Please cite as

Dr David G. Collings
Professor of HRM
DCU Business School
Dublin City University
Dublin 9
Ireland
Tel. + 3531 7006937
Email. david.collings@dcu.ie
Although global mobility represents an important element of many multinational enterprise’s (MNEs) global talent management systems, the two areas of practice have largely been decoupled in research and practice. The current paper aims to build a dialog around the integration of these two important areas of practice and illustrate how the integration of global mobility and global talent management can contribute to the success of the MNE. Human capital and social capital theories are introduced as theoretical frames for the integration of the two areas and global talent pools and routines for managing global staffing flows are introduced as key organizational routines that can maximize the contribution of global mobility to the MNE. The paper also considers challenges and opportunities for the integration of mobility and talent and outlines some directions for future study.

Key Words

Global talent management, global mobility, expatriation, inpatriation, talent pool, human capital theory, social capital theory.
Introduction

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

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

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

**Global Talent Management:**

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

For the purposes of the current paper, I adopt Mellahi and Collings’s (2010: 143) definition of GTM as involving: (1) the systematic identification of key positions that differentially contribute to the organization’s sustainable competitive advantage on a global scale; (2) the development of a talent pool of high-potential and high-performing incumbents, who reflect the global scope of the MNE to fill these roles; and (3) the development of a differentiated human resource architecture to facilitate filling these positions with the best available incumbents in order to ensure their continued commitment to the organization.

This definition has a number of important implications for unpacking the relationship between global mobility and global talent management. Firstly, it acknowledges that talent management is not limited to leadership positions and that there are other pivotal positions (Boudreau and Ramstad, 2007; Collings and Mellahi, 2009; Becker and Huselid, 2010) that disproportionately contribute to the organization’s sustainable competitive advantage. The filling of these positions may also be covered by an organization’s global talent management system. Second, building a talent pool of high-performing and high-potential incumbents that “reflects the global scope of the MNE” reflects the importance of staffing flows beyond the traditional ethnocentric flow of parent-country national (PCN) expatriates from HQ to
subsidiaries. Thus, the consideration of third-country national expatriates and inpatriates also emerge as important elements of the global talent strategy (Collings et al, 2010; Harvey et al, 2000; Reiche, 2012). These staffing options are often ignored in the global mobility literature (c.f. Harvey and Buckley, 1997; Harvey et al, 1999). Finally, the development of a differentiated HR architecture to support the deployment and retention of these talents requires organizations to carefully balance initiatives to reduce the costs of expatriate assignments with ensuring the ongoing commitment and performance of such employees (see for example Tait, DeCieri and McNulty’s, 2014 critique on the opportunity cost of the monetary savings of permanent transfers). I now consider some central issues around global mobility.

**Global Mobility in the MNE**

Global mobility represents an important element of the global staffing system of the contemporary MNE. Although the landscape of global mobility has altered significantly over recent decades (see Collings, Scullion and Morley, 2007), global mobility remains a central element of the GTM strategies of leading MNEs (Stahl et al, 2012; Brookfield GMAC, 2013; E&Y, 2012). However, the topography is complex, with the contemporary MNEs relying on a range of staffing options to fulfil business needs. For example, permanent transfers, international business travel, commuter and rotational assignments as well traditional long-term assignments (generally 3-5 years) and short-term assignments (longer than a business trip but less than a year) all represent important elements of an organization’s global mobility strategies (Collings et al, 2007). For the current paper, I focus on corporate expatriates - “employees who are temporarily relocated by their organizations to
another country…to complete a specific task or accomplish an organizational goal1” (Shaffer, Kraimer, Chan and Bolino, 2012: 1287).

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

1 Shaffer et al prioritise assignments lasting several years in their definition. Given the incorporation of short-term assignments in the present discussion, I recognise the importance of such shorter-duration assignments. This definition also excludes self-initiated expatriates - those individuals who relocate internationally in search of work without the support of an employer. Although these employees clearly represent an important source of global talent, they are not generally managed by the global mobility function, and hence fall beyond the scope of the current discussion. For a discussion of these and other staffing options see Al Ariss and Crowley-Henry, 2013; Fang et al, 2013).
Alternatively, in control-driven assignments, locals are expected to absorb the new demands of the expatriate manager and change their frames of reference (Shay & Baack, 2004). However, the differing objectives of global mobility also point to potential differences in how the assignees are managed from a HR perspective. For example, an assignee deployed for position filling may require significant support in the softer skills required to adjust to the host country and to transfer his or her knowledge to the host employees, as there is often a strong teaching focus in selecting for these roles (Evans, Pucik, and Barsoux, 2002). In contrast, support for those selected for developmental assignments should focus on assimilating learning opportunities from the host country and facilitating the application of this knowledge on repatriation. Further, Dickmann & Doherty (2010) argue that, those sent on developmental assignments are more inclined to leave their organizations, arguing this is related to better career opportunities available to them in the external labor market, and pointing to the particular influence of commitment-oriented and/or retention-oriented HR policies.

Additionally, unpacking the various objectives of global mobility has important implications as organizations begin to consider the return on investment (ROI) on such assignments. Following McNulty and Tharenou (2004: 73), I define expatriate ROI as ‘a calculation in which the financial and non-financial benefits to the firm are compared with the financial and non-financial costs of the international assignment, as appropriate to the assignment’s purpose’. However, the measurement of the ROI of international assignments has been something that MNEs have been grappling with, largely unsuccessfully, for some time. McNulty DeCieri and Hutchings, (2009) surmise the challenges in so doing owe to a number of difficulties, including inappropriate decision frameworks that can retard the development of
effective measures that are linked to global staffing decisions (Boudreau & Ramstad, 2007), and a failure to plan operationally for the measurement of international assignee performance and its resultant contribution to unit or organizational performance indicators (Scullion & Collings, 2006). The recognition of the differing objectives of global mobility necessitates a far more complex consideration of issues around time frame for calculation of ROI and the incorporation of non-financial benefits and costs (McNulty et al, 2009). Given that many of the challenges identified around the tracking of ROI are traced to a lack of reliable data, the emergence of talent analytics as a primary area of focus in the wider talent-management literature (Cascio and Boudreau, 2011; Davenport et al, 2010; Vaiman et al, 2012) may assist organizations in improving their measurement of ROI issues in the context of global mobility.

I now consider the linkages of particular objectives of global mobility in the context of GTM.

**Global mobility as leadership development and succession planning**

The use of global mobility as a means of global leadership development, linked with succession planning (Black et al, 1999; Edstrom and Gilbraith, 1977), has arguably been the most commonly discussed outcome of global mobility. Indeed, over recent decades a key constraint on the ability of MNEs to compete globally has been the challenge of persuading the requisite quality and quantity of suitable employees to undertake international assignments, which has contributed to a lack of global leadership competence in MNEs (Brookfield GMAC, 2013). However, some emerging empirical evidence points to the increasing willingness of those who are
aware that they are part of the MNE’s talent pool to undertake developmental activities such as international assignments (see for example Bjorkman et al, 2013; Makela and Bjorkman, 2013).

International assignments focused on individual development are premised on the expectation that culturally intense experiences, such as international assignments, develop individuals more holistically by exposing them to the challenges of living and working in a foreign country (Leung, Maddux, Galinsky, & Chiu, 2008). The limited available empirical evidence points to the importance of high-contact, cross-cultural leadership-development experiences combined with the leader’s personality characteristics in determining global leaders’ effectiveness (Caligiuri and Tarique, 2009). Research points to the importance of overcoming challenging and complex issues and problems in novel and high-pressure situations, the requirement to work in complex and highly-uncertainty conditions, and the need to lead and influence colleagues and other stakeholders with diverse mindsets, ambitions and goals as important drivers of on-the-job learning (Evans et al., 2002; McCall and Hollenbeck, 2002; Ng, Van Dyne, and Ang, 2009).

However, in evaluating the success of international assignments premised on developmental objectives, one should broaden the focus from purely work effectiveness and recognize the importance of learning effectiveness (Ng et al, 2009). It is equally important to recognize that failures on assignment can also constitute important learning events (Hall et al, 2001). More broadly, the development of social capital has been identified as an important outcome of developmental international assignments.
Global mobility as organization development, co-ordination and control

Under this category I include Black et al’s (1999) broader categories of information exchange and coordination and control. Thus IAs captured under this heading represent a broad range of assignments. It is recognized that international assignments represent important means of leveraging internal knowledge and innovation, which, in turn, facilitate the MNE in capturing the competitive advantage emerging from worldwide access to information, learning and creativity. The capacity to identify such innovations within the organisational network and to transfer them globally is considered central to the competitiveness of MNEs (Edwards, et al., 2006). For Gammelgaard et al., (2004) the very success of MNEs is contingent upon the ease and speed with such knowledge is disseminated throughout the firm.

This type of assignment is also associated with organisational control and corporate integration (Harzing, 2001). In this regard, corporate integration is defined as “centralized control over key resources and operations that are strategic in the value chain” (Evans et al, 2002: 103). Two factors contribute to the increasing desire to integrate HRM policies in MNEs - the growing focus on creating social capital throughout the MNE’s global internal network, and the increasing emphasis on ensuring the sustainability of MNE’s global operations (Taylor, 2006). Global integration, in turn, facilitates the development of a common corporate culture and has the potential to enhance equity and procedural justice within the MNE through the transfer of organizational practices (Rosenzweig and Nohria, 1994).

Exploring the issue from a control perspective, Harzing (2001) identified three control-specific roles of expatriates, namely: the bear, the bumblebee, and the spider. The Bear focus on replication of corporate practices and the centralisation of decision-making in the MNE. Bumblebees develop corporate integration through
building informal communication networks around the MNE’s network and the socialisation of host-country employees. Finally, spiders weave informal communication networks within the MNE. Harzing’s typology reinforces the importance of social capital in building corporate integration (I return to this below).

**Global mobility as position filling**

While leadership talent has received the greatest amount of discussion in the global talent-management literature, the reality for most organizations is that there are positions that are as important, if not more important, than leadership ones in determining the success or failure of the organization. Indeed, an important advancement of the talent-management literature is a better understanding of positions that have the greatest potential to add value to the organization (Boudreau and Ramstad, 2007; Becker et al, 2009; Cascio & Boudreau, 2011). This approach is consistent with calls for a greater level of differentiation between roles in organisations, with an emphasis on strategic over non-strategic jobs (Becker and Huselid, 2010), or between those organizational roles that promise only marginal impact vis-à-vis those that can provide above-average impact (Boudreau and Ramstad 2007).

Strategic jobs make “a disproportionate contribution to the effective implementation of a strategic capability” (Becker and Huselid, 2010: 381). Recognising that such roles can emerge at any level in the organisational hierarchy, such roles are characterized by rarity (generally fewer than 15 per cent of the roles in the organisation), strategic impact (they display a direct impact on the firm’s ability to execute its strategy though its strategic capability) and, most significantly, there is
potential for incumbent performance variability (i.e. there is an evident gap in performance between high performers and average performers in these roles) (Becker and Huselid, 2010). As such, these strategic jobs are central to a MNE’s GTM system.

Thus while not all international assignments captured under the heading of position filling should be considered in the organization’s GTM system, it is likely that a number of them will be and it is important for the global mobility function to be able to identify these positions.

Integration of Global Mobility and Global Talent Management

In building a theoretical basis to consider the integration of global mobility and global talent management, I draw on human capital theory and social capital theory as theoretical frames to elucidate the impact of integrating global talent management and global mobility with a focus on organisational-level outcomes. Both human capital and social capital have been empirically linked with firm performance in other contexts (Pil and Leana, 2009).

As alluded to above, many MNEs struggle to quantify the contributions that international assignees make to organisational performance. This is reflected in the challenges that they face in measuring the ROI of such assignments. Theoretically, human capital theory provides a frame for the consideration of these linkages. Following Kang et al (2007), I define human capital as the value-generating potential of employee knowledge, skills and abilities. Human capital is thus explicitly linked with change and growth, distinguishing it from other resources (Kraaijenbrink, 2011). Variations in firms’ human capital have been empirically linked to contributions to
organizational performance (see Crook et al, 2011; Hitt et al, 2001; Wright and McMahan, 2011). Early contributors, such as Becker (1964), concluded that individual earnings were largely an outcome of how much workers invested in developing their skills and knowledge. Thus, individuals with higher levels of human capital can perform at a higher level in organisations. The potential value of human capital increases with job complexity, with higher performance in complex jobs associated with greater differences in human capital (Hunter et al, 1990).

However human capital is fundamentally an individual asset, with its value for the firm contingent on a wider range of social factors (Nahapiet, 2011). The embodiment of human capital in individual employees brings agency issues, such as intentionality and motivation, to the fore in considering its impact in an organizational context (Kraaijenbrink, 2011). Indeed, a key challenge for organizations in managing human capital is the risk that employees can leave of their own free will, as the individual, and not the firm, owns the human capital. Thus, an important distinction in the human capital literature is between general (such as education) and firm-specific (knowledge of process and systems, support team, reputation etc.) human capital. Becker (1964) argued that general human capital can be traded in competitive labor markets, bidding up the price of labor. This raises a question around the extent to which generic human capital can generate competitive advantage for a firm. For example, drawing on a significant body of research, Groysberg (2010) has concluded that even in professions where performance is considered to be highly determined by the individual, such as Wall Street analysts, the reality is that firm-specific human capital is far more significant in explaining performance than individual-level human capital. This is reflected in significant drops in performance amongst those stars
when the changed employers and the value of the firm-specific human capital was lost.

However human capital cannot be considered in isolation, and social capital has been proposed as central to maximizing the benefits from a firm’s human capital, owing to the social ties underlying it, which constitute a valuable resource for facilitating organizational effectiveness (Nahapiet, 2011). Although there is debate over the definition of social capital, a widely adopted definition is ‘the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit. Social capital comprises the network and the assets that may be mobilized though that network’ (Nahapiet and Ghoshal, 1998: 243). Lengnick-Hall and Lengnick-Hall (2012) point to three key ways in which social capital can facilitate organization effectiveness: 1. As a form of social control; 2. as a support network for employees; and 3. providing access to information and other assets, such as political insights.

Expanding the definition of social capital, Nahapiet and Ghoshal (1998) identify three types of social capital. Structural social capital is centered on the number of and strength of ties an individual has and can draw upon, and is thus based on an individual’s network of contacts. In the multinational context it contributes to the flow of knowledge and coordination by spanning sub-units or networks in the MNE’s global operations (Kostova and Roth, 2003). Relational social capital focuses on the nature of personal relationships developed over time, and it brings trust to the fore. It is considered more of a public good and nurtures the willingness to share knowledge with spatially distant colleagues. Finally, cognitive social capital focuses on the shared goals, norms and values that are built though relationships over time (Inkpen and Tsang, 2005). Also considered a public good, this is central to the
development of a common vision and culture in the MNE through the creation of a shared frame of reference and norms (Lengnick-Hall and Lengnick-Hall, 2012; Nahapiet and Ghoshal, 1998; Taylor, 2007).

Empirical research suggests that managers who have undertaken expatriate assignments possess significantly more social capital than managers with solely domestic experience (Makela, 2007). Similarly, expatriate/repatriate interaction contexts are associated with more interpersonal trust and shared cognitive ground, resulting in higher levels of knowledge sharing (Makela and Brewster, 2009). Emerging evidence confirms that alternative forms of global mobility, such as short-term assignments, facilitate the development of cross-unit social ties in MNEs (Bozkurt and Mohr, 2011). However, such ties are weaker than those developed through traditional long-term assignments (Bozkurt and Mohr, 2011). The role of inpatriate assignees as knowledge conduits has also been demonstrated (Reiche, 2011), with their cross-unit boundary-spanning central to their knowledge transfer.

It is important to note that social capital is not always a universally positive resource in organizations. For example strong ties within networks can result in the exclusion of outsiders from networks and create blind-spots, thus preventing the consideration of new ideas (see Lengnick-Hall and Lengnick-Hall, 2012: 493). Additionally, individuals on international assignments can see the erosion of social capital at their home units (out-of-sight out-of-mind syndrome) (Makela, 2007). Further, Oldroyd and Morris (2012) have pointed to the potential overload that star employees may face as colleagues attempt to tap into their expertise, leading to a fall in the star’s performance.

The importance of routines
A logical progression from the above discussion is the importance of having systems and processes to support the organization’s human and social capital advantage. As Boxall (2011: 298) notes, it is useful to think of the HR strategy within firms as a cluster of HR systems, each concerned with work organization and human resource practices of a particular group. Integrated clusters of HR practices should support the MNE’s global talent that includes both those in strategic jobs (operational and control-oriented) (Becker and Hueslid, 2010), and the current and future leadership cohorts within the global firm. A central argument in the current paper is that the global talent function (Farndale et al, 2010) and the global mobility function (Sparrow, 2012) should work together to effectively manage these pivotal employee groups.

The dynamic-capabilities perspective argues that routines can be effective in reconfiguring intangible assets such as human and social capital, in ways that facilitate the renewability, augmentation and creative responses to dynamic and unpredictable business conditions (Teece et al, 1997). Such organizational routines - repetitive, recognizable patterns of interdependent actions involving various actors through which work is accomplished in organizations - have been proposed as a key means of guiding organizational activity, creating stability and boosting efficiencies in organizations (Feldman and Pentland, 2003; Gupta and Govindarajan, 2002; Ng et al, 2011: 105). I propose two organizational routines that are central to the strategic integration of global talent management and global mobility in the MNE. While recognizing there are many other relevant organization routines (see Ng et al, 2011), space restrictions mean a thorough discussion of numerous routines is beyond the scope of the current paper. Rather the two routines are presented to illustrate how scholars and practitioners can frame such routines in theoretical terms to advance
their thinking on the integrations between global mobility and global talent management in the MNE context.

**Routines for identifying and managing global talent: A global talent-pool routine**

To effectively manage global talent MNEs must have effective systems and processes to identify the highest-performing and highest-potential employees across the global firm. While the challenges of so doing are well recognised (Makela et al, 2010; Mellahi and Collings, 2010; Minbaeva and Collings, 2013), I propose that a global talent-pool strategy addresses a number of challenges of effectively managing human capital in the MNE.

The first advantage of global talent pools is that they advance organizational practice from demand-led recruitment to recruitment ‘ahead of the curve’ (Sparrow, 2007). This is significant, as the path-dependent effect of human capital development has been recognised since Penrose’s (1959) contribution. She demonstrated how managerial efforts to expand organizations were constrained, owing to the time required to develop the managerial talent. Thus there is a temporal element to the impact of human capital and performance, and those organizations that invest in the development of human capital ‘ahead of the curve’ are likely to display higher performance levels. This is in line with developments in the theory of human capital, which reflect a shift from ‘static’ or ‘stock’ notions of human capital towards ‘flow’ or ‘process’ notions of human capital (Buron-Jones and Spender, 2011). It acknowledges that the business environment is constantly in flux, and that static conceptualisations of human capital requirements are no longer effective (Cascio and Aguinis, 2008; Cappelli, 2008; Lepak et al, 2011). The potential impact of the future
value of human capital beyond its present value is also brought to the fore (Lepak et al, 2011).

The global talent-pool strategy thus places the emphasis on the proactive identification of incumbents with the potential to fill key positions as they become available. Drawing on supply-chain management, Cappelli (2008: 77) argues: “how employees advance through development jobs and experiences are remarkably similar to how products move through a supply chain”. Cappelli advocates a talent-pool strategy as a means of managing the risks of mis-matches between talent supply and demand. It also facilitates the career-pathing of the organization’s global talent. In organizations where global mobility and global talent are integrated, one would expect a higher level of presence of international assignees in pivotal roles around the MNE network. Hence the movement of global talent around the MNE will be more likely to be considered central to the strategic objectives of the MNE. This leads to the following proposition

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P1: \text{A talent-pool strategy combined with a high level of integration between the global mobility and global talent functions, will be reflected in higher levels of expatriate presence in pivotal roles across the MNE.}
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Human capital research has also highlighted that human capital accumulation is most valuable when retained in the context where it is developed (Coff, 2001; Hitt et al, 2001). However, the challenges of sustaining the performance level of high-performing employees when they change contexts (for example, organizations) has also been empirically demonstrated (Groysberg et al, 2008). Ceteris paribus, this points to the value of talent pools in terms of building an internal pipeline of human capital vis-à-vis the buying of human capital from the external
labour market. Although the latter may be preferable in some circumstances, such as a change in strategic direction of the organisation, or when key skills are required quickly and on short notice, in most circumstances internal development is preferable. It could also be reflected in the spatial distribution of the global talent pool and the requirements of global mobility to align talent requirements with available human capital. An additional benefit of a talent-pool strategy is that the focus can be on the development of talent within the broader context of the organisation, rather than with a particular succession role in mind (Collings and Mellahi, 2009). This means that rather than developing talent in narrow, specialised ways, employees can be developed more broadly, targeting competencies that would fit a range of roles (Cappelli, 2008) and reflecting the values of the organization. It also facilitates the building of social capital across the multinational network that facilitates knowledge creation and exchange, as well as coordination and control (Taylor, 2007). This has the benefit of focusing on firm-specific human capital, which is less transferrable and may assist in the retention of pivotal talent. From a global mobility perspective, the key is to facilitate the deployment of the global talent pool in appropriate international roles, and to ensure that an appropriate support package is in place for each assignment.

This approach stands in contrast to extant practice with regard to expatriate deployment in many MNEs. For example, the fact that expatriate selection is largely ad-hoc and reactive is relatively well established in the literature (see Harris and Brewster, 1999; Tahvanainen et al, 2005). A talent-pool approach, where global mobility and talent are integrated, facilitates a more strategic approach to expatriate deployment. Because these assignees have displayed higher levels of performance and potential and possess high levels of firm-specific human capital, and social capital as
well, the early involvement of global mobility should facilitate appropriate selection and support. As a result, one would expect higher levels of performance on assignment. This leads to the following proposition.

**P2:** The performance of international assignees on assignment will be higher in organizations that adopt a global talent-pool strategy, and where global mobility and global talent functions are integrated.

Finally, given that a global talent pool combined with the identification of strategic roles facilitates the deployment of those with the highest levels of human capital, and particularly of firm-specific human capital, in those roles that are central to organization strategy and have the greatest variability in performance between high performing and average performers, it is likely to translate into higher levels of organization performance.

**P3:** Integration between the global mobility and global talent functions, combined with a global talent-pool strategy, will result in higher levels of organizational performance.

Routines for managing global staffing flows

The second organizational routine that I focus on concerns the managing of global staffing flows around the MNE. Ng et al (2011) have identified routines for managing personnel flows globally as a significant means of promoting knowledge transfer across subsidiaries. In the context of global talent management, global staffing flows represent an important means of aligning those members of the global
talent pool with pivotal roles across the MNE’s global network. Central to such an approach is moving beyond traditional ethnocentric conceptualisation of PCN expatriates as superior talent, relative to local talent, who could additionally be relocated as inpatriates or TCN expatriates (Collings et al, 2010; Ng et al, 2011). As Cascio and Aguinis (2007) note, the successful MNE of the future will be required to source human and intellectual resources regardless of their global location, owing to the increasing competition. Indeed, a central source of competitive advantage for the MNE is the capacity to tap into different pools of human capital expertise in the different locations in which it operates (see O’Riain, 2011 for a discussion of human-capital formation regimes). Such an approach is consistent with Perlmutter’s geocentric recruitment strategy (see, for example, Dowling, Festing, & Engle, 2009, pp. 82-83). This facilitates the most effective use of global talent and provides a basis for higher-level organization performance.

Routines of managing global staffing flows have received relatively limited attention in the extant literature (cf. Farndale et al, 2010; Makela and Brewster, 2009; Sparrow, 2012). Farndale et al (2010) point to the role that the global HR function can play in the career management of international employees, in their typology of roles of the global mobility function. In line with the argumentation in the current paper, Farndale and colleagues posit that corporate HR has a unique perspective on the nature of human capital availability in the MNE and is uniquely placed to manage talent flows globally. However, there is little evidence that such strategic oversight is widely evident in many corporate HR or global mobility functions, with a transactional and compliance focus far more common. The available empirical evidence points to the significance of corporate structures and systems in facilitating staffing flows from subsidiary operations to the corporate headquarters and other
subsidiaries (Collings et al, 2010). This reinforces the importance of routines or processes for the management of human capital. For example, Collings et al.’s (2010) study identified the significance of HR systems (organizational process advantage) in explaining flows of inpatriates and TCNs from the subsidiary to the HQ and other subsidiaries respectively. Specific HR processes or routines that emerged as significant in their study included global succession-planning systems, HR information systems, and the presence of a local representative on the global HR policy-formulation body. These organizational routines appear to mitigate to a degree the challenges that subsidiary talent face in gaining attention from corporate HQ (see also Torbiorn, 2005). This leads to the following proposition.

**P4:** HR systems targeted at identifying talent globally, such as global succession planning, HR information systems, and global HR policy bodies, will be positively correlated with international diversity in the membership of the global talent pool.

A further challenge for the MNEs is how current human capital can be managed to maximise future value for the firm. Insights from the knowledge literature (Crossan et al, 1999; March, 1991) point to the role of both exploitation (refining extant knowledge and skills) and exploration (the development of alternative knowledge and skills) in the renewal of human capital. For example, a central challenge for a MNE in terms of future requirement of human capital concerns the future scope of the organization in the geographic reach of the business. For many MNEs this will mean expansion of business operations in emerging economies, such as the BRICs (Brazil, Russia, India and China) and MISTs (Mexico, Indonesia, South Korea and Turkey). These economies present demand for human capital with the capability to operate effectively in such culturally and geographically distant markets (Scullion et al, 2007; Tarique and Schuler, 2010), and social capital to tap into local
institutions and networks. However such competencies are in short supply and demand far exceeds the supply (Tarique and Schuler, 2010). I argue that those organizations that proactively identify talent from emerging markets will be more likely to establish and sustain successful operations in new markets and countries in which they had not traditionally operated, owing to the local knowledge and social networks that the local employees bring to the MNE. Additionally this talent has the potential to assume leadership roles in these markets. This leads to the following proposition.

P5: MNEs with more diversified global talent pools, reflected in membership that reflects the geographic spread of the MNE, will display higher levels of international diversification in operations.

Discussion and Conclusions

Global talent management has become a key area of focus for practitioners and academics alike over recent decades. Although the field remains relatively young in its development, it has advanced significantly over the past decade or so. However notwithstanding the clear overlap between global talent management and global mobility, they have remained largely decoupled as areas of practice (E&Y, 2012), and in academic theorizing on global talent management.

This paper provides a point of departure for the development of academic theorizing around the integration of global mobility and global talent management. Central to building a greater degree of integration between the two is the development of appropriate theoretical frames to empirically study the relationships. The current
paper has introduced human capital, social capital and dynamic capabilities as suitable theories that could be utilized in this regard. There are, of course, many others, which scholars could draw upon to build the theoretical foundations of this area of study. Appropriately framing the area theoretically represents an important point of departure for the future study of these important areas. Conceptual clarity represents a second primary concern for scholars in this area. For example, differing, types (PCN, TCNs and inpatriates), durations (short-term versus long-term), and objectives (developmental versus corporate integration versus strategic jobs) of assignments should be recognized in developing hypotheses, measures, and outcome variables for research in the area. This stands in contrast to much of the extant research on global mobility, which limits itself to dichotomous considerations of host-country national versus parent-country national staffing options owing to theoretical and empirical convenience (Collings et al, 2009). Further, innovative methodologies with longitudinal and/or multilevel designs provide the greatest potential for advancement of the field. This is particularly salient given the relatively long timeframe over which the objectives of many international assignments are achieved and are measureable (McNulty et al, 1999). Finally, innovative outcome variables provide the potential for maximizing the impact of studies on global mobility and global talent. Just as strategic HRM research has been highly influential, owing to the outcome variables utilized, which focus on the contribution of high-performance work systems or practices to organizational performance, studies of global talent management and global mobility that measure multilevel outcome variables linked to individual and organizational performance outcomes have the potential to maximize the impact of research on academic and practitioner audiences alike.
Managerial Relevance

Given the well-established rationales for expatriate deployment (Edstrom and Gilbraith, 1977; Black et al.1999), it is clear that many of the reasons for expatriate deployment are clearly aligned with pivotal strategic roles within the MNE. These include strategic jobs, control and integration, and leadership development. I now outline some of the primary challenges in developing the strategic impact of global mobility and in developing the integration between global mobility and global talent.

Historically a key constraint on the strategic contribution of the global mobility function has been the overriding focus on tax and compliance issues within the function. For example a recent practitioner study (E&Y, 2012) identified tax compliance and immigration as the two priorities of the global mobility function. This points to the transactional, downstream focus that has historically dominated the orientation of the global mobility function. Such a focus is understandable given the potential for legal, financial and reputational damage should an organization fail to manage such tax and immigration issues appropriately. However, the same report points to the global mobility function’s aspiration to position itself more strategically, to build tighter links with talent development, and to have greater control over cost and risk governance. However there is little evidence that this is occurring in the vast majority of organizations.

I argue that a point of departure in integrating global mobility and global talent management is the increased involvement of global mobility function in upstream decisions around global staffing in the MNE. I propose that one means through which the global mobility function can increase its visibility and status in the
MNE is through the development of key metrics that begin to demonstrate the strategic value of global mobility within the MNE. For example, it is well established that many MNEs struggle with high levels of voluntary turnover of repatriates on completion of their assignments (Lazarova and Cerdin, 2007). Given that many of these assignees are members of the MNE’s global talent pool, and their international assignment has often been part of a significant investment in their development, their voluntary turnover is a strategic issue for the MNE (see Cascio & Boudreau, 2011: 84-5). However, there is little evidence that many global mobility functions have developed models to effectively track the cost of this voluntary turnover. Such analyses could be used to build a strategic case for earlier involvement of the function in the staffing process and to invest in better supports for expatriates and their families (see Cascio & Boudreau, 2011: chapter 4 for a discussion of costing turnover).

A second constraint on the integration of global mobility with global talent management is that global mobility is not involved in the process at an early enough stage in the expatriate assignment cycle. For example, it is well established that selection of international assignees for both traditional long-term assignments (Harris and Brewster, 1999) and short-term assignments (Tahvanainen, Welch, and Worm, 2005) is ad hoc and informal. In effect the formal recruitment and selection processes simply reinforce and legitimize selection decisions that have already been informally made. Such decisions are generally made on the basis of domestic performance and technical competence- which are considered poor indicators of performance when on assignment. This reflects a reactive rather than a strategic approach to the management of expatriation (Harzing, 2004), and makes the alignment between global mobility and global talent management particularly challenging. In advancing
the integration of global mobility and GTM it is imperative that global mobility and GTM functions work together to ensure alignment between selection for international assignments, individualized career paths, and the overall GTM strategy wherever appropriate and possible. Further, the earlier intervention of the global mobility function in to the international assignment process in imperative.

A final illustrative challenge to the integration of global mobility and global talent management relates to development of an appropriate HR architecture to support the globally mobile population. Given the heavy emphasis on reducing the costs of international assignments over recent decades (Brookfield GMAC, 2013; Collings et al, 2007) we now see a significant percentage (41%) of global mobility functions reporting to compensation and benefits or rewards, reinforcing the emphasis on cost control (Forum for Expatriate Management, 2010). The fact that only 7 per cent of functions in the same survey reported to talent management is also telling. Given the strong role that HR practices play in clarifying signals about expected behaviors from employees, and, equally, of signaling the organization’s support of their careers (Bowen and Ostroff, 2004), managed effectively, a congruent set of HR practices should help maximize employee performance while on assignment and minimize turnover levels on repatriation. However, as noted above, not all international assignees will be members of the global talent pool, and clearly the HR support appropriate for these employees may be less than for those who are in the talent pool. However for pivotal talent, I propose the key is a highly integrated and congruent HR architecture that supports them throughout and beyond the HR cycle. This begins with effective career planning, and includes appropriate pre-departure training, support for the assignee and his or her family, effective repatriation support,
and career support post repatriation (see Collings et al, 2010). The development of effective metrics and measurement again appears central to building the case for effective investment in appropriate HR supports for the global mobility function and for the international assignees it supports.

References:


The Oxford Handbook of Human Capital (pp. 558-617). Oxford, Oxford University Press.


