

The cultural diversity of talent inherent in an international organisation provides an opportunity to create entrepreneurial strategies for the demands of cultural-specific markets and customers. In order to use the inherent cultural potential in a company, positive tension between the global entrepreneurial strategy and the cultural individualities of decentralized units of the organisation must be created.

WOLFGANG GRILZ

## International Talent Management

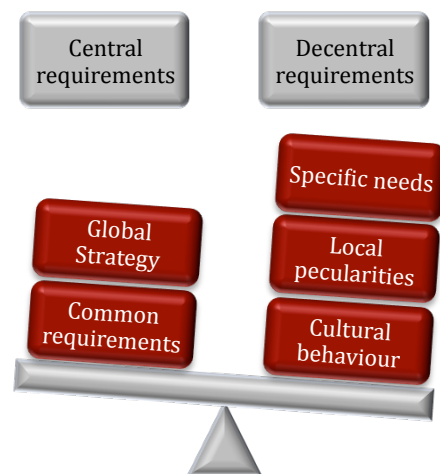
Any international organisation must incorporate the professional experience and attitudes of employees with different cultural backgrounds into the core functionality of the organisation.

A culturally diverse composition of employees in an organisation provides built-in opportunities to identify and develop new markets and products. To accomplish this however, employees must succeed in learning from each other and the company must view cultural diversity as a valuable resource and integrate it into the working life of the company. This requires equal opportunities for all employees and an organisational culture that regards intercultural diversity as a driver of innovation and a source of organisational learning.

The challenge for the organisation lies in connecting a corporate and often global strategy with diversity and local individuality.

Companies need specialized talent to meet this challenge, individuals who understand the visions and overall objectives of the organisation, who have an overview of company-wide strategies and can cooperate on an international level. Equally important, a high achieving employee must have an understanding of local markets, customers and employees and must be able to turn this understanding into profit for the company.

Organisations must succeed in creating balance between central business strategies and objectives and the culturally distinctive features of decentralized units.



Talent management in international organisations refers to the discussion of the following questions:

Which criteria should be used to create talent pools in order to correspond with the global corporate strategy?

To what extent is there equal opportunity in accessing talent pools and top positions in the company? How visible are equal opportunities to all employees throughout the organisation?

To what extent do competency models encourage intercultural diversity and international cooperation?

## **Identifying employee talent and forming international talent pools**

Quite frequently, identifying and developing talented employees is based on quite subjective decision-making. Projects are, not uncommonly, assigned according to the motto “It’s not who you are, it’s who you know.” Informal communication often plays an important role in such situations and employees who are located nearer to the decision makers have a significant advantage.

The same happens when pilot initiatives are concentrated in the company headquarters. Foreign company units will often not be aware of new or experimental developments; this can reduce learning opportunities as well as the eagerness to experiment.

To avoid such scenarios, systematic screening processes to identify talent at all corporate locations are important. Screening procedures must ensure that talented employees in more “distant” entrepreneurial units are discovered.

Assessment by direct superiors plays an important role in identifying high achieving employees. Instruments like target agreement and performance appraisal support this process. However, standardized procedures that ensure international comparability are frequently missing and this type of evaluation and assessment can be largely dependent on cultural factors. Accordingly, methods that ensure comparable results (e.g. internationally oriented development assessment centres) are necessary.

A crucial factor in the successful formation of talent pools arises from the cooperation of the central HR-department with local HR managers. Their cooperation and possibly also their conflicts reflect the dilemmas that the organisation faces in its efforts to harmonize global strategy with local standards. This cooperation also provides a variety of ideas for dealing with the challenge of global-local synergy.

For this reason the central HR-department must seek dialogue with local executives and HR partners to develop a common understanding of talent management and find a consensus for HR targets and its basic procedures.

## **Measures for the development of talent in an international environment**

The results of a study on Management Development Programs conducted by Trigon Development Consultants<sup>1</sup> show that intercultural encounters are of major importance in developing high potential in employees. Talent development in international organisations includes the analysis of different cultural concepts of cooperation. This requires a discussion comprised of questions such as:

Which conflicts and conflict solving modes can be frequently observed in the different parts of the company?

Which leadership styles, methods of negotiation and communicative strategies are adequate in a particular locality?

Which forms of problem solving are typical in the organization or in a local business unit?

The best way to discuss these topics is to lead this discussion in culturally mixed groups. In addition to international training groups, cross-border job rotation or transnational project groups are suitable methods to create culturally diverse discussion environments.

A first step in creating possibilities for intercultural encounters is the use of a common working and training language (usually English). Unfortunately, experience has shown that many companies have difficulties forming cross-border job rotations or project groups. The reasons can be found in lack of information about and access to these programs as well as a lack of English language competence (compared to the high requirements). High costs and organisational difficulties of these programmes can also prevent successful intercultural exchanges within a corporation.

## Implementation of developmental measures and talent retention

Talent management is not limited to merely the identification of employee talent, it also includes efforts to retain talented individuals in the organisation and to promote them to key functions suitable to their high level skills. Particularly with regard to succession planning, internationally operating organisations must consider:

1. A substantial number of persons from each culture in which the company operates or intends to operate is needed in the succession pool.

2. Persons who apply for key functions need equal opportunities regardless of their cultural background. If talented employees in foreign company units realize that they have little opportunity to move up they are likely to leave the organisation.

The current company policy concerning selection of leaders plays an important role in the perception of equal opportunities:

What is the international composition of the board and higher management?

How are top positions announced in the company?  
What information is available to employees regarding career possibilities?

3. Talented employees demand fair and adequate compensation. What they consider as fair and adequate is highly dependent on personal and cultural factors and can only with great difficulty be expressed in more general terms.

Satisfaction with one's salary widely depends on one's personal comparisons and alternatives. Employees compare their salaries with those of their colleagues in the same company or the same branch. The more international an employee's work, (eg by taking part in cross-border projects) the more the employee will compare salaries with those of foreign colleagues. Even if these colleagues live in countries with a generally higher salary rate this can lead to increased dissatisfaction. In addition, factors like developmental and career perspectives and work-life balance differ from culture to culture and have varying degrees of importance in terms of employee retention<sup>ii</sup>.

Managing people takes place in cultural contexts. These cultural contexts consist of the organisational environment as well as the societal systems that surround the organisation. In internationally operating organisations a number of national cultures may influence the workings of the organisation: in other words, a number of company cultures can exist in one company. For this reason intercultural competence is one of the key competencies in an international organisation.

Talent management systems must therefore strengthen the multicultural experiences and competences of those employees who will bear the most responsibility within the organisation.

## Literature

Berger, L. and D. R. Berger (2004): *The Talent Management Handbook*. New York.

Fick, P. (2007): *Diversity Management in Deutschland*. Siegen.

Rüttinger, R. (2006): *Talent Management*. Frankfurt/M.

Scheinecker, M., W. Grilz and S. Skandera (2008): *Management Development Programme in internationalen Unternehmen*. Trigon-Studie. Wien.

Thomas, A., E. Kinast, S. Schroll-Machl, Eds. (2005): *Handbuch Interkulturelle Kommunikation und Kooperation*. Göttingen.

Towers Perrin (2007), *Global Workforce Study*.

---

<sup>i</sup> Scheinecker, M., W. Grilz und S. Skandera (2008).

<sup>ii</sup> Cf. Towers Perrin, *Global Workforce Study* (2007).