore, the crucial issues for MNCs are determining when they should strive to retain talent that is otherwise intent on leaving and when to allow that talent to leave quietly. Experience and research suggest that managers responsible for GTM have often been advised 'to invest in A performers, raise the game of B performers, and ... deal decisively with C performers' (Axelrod, Handfield-Jones and Michales 2002). However, this advice may be too general. As Cappelli (2000) advises, employees who generate difficult-to-replace value for the organisation and who are likely to be poached should be the target of the most aggressive retention efforts. Maria Pejter of A.P. Møller-Mærsk comments:

> What if your top talent, a specialist who can drill in the frozen ground, in an oil and gas company, threatens to leave and there are limited amount of specialists of this kind in the world? Indeed, if such a position is pivotal for your success, you have no other choice but pay the price of such a specialist and do whatever it takes to retain them and go to war for this talent.

If the position in question is clearly not strategic, the MNC may wish to consider allowing talent to leave the organisation – even when an 'A player' is leaving. In such cases, instead of the old 'war' mentality, which frames all employee turnover as a win–lose scenario, companies should adopt a more holistic perspective by considering other implications of employee mobility. A key contribution to our understanding of the potential benefits of employee turnover from an organisation perspective is the relational approach advocated by Somaya and Williamson (2011). Central to this approach is the understanding that not all employees join competitors when they leave an organisation. Some join what Somaya and Williamson term 'cooperators' – potential clients or partners. When these employees leave, they take their human capital with them. However, if their departure is managed effectively, they may retain their social capital with former work colleagues. The key for organisations is to carefully monitor turnover in terms of performance levels, difficulty of replacement and destination employer (competitor versus cooperator). If employees leave to join a cooperator, there may be significant merit in maintaining relationships with those employees. For example, a number of major consulting firms make major investments in alumni networks with the express aim of maintaining links and building potential working relationships with the new firms.

> Conquering myth 5: In MNCs, the key is to develop a more nuanced understanding of employee turnover. Attrition levels should be monitored in terms of the quality and roles of departing employees, and their destination organisations should also be carefully monitored. As the effect of an employee's departure on turnover may not be negative, expensive retention efforts may be misguided. Instead, investments should focus on maintaining positive relationships with departing employees, as those relationships may benefit the MNE in the future.

Myth 6. There is a clear line of sight between GTM and organisational performance

The measurement of the return on investment associated with HR interventions has been the 'holy grail' of HR practitioners and consultants for a number of decades (see Fitz-Enz

2009). Like many HR processes, the challenge for GTM is that it can easily become a 'cost' if senior executives do not have a line of sight of the link between investment in the programme and the return on this investment. Some recent analyses by consultancy companies, such as Ernst and Young, suggest that organisations that align talent management with business strategy achieve an ROI that is 20% higher over 5 years than competitors who do not. However, establishing the cause and effect in this performance link is exceptionally difficult because the distance between the actual investment in an individual HR practice and organisational effectiveness is significant. This distance is likely to be even greater in the MNC context, where the nuances and volatility of the global business context come to the fore. An additional challenge is the fact that HR often fails to understand – let alone articulate – the value of the GTM function (Fitz-Enz 2010).

In recent years, contributors such as Boudreau, Cappelli and Fitz-Enz have suggested a number of techniques to enable HR managers to better articulate the contribution of investments in talent management to organisational performance. For example, Cappelli (2008, pp. 10–11) points to key similarities between talent management and supply chain management in managing talent management for better performance. He argues that these two types of management largely involve similar steps – forecasting product demand equates with forecasting talent needs; estimating the cheapest, fastest ways to make products is the equivalent of developing talent; deciding which aspects of the process to outsource equates with external hiring; and ensuring timely delivery relates to planning for succession. Fundamentally, these techniques hinge on enhancing the analysis, communication and decision making handled by HR professionals through the utilisation of proven business tools. As Davenport, Harris and Shapiro (2010, p. 54) argue 'if you want better performance from your top employees – who are perhaps your greatest assist and your largest expense – you'll do well to favor analytics over your gut instincts'. Furthermore, the deployment of these tools should enhance communication between HR leaders and other organisational stakeholders, as they reframe HR issues in language and frameworks with which other stakeholders are comfortable (Boudreau 2010, p. 11), and they create a clear line of sight between investment in talent systems and organisational performance.

In addition, Davenport et al. (2010) call for the use of data analytics to ensure top talent's productivity, engagement and retention. However, they also caution organisations against the mistakes commonly made when utilising talent analytics. These include the use of analytics as an excuse to treat employees like interchangeable widgets; overdependence on a small number of metrics to evaluate performance; the putting of employees' learning at risk in order to play the system; the use of inappropriate metrics or the maintenance of metrics that do not match ongoing business requirements; a failure to adopt metrics and analyses to changes in organisational priorities; the use of talent metrics solely for lower level employees; and a focus on aspects of performance that are easier to quantify.

Nevertheless, creating a line of sight between investments in talent management and corporate performance is undoubtedly a key challenge for the HR function. This challenge is even greater in MNCs. On the other hand, the MNC context stresses the importance of going beyond the numbers provided by HR analytics to include qualitative measures of return on talent (ROT). Insights from recent developments in the organisational justice perspective (see Shao, Rupp, Skarlicki and Jones 2013, for a meta-analytic review) indicate that the perceptions of those not included in talent management programmes of how fairly are they treated at work may serve as an indicator of how well talent management programmes are organised, communicated and implemented across the MNC. As Shao et al. (2013) confirm, such perceptions are affected by such factors as national cultural differences. Although doing so is fraught with difficulty, making positive strides on this front may well enable the HR and talent functions to position themselves more centrally in the MNC's network.

In MNCs, a well-designed ROT measure might include a measure of whether the key talents exhibit behaviours that reinforce the values that are central to the organisation's core values and mission. More than ever before, top managers articulate, nurture and utilise values to achieve desired organisational goals. In that regard, top managers rely on global talents that live the corporate values and bring those values to every corner of the MNC. Accordingly, an increasing number of MNCs assess talent 'not only according to what they achieve but also on how they reflect or exemplify shared values' (Stahl et al. 2012, p. 29).

> Conquering myth 6: In MNCs, an ROT measure should combine quantitative and qualitative measures, subjective employee perceptions, and objective indicators of talent performance.

Myth 7. Talent decisions are 'fair'

An assumption often pervades organisations that talent decisions are fair, as they are based on performance management systems that have been developed at great expense in order to ensure consistency. In reality, however, talent decisions are frequently based on incomplete information. Often, talent management fails because top managers do not always have accurate information or enough time to collect and analyse information. Furthermore, they have limited cognitive capabilities to make a judgement using all pertinent information. The situation is even more complicated in MNCs, as there are at least three types of distance – structural, geographical and social – that limit managers to 'good-enough' decisions rather than ideal ones. Structural distance is related to the fact that subsidiaries have a self-serving interest in retaining their best talent, even though that talent may be underutilised. Bjorkman, Barner-Rasmussen and Li (2004) argue that an agent–principle relationship arises because of the potential asymmetry between the goals and objectives of headquarters and those of the subsidiary. Similarly, there are many reasons why talent markets operate as silos, and why local managers may not be incentivised to highlight their star employees on corporate talent markets and thereby risk losing the contribution of such talent at the subsidiary level.

Consistent with bounded rationality, Melahi and Collings (2010) argue that social and geographical distances turn subsidiaries into blind spots and limit the ability of decision makers at headquarters to tap into global talent. Talent located in the centre is more visible to and more valued by key corporate decision makers than talent located in the subsidiary. In this regard, social distance limits the opportunities available to talent located outside corporate headquarters to become acquainted with the top managers who make GTM decisions. Moreover, the executive suites of MNCs are dominated by parent-country nationals (Adler and Bartholomew 1992). There may, therefore, be significant cultural barriers between those who make decisions and 'global' talent.

Similarly, the idea that global talent systems are efficient in identifying high performers and facilitating their transfer around MNCs is often unfounded. For example, Mäkela, Bjorkman and Ehrnooth (2010) argue that a decision to include an employee in a corporate talent pool is the result of a two-stage decision process. This process involves, first, experience-based (on-line) performance appraisal evaluations and, second, the use of those evaluations as an input in the largely cognition-based (off-line) managerial decision-making process for selecting talent. Mäkela et al. (2010) argue that inclusion in the talent pool is not only determined by apparently objective performance appraisal evaluations but also by a number of subjective factors that affect decision making in the second stage of the process. In relation to the performance evaluation process, Mellahi and Collings (2010) point to differences in how managers and employees from different cultures approach performance appraisal. These differences significantly limit the comparability of performance ratings. Despite the well-known limitations of the subjectivity of performance appraisals, performance ratings may be based on some objective assessment of performance. In a western context, such ratings may be inflated to minimise the risk of losing face among subordinates. Thus, supposedly comparable performance scores may not be comparable in reality. Central to this second stage are the cultural and institutional distances between the locations of potential talents and decision makers at corporate headquarters (see Mellahi and Collings 2010); homophily between the individual and the decision makers; and the network position of the person in question.

> Conquering myth 7: In MNCs, it is important to recognise the limitations of systems and processes aimed at standardising ratings of performance and potential across the global organisation. In reality, there are significant barriers to such standardisation. Organisations must ensure that talent decisions are based on a number of different inputs, such as performance reviews, 360 degree feedback, assessment and development centres, and other culturally appropriate inputs. These should be combined with talent discussion forums in which senior leaders assess talent in a more qualitative way.

Conclusions and implications

Although GTM may have entered the mainstream practitioner context in the last decade, it remains a significant challenge for organisations. A key limitation in this regard has been the lack of significant progress in academic research in terms of providing coherent and integrated guidance for managerial practice. Therefore, GTM practice is often premised on a number of misguided myths. In this paper, we identify seven such myths. Our consideration of these myths is in line with recent calls for the development of evidence-based HR (EBHR), as 'faulty practices and decision making abound in HR' (Rousseau and Barends 2011, p. 221). Central to the notion of EBHR is the call for the inclusion of critical thinkers in the GTM function. The following of fads and fashions, and the uncritical adoption of 'best practices' must take a back seat to critical reflection and the evaluation of tools and techniques to advance the GTM agenda. Such critical thinking involves 'actively exploring alternatives, seeking understanding and testing assumptions about the effectiveness of one's own professional decisions and activities' (Rousseau and Barends 2011, p. 221). In part, we hope this paper begins to address this agenda by highlighting some of the myths that perpetuate current GTM practices.

We suggest that significant progress in GTM research would consist of the formulation of theories about (latent) mechanisms that can account for links among global strategy, GTM, core and differentiated architectures; the effectiveness of the implementation of GTM programmes; and global performance. In this regard, Figure 1 maps possible future research directions, including the following:

- Analysing the fit between GTM as a strategic business process and the HR architecture,
- investigating how HR systems within a differentiated architecture affect the human capital attributes needed for strategic positions,
- examining the human-capital attributes needed for strategic positions and their effects on behaviour, and
- analysing the aggregation from individual behaviour to effective GTM implementation at the group and organisational levels.

In this section, we further elaborate on these possible topics for future research. For each topic, we also suggest some key research questions and empirical considerations.

1. analyzing the fit between GTM as a strategic business process and the HR architecture.

   What is the nature of intra-firm HR differentiation for GTM as a strategic business process and what is the appropriate level of such differentiation? How do core and differentiated HR architectures interact in supporting GTM as a strategic business process? What should be the locus of differentiation: the job or the employee? When approaching these questions, researchers should bear in mind that the nature of the fit between GTM as a strategic business process and the HR architecture is inherently multidimensional, and that it is not easily captured by simple bivariate statements (Becker and Huselid 2006). Given the focus on differentiation not just across but also within firms, more preference needs to be given to experiments involving cutting-edge organisations. For large-sample empirical surveys, one-site sampling may be preferable to ensure that the research design can control for a number of broad contextual factors that are known to influence the horizontal fit.
2. Investigating how HR systems within a differentiated architecture affect the human- capital attributes needed for strategic positions.

   What are the nature and the scope of the HR systems needed to ensure adequate human-capital attributes for strategic positions? What are the differences between intended, implemented and perceived HR practices? What factors explain such differences? When approaching these questions, future studies should (a) use a multi-level approach that considers relationships at both the job and individual levels and (b) collect data from multiple sources in multiple organisations.
3. Examining the human- capital attributes needed for strategic positions and their effects on behaviour.

   What are the nature and potential interdependencies of the human capital attributes needed for strategic positions? How do human capital attributes result in the desired behaviour? How do other individual-level factors, such as gender, age and national identity, matter? When approaching these questions, future research should strive to combine perceptual and self-reported measures with more objective indicators in order to develop more elaborate measures of human capital attributes. The integration of traditional measures with measures obtained through social network analysis may also be highly beneficial.
4. Analysing the aggregation from individual level behaviour to implementation effectiveness of GTM implementation programmes at the group and organisational levels.

How can we measure GTM effectiveness? How can firms fine-tune individual behaviours so that they lead to positive results on the aggregate level? When approaching these research questions, longitudinal research is highly desirable for verifying the causality of the aggregation from the individual to the collective. Multi-level reasoning and methods must be applied.

This paper also has some practical implications for those MNCs considering investments in GTM. First, we suggest that MNCs start by aligning their GTM with global strategy. They can seek to answer the following questions: What is the global strategy? Does the MNC have a truly global strategy or multiple regional strategies? The answers to these two questions define the MNC's GTM.

Second, MNCs should establish core and differentiated architectures for GTM. The differentiated architecture will focus on pivotal positions, while the core architecture will cover the rest of the organisation.

Third, MNCs should differentiate among the pivotal positions. To do so, they must establish policies for dealing with A, B and C players for every pivotal position.

Finally, MNCs would find it beneficial to review the role of the corporate HR function in GTM. In this regard, corporate HR should be responsible for (a) developing, implementation and measuring the effects of GTM; (b) balancing global and local talent needs; and (c) making GTM a basis for global employer branding through differentiation.

In conclusion, managing talent on a global basis is complex and challenging. These challenges and complexities are amplified by the misguided assumptions (or myths) that underscore many decisions related to the development of talent systems in MNCs and the more general management of talent in 'born globals', international organisations and alike. We hope that this paper will help to guide practice and theoretical work in the field by highlighting some of these myths and proposing ways in which they can be mitigated.

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