Managing Talent in Emerging Economy Multinationals:
Integrating Strategic Management and Human Resource Management

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Abstract

Having established their first overseas operation, the next big challenge for many Emerging Economy Multinational Enterprises (EMNEs) is to align their human resources with their strategic ambition. Their lack of internationally experienced talent has become a major obstacle to strategy implementation: They need to fill leadership roles with international responsibility based abroad and at home, and they need to develop talent for future international leadership roles. The key challenge for catch-up strategies thus is to attract, develop and retain talents who can lead international operations. In this paper, we develop a research agenda on strategic management and human resource management in EMNEs that aims to explain the obstacles EMNEs face and facilitates the development of better talent management practice. In particular, we propose to integrate strategic management and human resource management perspectives not only to advance theories but to enhance the relevance of both lines of scholarship to practice.

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Introduction

Multinational enterprises (MNEs) that originate from emerging economies are rapidly expanding beyond national borders, yet they face major challenges in developing and deploying managerial competencies to lead international operations. Recent studies advance our understanding of why and how the emerging economy multinational enterprises (EMNEs) expand internationally (see e.g. reviews by Deng, 2009; Luo & Zhang, 2016; Ramamurti, 2012), highlighting for example large scale investments by internationally relatively inexperienced firms, as well as asset seeking strategies that aim to acquire technologies and brands to upgrade home-based operations (Luo & Tung, 2007; Meyer, 2015; Rui & Yip, 2008).

To implement such ambitious growth strategies, EMNEs need people who can lead their international operations (Meyer, 2014; Wang et al., 2014). This includes both leaders of overseas subsidiaries and managers who can coordinate and support international operations at headquarters (HQ). So far only few studies have investigated this ‘human side’ of EMNEs (e.g., Andreeva et al., 2014; Arp, 2014; Geary & Aguzzoli, 2016; Kulkarni, Lengnick-Hall, & Valk, 2010). Given this gap, the current paper outlines a research agenda that integrates the perspectives of strategic management and human resource management (HRM) to explain how EMNEs can implement their international strategies.

On the global stage, MNEs need managers who can lead culturally and geographically diverse teams and engage with business partners and other stakeholders in each foreign location (Bird & Mendenhall, 2015; Caligiuri 2006). These challenges require not only specialized skills but also a global mindset that enables managers to appreciate the universal and idiosyncratic aspects in each particular location (Pucik, Evans, Björkman, & Morris, 2017; Levy, Beechler, Taylor, & Boyacigiller, 2007). A global mindset cannot be developed through domestic education and work experience, but it grows with hands-on experience in a variety of different cultural environments (Dragoni et al., 2014; Osland, 2000).

The challenge for MNEs thus is to attract, develop, and retain talent with a global mindset to lead international operations, and to implement growth strategies (Stahl et al., 2012). In EMNEs, this challenge is magnified by their often short history of international operations, their lack of in-house developed talent, and the shortage of internationally experienced managers in their home country. This human resource gap is a major obstacle to profitable international growth and a research challenge for scholars of both strategic management and HRM.
This perspectives paper aims to facilitate a dialogue between HRM and strategic management scholars because people are key to strategy implementation. We employ an inductive approach in which we develop our research agenda around the challenges identified in management practice. This approach reflects our belief that major theoretical advances in an applied field such as management can best be achieved by confronting new phenomena with existing theoretical work.

Our discussion is organized as follows (Figure 1): First, we outline two perspectives on EMNEs, namely, a strategic management perspective and an HRM perspective. We then draw on diverse empirical sources, primarily in Chinese MNEs, to develop research questions with regard to the challenges and practices of EMNEs to attract, deploy, and develop talent for leadership roles in both foreign subsidiaries and global HQ. We round up with a discussion of theoretical perspectives, before concluding.

*** Figure 1 about here ***

A Strategic Management Perspective

Corporate catch-up strategies of EMNEs

Most EMNEs have a relatively short history of international operations, having initiated their international expansion only after the year 2000 (Verbeke & Kano, 2015). Given this short period of accumulating experiential knowledge, EMNEs face considerable gaps between their own technological and managerial competencies and the best capabilities in their industry (Deng, 2009; Luo and Tung, 2007). In particular, they lack international management competencies not only within their firms, but also within their domestic network of partners (Meyer, 2014; Yeung, Xin, Pfoertsch, & Liu, 2011). Their emerging economy home environment typically has extensive institutional voids that inhibit the efficiency of markets and hinder the development of internationally competitive competencies (Khanna & Palepu 1997; Meyer & Peng, 2016). In consequence, EMNEs have limited resources in areas such as internationally experienced talent, foreign language competencies, and international business networks.

The international business literature suggests that companies normally build their international operations through in cycles of commitments to overseas operations, learning, and capability building (Johansen & Vahlne, 2009). Most EMNEs follow such step-by-step processes and gradually increase the scope of their international operations, while some EMNEs make fairly large commitments at early stages of their internationalization process, for instance by acquiring major businesses abroad (Meyer & Thaijongrak, 2013). This aggressive pace of
internationalization is feasible for EMNEs that have access to rich financial resources from domestic market leadership or from support by governmental agencies or banks (Morck, Yeung & Zhao, 2008). Yet, a large commitment is risky when the investor lacks cross-cultural competences and solid understanding of host environments. To some extent, this approach may reflect deliberate strategies of learning through experimentation (Lyles, Li, & Yan, 2014), yet many EMNEs end up subsidizing overseas acquisitions for several years before managing a turnaround or an exit (Williamson & Raman, 2011).

Some firms overcome their lack of knowledge of international management by sharing expertise within business networks, for example in communities of small and medium-sized firms or within expatriate networks in host locations. Especially smaller and inexperienced MNEs cluster by country of origin to facilitate mutual support (Tan & Meyer, 2011). Some entrepreneurial firms even build strategic partnerships with large MNEs and internationalize within the network of that MNE (Hertenstein, Sutherland, & Andersen, 2016; Prashantham & Dhanaraj, 2015).

**Acquisition and post-acquisition strategies**

Other ambitious internationalizers access capabilities externally by acquiring other firms, including both foreign firms and internationally experienced firms at home. A particularly aggressive form of catch-up strategy among EMNEs is “strategic asset seeking acquisitions” in advanced economies (Cui, Meyer, & Hu, 2014; Deng, 2009; Meyer, 2015; Rui & Yip, 2008). The primary aim of these acquisitions is to use technology or brands of the acquired unit to strengthen the parent organization, rather than to build a presence in the local market. Technology acquired overseas can provide critical competitive advantages over domestic competitors in many emerging economies.

However, the integration of acquired businesses represents major challenges for EMNEs because of their limited experience in managing acquisitions. The benefits of strategic asset seeking acquisitions are difficult to realize because they require reverse knowledge transfer from the acquired business unit to the parent organization (Chen, Li, & Shapiro, 2012; Meyer, 2015). The processes of identifying (or ‘scouting’) technology overseas, and integrating such technology with potential users in the home country is a complex organizational process that requires versatile ‘boundary spanners’ who can bridge organizational and national boundaries (Monteiro & Birkinshaw, 2016). Yet, in the early stages of internationalization, the absorptive capacity of home-based operations may be too weak to integrate and apply cutting-edge technologies.
Moreover, the traditional organizational structures and cultures of EMNEs may be incompatible with capabilities such as the creativity and innovation of the acquired organization.

One possible post-acquisition strategy that can handle the capability gaps of the parent organization is ‘light touch integration’ (Liu & Woywode, 2013). This strategy enables EMNEs to overcome their capability shortcomings by providing a high degree of autonomy to the indigenous management teams in foreign subsidiaries (Wang et al., 2014). Light-touch integration is effective when the acquired firm is strong from the outset, but it entails major risks when the local organization or its indigenous management teams are weak. Moreover, the realization of reverse knowledge transfer or other forms of synergies is more difficult when the two organizations remain operationally separate.

The strategic management perspective thus points to strategy implementation as a major challenge, which in turn is constrained by managerial competencies. These competencies are grounded in people in different parts of the organization, which highlights the importance of human resources in EMNEs.

**A Human Resources Perspective**

**Globalization of managerial careers**

Managerial careers in emerging economies traditionally follow domestic patterns and are shaped by the economic conditions and cultural values of the home country. These career paths and the supporting HRM practices are significantly different from those of leading global MNEs. In the age of globalization, international managers can take advantage of transportation and communication technology to travel frequently between geographically dispersed subsidiaries and to communicate in person across locations using voice or video interfaces. They thus can get directly involved in operations around the world, personally meet key overseas clients, and access detailed data on resource allocations and performance of each subsidiary via real time information systems. Yet, to use such ‘big data’ for strategic decisions, leaders also need tacit knowledge and personal relationships in each local context. In other words, the top management team (TMT) of an MNE needs global leadership capabilities (Bird & Mendenhall, 2016), language competencies (Harzing & Pudelko, 2013; Reiche, Harzing, & Pudelko, 2015), and a global mindset to appreciate the connectedness of international operations.

This global connectedness changes the career paths of international managers in several ways. First, overseas assignments are critical stepping stones of managerial careers. As expatriates, they
do not only play key roles in the management of overseas subsidiaries, but they also acquire distinct capabilities (Brewster et al., 2014; Ng, van Dyne, & Ang, 2009; Tung 1998) that may eventually qualify them for home-based leadership roles with global responsibilities (Caligiuri & Bonache, 2016; Tung, 2016). Similarly, employees from overseas affiliates, known as ‘inpatriates’, are brought temporarily to the central units of MNEs for training and leadership development (Froese et al., 2016; Reiche, 2006). This multi-directional flow of talent within MNEs helps develop international management competencies and a global mindset throughout the organization.

Second, local talents increasingly fill roles that have traditionally been performed by expatriates. The traditional model of posting expatriates for three to five years is relatively expensive because of high salaries and the costs of supporting expatriate families. In many locations, rising qualifications enable local staff to take over top and middle management roles. Yet, local experts able to assume leadership roles in complex multi-cultural organizations remain scarce, and their salaries are rapidly increasing in some locations such as Shanghai (Fernandez, Xu, Zhou, Puyuelo, & Li, 2015). Therefore, many recruiters prefer to hire the most suitable person for a given role regardless of nationality, and thus increasingly recruit third country nationals ‘on local contracts’, i.e., without generous expat packages. Multi-year expatriate contracts thus are still common only for a) subsidiary leadership roles critical for monitoring and control, and b) technical experts critical for knowledge sharing.

Third, in response to technological changes, the patterns of international work have evolved toward more flexible and assignment-specific arrangements (Caligiuri & Bonache, 2015; Collings, Scullion, & Morley, 2007; Morris, Snell, & Björkman, 2016). For example, project managers or specialist engineers may work on assignments in foreign locations for a few weeks or months. Virtual international teams are becoming a new norm in professional service firms as individuals based in different locations work jointly on a project, such as consulting assignments that require input from multiple perspectives (Nurmi & Hinds, 2016; Tenzer & Pudelko, 2016; Welch, Worm, & Fenwick, 2003). Work in international projects or virtual teams places individuals at cross-cultural interfaces and hence requires all participants to develop cross-cultural and linguistic competencies. In other words, international management capabilities are needed not only by the TMT but by specialists throughout the organization.

**Human resource gaps of EMNEs**
EMNEs need international management capabilities not only in the leadership of overseas subsidiaries, but also in HQ functions supporting overseas operations or advise top management on international investments. The capabilities to perform such cross-cultural and cross-border activities are built through experience in different cultural contexts and by engaging with clients, suppliers, advisors, and – most importantly – employees from a variety of local contexts (Caligiuri, 2006; Stahl et al., 2012).

The development of such capabilities is still a work in progress for EMNEs that have only recently started to invest overseas. Some EMNEs may have specialist teams with relevant experiences that support international operations, but overseas experience in the TMT and in HQ based functional units is often scarce. At the same time, HRM systems are rarely globally integrated and often based on host country systems (Andreeva et al., 2014, Geary & Aguzzoli, 2016). In the short run, EMNEs thus have to manage their international activities with either externally recruited managers or with existing staff who are relatively inexperienced in international management. In the long term, developing talent in global career paths may help EMNEs implement their strategic objectives. Yet, such talent development requires processes to attract, develop, integrate and retain such talent, and a corporate leadership team with a long-term vision to anticipate future needs.

**Management Challenges and Research Questions**

In this section, we develop questions to guide future research drawing on indicative evidence from our own case research. Our methodological approach is inductive in the sense that we draw on empirical observations to identify key managerial challenges that merit future theoretical and empirical analyses. First, we have conducted case research into the strategies of a wide variety of EMNEs, based on interviews with executives in HQ roles and in acquired companies in North America and Europe. Some of our cases have been published as teaching cases, while others are in form of confidential transcripts or unpublished notes (see Appendix).

Second, we have engaged in extensive discussions with senior executives of EMNEs in executive education and EMBA settings. For example, we led case discussions on international activities of EMNEs using cases such as Sany’s acquisition of Putzmeister, ShangGong Group’s multiple acquisitions in Germany, and Kemet’s acquisition of a local company in Indonesia. We also discussed with expatriates in the German, American, and Danish Chambers of Commerce in Shanghai, as well as in the LBS Alumni Association.
Third, we conducted five in-depth interviews via Skype with executives who are currently working outside of China for Chinese MNEs. In these interviews, we asked executives for examples of good and bad practices that they observed in their own organization and its peers. Finally, we conducted a focus group meeting with executives to discuss our initial ideas with the aim to gain insights into the relevance of specific cases.

These qualitative investigations provide us with a rich understanding of the concerns of managers in EMNEs, although some of the information is unstructured or undocumented because of confidentiality. Our primary aim is to generate ideas and identify research puzzles. In consideration of this objective, we emphasized the breadth and originality of sources over representativeness and methodological rigor. However, one message has been arising across many sources, namely that the most daunting challenge faced by EMNEs relates to ‘people issues’. The implementation of international strategies depends on people at many junctures of the organization.¹

A Typology of Talent

Before exploring managerial practices, we need to reassess some of the terminology in the literature. This international HRM literature usually classifies employees by their origin as home, host, and third country nationals (e.g. Caligiuri & Bonache, 2015; Tan & Mahoney, 2006). Our field research suggests that this terminology may be too simplistic for the analysis of EMNEs. Specifically, important groups are foreign diasporas and returnees that combine some degree of understanding of both home and host societies (Table 1).

*** Table 1 here ***

Traditionally, subsidiary leaders have been home country nationals who pursued a career within the MNE before being sent abroad to represent the company. However, given their relatively short history of internationalization, only few EMNEs have sufficient internally grown talent who can fill leadership roles abroad (Tung, 2007). Thus, many Chinese MNEs in Europe and in the USA largely rely on local talent which we define as any talent who first joined a foreign subsidiary from the local labor market. These people can be host, home or third country

¹ Our research was conducted mainly in China, but we are acutely aware that emerging economies vary substantially, as we observed in our own company visits in India, Turkey, and Indonesia. Some challenges and practices we observe may be specific to a country or a subset of emerging economies and not generalizable across all emerging economies. In particular, we have to be careful when generalizing from Chinese data to other emerging economies. While we aim to develop a research agenda for EMNEs in general, we have to consider the specific nature of each country when interpreting empirical evidence.
nationals, and include for example the leadership team of an acquired firm (Liu & Woywode, 2013). An interesting variant to local hiring is the recruitment of host country nationals who have previously been working in the MNE’s country of origin. We encountered several expatriates in Shanghai who seriously considered headhunters’ offers to represent a Chinese company in their own home country. It is too early to tell whether this type of returnee from China will be successful in leading a Chinese subsidiary abroad.

A third option is to hire diaspora individuals living in the host country. Their ethnic or personal ties to the MNE’s country of origin should normally know the local context, and thus be able to communicate effectively with local employees. Yet, they often lack understanding of the corporate culture of the parent company and they have weak personal networks and ties at HQ. Finally, local talent includes third country nationals, who may be attractive as mediators between home and host country cultures. Yet, we have not often seen such individuals in subsidiaries of EMNEs.

Correspondingly, four options exist with respect to leadership roles at HQ. First, EMNEs may appoint traditional leaders to their TMT despite their lack of international experience because of the importance of domestic capabilities and personal networks, and the shortage of internationally experienced senior managers. These managers can effectively manage domestic operations, which remain the largest markets for most EMNE, and may learn on the job how to engage with foreign business partners. Second, EMNEs can fill gaps in their homegrown talent by recruiting individuals with international experience into leadership roles, particularly those in the diaspora abroad. Many of these returnees, in China popularly known as ‘sea turtles’ (which is pronounced similar to ‘returned’), however face challenges to integrating themselves into organizations with traditional leadership structures (Wang & Bao, 2015; Xu, 2009).

The third option for internationalizing corporate HQ is to hire foreign nationals for critical leadership roles. Such foreign experts in local organizations (FELOs) can theoretically contribute critical technological and managerial knowledge, but they need strong interpersonal skills to operate effectively within the culture and structure of an EMNE (Arp, 2014). Finally, MNEs could theoretically recruit local talent in their subsidiaries overseas and then move them to the HQ organization as inpatriates (Reiche, 2006; Froese et al., 2016). We have not yet observed such career paths in EMNEs, apart from acquired firms such as German machine tool makers Putzmeister, Kiekert, or Dürkopp-Adler, which operate highly autonomously under their new
Chinese owners. Chinese subsidiaries of these firms report to a German HQ, which in turn reports to the owners in China.

**Talent for Leadership Roles in Foreign Subsidiaries**

Subsidiary leaders operate across boundaries of nations, organizations, and cultures. In addition to the tasks of a line manager, they act as boundary spanners who manage relations with HQ, engage with local clients, and manage local employees (Caligiuri, 2006). International leadership capabilities are therefore critical. These demands on subsidiary leaders raise a number of interesting research questions with regard to the selection and development of individuals for such local leadership roles (Table 2).

*** Table 2 here ***

**Effectiveness of home country talent.** When individuals on a traditional domestic career path are delegated to a subsidiary leadership role abroad, they are likely to face major challenges for which they have not been trained. At this time, few senior managers in Chinese MNEs can combine deep knowledge of the firm with rich personal experience overseas – a consequence of the relatively recent opening of the Chinese economy. This lack of international experience limits managers’ appreciation of variations in business practices around the world.

Some Chinese MNEs introduced HRM strategies several years ago that are similar to those of leading Western MNEs, and thus have a pool of potential expatriates. Our interviewees suggested that Lenovo, Huawei and Fosun Group as leading examples. However, many expatriates of Chinese MNEs still lack language skills and cultural intelligence with respect to the host society. Our interviewees suggested that in particular the lack of understanding of different value systems, such as the roles and status within organizational hierarchies, frequently results in conflicts. Moreover, novice expatriates don’t know how to engage with local actors that don’t exist in comparable form in China, such as independent media, trade unions, or municipal planning authorities (Meyer, 2014; Zhu et al., 2014). At the same time, certain practices essential to operating within a Chinese culture, such as guanxi-based relationships with government representatives, are unlikely to be effective (Leung, 2014). These challenges raise the question for future research: How can home-country leaders with minimal cross-cultural experience manage employees and other stakeholders in a foreign cultural context?

An important function of subsidiary CEOs is to facilitate knowledge exchange with HQ (Harzing, Pudelko & Reiche, 2016; Yang, Mudambi, & Meyer, 2008). When EMNEs pursue
strategic asset-seeking acquisitions, an important objective for subsidiary CEOs is to facilitate reverse knowledge transfer to HQ. Recent research suggests that the effectiveness of reverse knowledge transfer depends on the characteristics of both the subsidiary and the HQ (Ambos, Ambos, & Schlegelmilch, 2006; Rabbiosi & Santangelo, 2013). In particular, subsidiary leaders have to motivate people in the subsidiary to share non-codified knowledge, and to work directly with individuals in HQ who can utilize such knowledge. Thus, they need inter-personal and networking skills, and they have to secure the retention of individuals with specialist knowledge. This leads to our second research question: How can home-country managers of EMNEs lead acquired businesses and effectuate reverse knowledge sharing?

Effectiveness of local talent. Given the shortage of suitable expatriates, EMNEs often recruit subsidiary leaders locally. In many acquisitions, Chinese MNEs retain the existing management team to lead their new subsidiary; even the CEO may continue under the new ownership. However, these local subsidiary leaders face major challenges managing the interfaces with HQ in China. In addition to cross-cultural interfaces, they face an unfamiliar ownership and governance structure, especially if the new owners include government entities.

Moreover, given the importance of personal relationships in Chinese culture (Bu & Roy, 2015; Chen & Farh, 2010; Chen, Chen, & Huang, 2013), individuals in subsidiaries without such personal ties may encounter difficulties in working effectively with HQ. Subsidiary CEOs have to act as ‘boundary spanner’ to a traditional culture with strong informal in-groups and out-groups (Chen, Peng, & Saparito, 2002), particularistic leadership (i.e. based on particularistic relationships; Farh et al., 2008), departmental fragmentation, and/or substantive language barriers. Yet, talents recruited locally lack in-depth knowledge of the parent organization, and they often cannot communicate directly with all relevant counterparts in China. These barriers inhibit their ability to act as matchmaker between experts in the subsidiary and potential knowledge recipients in HQ. Thus, how can locals as subsidiary leaders enable mutual knowledge sharing with HQ while keeping the subsidiary on a profitable growth path?

Foreign diasporas are often believed to be better able to operate at these critical interfaces. Theoretically, their better understanding of home and host cultures helps communicating with all key stakeholders. For example, in one Chinese start-up company, the founder’s daughter-in-law, who originates from Hong Kong, acts as an intermediary for sales teams in Europe. Yet, stories of overseas Chinese failing in mainland-based companies are also plentiful: some lack respect within the host society, whereas others struggle to integrate themselves into the group of core
decision makers in the parent organization. Hence, overseas Chinese may have the potential ability to facilitate overseas business operations of Chinese MNEs, but how this potential can be realized remains unclear (Wang & Bao, 2015). Thus, how can local talents – host country nationals and overseas Chinese – effectively engage with HQ in an emerging economy when they are not part of the in-group of corporate decision making?

**Managing Local Talent.** EMNEs typically face significant challenges to attract and retain highly qualified talent for their foreign subsidiaries. At the outset, many EMNEs have a weak or unknown employer brand because locals do not know what to expect. Several interviewees reported challenges in recruiting top university graduates into greenfield operations (Huawei may be an exception). In acquired operations, the brand of the acquired company usually helps overcoming this challenge. We observed that Chinese MNEs often try to overcome this obstacle by hiring people from their business partners, such as clients, suppliers, consultants, or even translators. At the same time, several of our case firms experienced repeated changes of the local CEO before finding an individual who was trusted and respected by both the local workforce and their bosses in China. Thus, the recruitment of local talent presents many challenges for practice and research: Which personal characteristics or experiences enable local talent to effectively engage with superiors based in an emerging economy?

Local talents tend to seek not only financial rewards but also pay attention to the reputation of their employer in terms of career prospects, personal autonomy of work, and corporate social responsibility. Few EMNEs prioritize these aspects, and if they do so in overseas subsidiaries, they may not be well aligned with HRM practices in the home country, and cause substantial tensions within the organization. One interviewee in an online business reported contrarian cultures in foreign and HQ operations, which resulted in conflicts at interfaces between the two parts of the same company. Similarly, high staff turnover among local talents of some EMNEs indicates that their HRM practices need to be refined to secure satisfactory staff retention. Thus, what HRM and talent management strategies enable EMNEs to attract and retain local talent in critical overseas operations?

**Developing local talent.** Many EMNEs pursue aggressive catch-up strategies with strategic asset-seeking acquisitions abroad, but their motivations and strategies vary. Some EMNEs aim to obtain strategic assets, such as technologies and brands, to develop their home market, while others intend to integrate the acquired asset with lower cost production at home to serve global markets. Successful implementation of these strategies needs alignment of FDI motives with
HRM and talent management strategy (also see Chung, Park, Lee, & Kim, 2015). If investment only aims to acquire patents or other tangible assets, then a translator may suffice. If it is market-seeking, then building local market knowledge is essential. If strategic capabilities are sought, then capabilities to transfer knowledge back to HQ are critical, which requires intensive management of knowledge flows. Thus, talent needed in the leadership of subsidiaries is likely to vary with investment motives. Future research should thus address questions such as, how does the effectiveness of talent management practices vary across EMNEs subsidiaries pursuing different strategic objectives?

To develop local talent, some EMNEs attempt to meet the expectations of ‘Western’ employees by revising HRM practices, such as performance evaluations and transparent promotion opportunities. However, so far, Chinese MNEs rarely offer career opportunities with rotation beyond the subsidiary and opportunities for promotion to regional or global leadership roles. Even in companies that actively recruit non-Chinese for managerial roles, foreigners we interviewed report frustrations over issues such as not receiving feedback on their work, not obtaining a good sense of the overall direction of the company, and not being part of strategic decision processes, even if they have a senior job title. One source of such frustrations is the tendency of traditional leaders to rely on informal circles of trusted associates in their decision making. Another issue is the language barrier because the de facto company language of Chinese MNEs is usually Chinese, and few senior non-Chinese are fluent in that language. Lenovo may be the only major exception having internationalized all layers of management, including the corporate board. This raises questions such as how can internationally and organizationally mobile talent ‘fit’ into organizations with a largely home grown leadership team?

**Home-based Leadership Roles**

MNEs tend to concentrate important functions in their corporate HQ, which is normally located in their country of origin (Meyer & Benito, 2016). HQ operations therefore tend to be strongly influenced by organizational history and national culture. Given the advances in communication and transportation technology, HQ TMTs can principally become directly involved in strategic and even operational decisions in overseas operations. Yet, for TMTs to assume strategic leadership, they need a deep understanding of the specific context in which each subsidiary operates. Moreover, numerous departments and individuals at HQ support overseas operations, or act as intermediaries between the TMT and overseas staff. Individuals in these support functions also need cross-cultural and linguistic competencies to engage with diverse groups of people.
across the MNE. The development of international management competencies within the entire HQ is thus critical for the success of international operations.

HQ operations are embedded in the social and economic structures of the home society, which may not always be conducive to developing international management competencies. We observed in particular two sets of issues. First, organizational cultures at HQ tend to reflect the national culture of the country of origin. For example, Chinese organizations have traditionally been very hierarchical and paternalistic (Farh, Liang, Chou, & Cheng, 2008), with a high power distance culture (Cheng, Chou, Wu, Huang, & Farh, 2004; Chen & Farh, 2010) and extensive reliance on personal relationships (Bu & Roy, 2015; Leung, 2014). At the same time, they are used to operating in a fast-paced market where timely decision making and frequent process innovation are critical (Yip & McKern, 2016). Yet, when Chinese MNEs enter Northern Europe, they meet local organizations with flat structures, low power distance cultures, and perfectionist attitudes in decisions making. At the same time, Chinese leaders (and even a European returnee from China whom we interviewed) often perceive European employees as slow and rigid.

Second, many Chinese MNEs are at least partially owned by government entities at national, provincial, or even municipal levels (Li, Cui, & Lu, 2014). Many of our interviewees downplayed the importance of the state as owner, but in some situations, political objectives may have to be carefully balanced with business objectives. These firms are often listed on the stock market to attract private capital and thus operate as hybrid organizations with multiple types of shareholders (Bruton et al., 2015). However, even these hybrid organizations are typically closely associated with the government agencies, and they participate in the cadre development of the state sector. This cadre development provides extensive training and rigorous selection along with routine rotation between government, party, and state-enterprise roles. Leaders of state enterprises are typically highly competent, but international experience is not normally part of their cadre development, while senior hires from outside this system remain rare (Brødsgaard, 2012; McGregor, 2010). Moreover, managers devoting time and resources to develop political capabilities and ties in China (e.g., Sun, Mellahi, & Thun, 2010; Pearce, Xin, Xu, & Rao, 2011) are likely to invest less in developing international management competencies.

The development of international management competencies for home-based leadership roles takes place in an organizational context shaped by its national cultures and ownership structures. Table 3 summarizes the research questions arising from these challenges.

*** Table 3 here ***
Effectiveness of traditional leaders. The development of internationally experienced TMTs takes time. Even in large MNEs corporate boards are dominated by nationals of the home country; only a few MNEs have appointed a CEO from a different country (Oxelheim, Gregoric, Randøy, & Thomsen, 2013; van Veen & Marsman, 2008). However, the leadership team of a typical European MNE has extensive international experience, including leadership roles in foreign affiliates. In contrast, examples of TMT internationalization among EMNEs are rare. In the 2010s, their history is too short to generate a pool of internationally experienced managers for international leadership roles. In fact, many senior leaders in China have only rudimentary knowledge of foreign languages. Beyond the TMT, second-tier support staff interacting with foreign entities requires professional and intercultural competencies.

Competencies in home-based operations are particularly critical for catch-up strategies aiming to access and integrate competencies from overseas acquisitions. This reverse knowledge transfer requires HQ to develop absorptive capacity for foreign competencies (Ambos et al., 2006; Kotabe et al., 2011). Thus, not only do subsidiaries have to be willing to share knowledge, but recipient business units have to be able to integrate and apply knowledge potentially available to them. Leaders in home country operations need to understand the logic of processes embedded in the operation of the overseas subsidiaries to be able to identify learning opportunities for their business unit and to facilitate exchange between key individuals on both sides. These tasks require a high degree of inter-cultural and inter-personal skills. Thus, how can home-based leaders with little international experience lead the integration of reverse knowledge transfer?

Employees on traditional career paths have to cope with new policies that prioritize international experience and performance-based promotion. They may perceive these changes as a threat to their own status and authority in the company. Some private Chinese firms with international ambitions have started to recruit managerial talent outside their traditional management group to develop a global mindset. For example, most of Jiangsu Jinsheng’s managers have international experience because they previously worked for an MNE. Other companies recruit foreign expatriates or returnees. Yet, such an external recruitment can lead to the co-existence of individuals with very diverse experiences, career expectations and value systems within the same organization, and thus to complex internal group dynamics and tensions. For example, traditional leaders may feel challenged when leading internally experienced and career-focused young talents, while mid-level managers on traditional career paths are likely to feel marginalized. Thus, how can traditional managers cope with competition from externally recruited managers with international experience and high ambitions?
Effectiveness of externally recruited talents. Many EMNEs aim to accelerate the development of international management competencies by hiring people with international experience. This includes returnees from overseas assignments, home country nationals educated abroad, individuals from the overseas diaspora, and foreign nationals. While these individuals offer international perspectives, their contribution varies considerably, as highlighted in recent research. Tan and Meyer (2010) find that Taiwanese business groups whose board members share international work experience are focused more on international markets, whereas educational experience has a negative association. Similarly, Cui et al. (2015) find that returnees in Chinese electronics firms with leadership experience are associated with increased firm internationalization, whereas those who have only education experience abroad are less internationalized. This suggests that only overseas work experience, especially supervisory or managerial work, provides soft skills and real-world understanding, while theoretical knowledge alone makes little contribution to recipient organizations.

The challenge for external recruits is to fit into the culture of the organization while retaining and leveraging their distinctiveness to make a contribution to the organization. In collective cultures, where informal in-groups and out-groups are both subtle and persistent (Chen, Peng, & Saparito, 2002; Muethel & Bond, 2013), external recruits cannot easily join the in-group and influence strategic decisions. Thus, they have to balance contrarian pressures: On the one hand, they need to ‘fit in’ to get along and join the inner circle of the management team. On the other hand, they have to maintain their distinctive and unique capability and style to leverage on their professional expertise within the organization.

A recent study by Arp (2014) in Malaysia resonates with our own observations in China. He finds that the initial recruitment of FELOs (foreign executives in local organizations) aims to fill specific competence gaps or to lead necessary change management. However, the actual contribution is often their management style and cross-cultural competence, and their ability to initiate organizational change. The individuals interviewed by Arp were often called upon to join meetings with foreign partners because the presence of a foreigner would enhance the firm’s credibility with potential business partners. However, some of the FELOs also served as scapegoats when organizations faced challenging restructuring. Thus, a question of both theoretical and practical relevance is, how can returnees, diasporas and FELOs balance ‘fitting in’ with the existing organization while using their distinct competencies to promote change within that organization?
Individuals from Northern Europe or North America who work for an EMNE may find that adjusting to the firm’s culture and hierarchy is particularly challenging. They likely are used to flat organizational structures and high autonomy, and feel less effective when subjected to management styles of hierarchy and paternalism common in emerging Asian economies. High degrees of centralization and control can become a source of conflict when integrating FELOs from low power distance cultures or from industries that rely heavily on individuals with highly specialized skills. We asked expatriates in Shanghai whether they would consider representing a Chinese company in their home country. In addition to conventional answers related to salary and job description, a common response was, ‘it depends on the boss’. Appreciating the centrality of the boss in a Chinese organization, they suggested that alignment with the boss’s strategic vision, personality and ethical values would be key to succeed in Chinese organizations. Chinese managers with a history of working for foreign MNEs concurred that this alignment is also their primary concern when considering joining a local company.

On the other hand, Chinese executives often feel challenged when managing autonomous sub-unit leaders because they are used to relying on personal loyalty and they tend to work with people they have known for many years (Chen et al., 2013; Farh et al., 2008; Liu, Keller, & Hong, 2015). Some prefer to bring their own loyal staff when they join a new company. Such practices can cause major conflicts when key people in the team do not share the same cultural background, such as FELOs, returning diasporas, or even employees that have spent a few years in the company’s overseas operations. Resolving such tensions requires mutual adjustments of both traditional leaders and recruits on non-traditional career paths. These issues raise the question, how can traditional leaders and externally recruited talent work together effectively within the home-based operations of an EMNE?

Managing external talent. Attracting and retaining external talent from advanced economies is challenging for EMNEs because these talent are normally accustomed to organizations with more transparent and supportive HRM environment than that of a typical EMNE. Talents recruited abroad often encounter difficulties when operating in an ambiguous culture and an HRM policy driven by administrative needs rather than by strategic vision. Many EMNEs are aware of the need for organizational change to facilitate recruitment and to retain talent when they advance from a local player into to an MNE (Fernandez et al., 2015). However, this transformation requires a long-term approach and a lot of patience.
In the case of LiuGong, China’s fourth largest heavy mechanical equipment manufacturer, Chairman Mr. Zeng courted a highly regarded R&D manager for several years before he succeeded in recruiting him. This R&D manager, an American with many years of experience working for top MNEs in similar industries, was impressed by Mr. Zeng’s with his global mindset, English proficiency, and the prospect of playing an important role in shaping the R&D function of the company. EMNEs such as LiuGong find that they can attract global talent from large MNEs who are frustrated by a bureaucratic structure and cherish the opportunity of greater responsibility in a mid-sized Chinese organization where they will be able to implement their ideas that fell on deaf ears in their previous job.

Other EMNEs try to adopt Western-style aggressive headhunting, with mixed success. One highly respected real estate company in China with several cross-border M&A deals aggressively uses global headhunters to acquire international talent. This approach appears effective and stable for individuals who work in overseas subsidiaries. However, at HQ in China, this approach resulted in high turnover of FELOs. The company frequently hired experts from MNEs offering them a high salary, and expecting them to work like locals 12 hours a day and to finish projects with ‘China speed’. This expectation turned out to be unrealistic. Many of the FELOs were burned out quickly and quit. This result indicates a mismatch between local organizational culture and professionals who are used to a more balanced system. These cases suggest a need for further research on how can EMNEs attract successful overseas diasporas and FELOs, and create a supportive climate to enable them to function effectively?

In the longer run, the arrival of external recruits will change the dynamics of different groups of employees within the organization. For example, ethnic Chinese who were raised overseas face special challenges if they have limited understanding of Chinese culture and low Chinese language proficiency. Raised in a ‘Western’ cultural context, they often think and behave very differently from local Chinese, who may call them ‘banana’ (i.e., someone who thinks like a ‘white’ person but has a Chinese appearance). They sometimes face additional challenges in Chinese companies because their Chinese colleagues expect them to understand their culture and language, which they do not. Their integration may be even more challenging than for “true” foreigners who are not assumed to act like Chinese. For example, Tung (2016) reports a reverse resonance phenomenon in which people with a similar ethnic background are evaluated more harshly than complete outsiders.
However, adjustment has to be mutual. Chinese EMNEs have to find ways to bring external talents into their management team without alienating the new recruits or their long-time staff. Existing leadership teams may be reluctant to change their work practices because of a small number of outsiders joining the company. Thus, a key question remains, how can EMNEs increase the diversity of their corporate leadership without undermining their group cohesion and their speed of decision making and execution?

**Internal development of global leaders.** In the long run, ambitious EMNEs need to develop the cross-cultural competences of their home-country talent to enable them to lead international operations. International best practice suggests that EMNEs would need to 1) develop a talent mindset in the top management, 2) systematically invest in talent, and 3) develop a variety of means to develop talent. High potential young employees may thus be sent overseas at the expense of the company to study abroad and/or to undergo internships with partner firms. However, such systematic talent development requires substantial resources and sustained foresight and support from top management (Stahl et al., 2012).

Some Chinese companies, such as Huawei, Lenovo, and Fosun, are already systematically rotating some of their talent to develop international management capabilities while emphasizing the importance of English language throughout the organization. Consider the case of ICBC, who acquired 20% of Standard Bank Group of South Africa in 2007 and subsequently took majority stakes in its Argentinean and UK subsidiaries. For 10 years, ICBC has been sending 100 employees abroad every year for 1 year (6 months of schooling and 6 months of internship in the financial sector). This approach enabled ICBC to form a pool of managers who have graduated from that program and are prepared for international responsibilities. Moreover, our interviewees suggested that the differences in the international performance of the two leading Chinese suppliers of telecommunication equipment, namely Huawei and ZTE, can at least in part be attributed to their different approaches to international talent management.

While some Chinese MNEs have adopted good practices from leading global MNEs, we did not find systematic career development plans for individual training, cross-functional rotation, and international postings. Such an approach to talent management would also include repositioning the HRM department as strategic in the organization, and developing an international mindset of the corporate leadership. This issue raises questions, such as how can EMNEs effectively organize their talent development programs to close the capability gap?
Young people who join corporate talent management programs are changing due to the evolving demographics of Chinese society. Given the one-child policy since the 1970s, intergenerational differences with respect to educational experiences, value systems, and career aspiration tend to be large (Zeng and Greenfield, 2015). Recent university graduates tend to be, for example, more confident, more materially oriented, and less respecting of traditional hierarchies. Thus, Chinese MNEs face challenges in making themselves attractive as employers to university graduates. A clearly defined career development program may help, as may the prospect of participating in a project of national pride. Beyond these tentative suggestions, further research may address questions such as how can EMNEs best attract, develop and retain young, globally mobile talents with high ambitions for their own career?

Discussion

To promote this research agenda, we hope to encourage more scholarly discourse between strategy scholars and HRM scholars. Strategy researchers need to recognize the focal role of talent in strategy implementation. The lack of talent induces barriers to strategic change, while strategic investments in talent serve as a foundation for long-term growth strategies. HRM scholars need to move beyond concepts such as individuals’ adaptation and person-organization fit to incorporate the co-evolution of organizations and talent pools. Today’s talents need to be prepared for tomorrow’s leadership challenges.

This emergent research agenda calls for an integration of scholarship at different levels of analysis (individuals, teams, subsidiaries, and MNEs) and scholarly disciplines (e.g., organization economics, organization theory, and cross-cultural psychology). Several theoretical lenses may help shed light on these issues.

Institutional Perspectives

The most popular theoretical perspective in business research on emerging economies is the institution-based view, which focuses on institutions as rules of the game (Meyer & Peng, 2016; Xu & Meyer, 2013). These institutional pressures vary across firms due to variations in sub-national regulatory institutions as well as governance and ownership types (Bruton et al., 2015; Li et al., 2014). From this perspective, interesting research questions concern the interaction of formal and informal institutions at different levels in the home and host countries with the catch-up strategies and talent management practices of EMNEs.
With respect to home country institutions, the key questions concern if and how they influence operations beyond the home country, how such influences are transmitted, and how they may be moderated by other factors. For example, a hypothesis that arises from this perspective is that home country cultural norms, such as the use of guanxi, high power distance and in-group collectivism (Chen et al., 2013; Muethel & Bond, 2013) have persistent influences on managers even when formal evaluation and promotion criteria change.

For host country institutions, questions arise if and how they can create different pressures on different types of foreign investors, distinguished for example by country of origin or by ownership type. For instance, state-owned firms face challenges abroad with regard to the legitimacy of their practices; therefore, they pay increased attention to earning legitimacy among the stakeholders in the host society (Meyer, Ding, Li, & Zhang, 2014). At the same time, they may be less flexible in adapting localized management practices because of institutional pressures from their home environment.

This observation raises a major issue, namely, the interaction between home and host country institutions (Child and Marinova, 2014; Li et al., 2013. For example, Chinese investors in Africa may have direct access to inter-governmental contracts for public construction or mining projects (Li et al., 2013), yet face substantial challenge of building legitimacy with workers and civil society beyond the government (Jackson, 2014). Moreover, EMNEs appear to adapt their HRM practices differently in advanced and emerging economies, as shown by Andreeva and co-authors (2014) for Russian MNEs and supported by our own communications with local partners of Chinese MNEs in Western Europe and West Africa. Historically, Japanese MNEs had similar variation in their first steps of internationalization. In the USA and Europe, they aimed to integrate Japanese and Western management ideas, while they emphasized the transfer of their own best practice in countries in Southeast Asia.² Further research is needed to understand the interactions between institutional pressures in home and host countries that jointly influence management practices in foreign subsidiaries.

Organizational Learning Perspectives

Studies on the catch-up of firms in emerging economies have been informed in particular by resource-based and organizational learning perspectives (Kumaraswamy et al., 2012). The present study suggests that concepts such as absorptive capacity (Lyles & Salk, 1996; Minbaeva et al.,

² We thank Rosalie Tung for alerting us to this pattern; see online video (minute 01:07:00 to 01:11:00) at www.sfu.ca/davidlamcentre/forum/past_PRF/PRF_2014/pacific-region-forum-january-30-2014.html
2003) and dynamic capabilities (Dixon, Meyer, & Day, 2010; Malik & Kotabe, 2009) may be important to explain the resource enhancement and the sustainability of competitive advantages in emerging economies. These organizational capabilities are grounded in the capabilities of individuals and patterns of interaction between them, which in turn are critically shaped by HRM and talent management practices. The organizational learning perspective thus suggests focusing on the link between talent management and the evolution of higher level organizational capabilities.

With respect to learning in overseas operations, a central question is how EMNEs can facilitate organizational learning while speeding up their progression in the internationalization process (Kotabe & Kothari, 2016; Meyer & Thajongarak, 2013). Specifically, are they adopting different patterns and practices of organizational learning than traditional MNEs? For example, Lyles and coauthors (2014) suggest that Chinese MNEs rely to a large extent on experimental learning in their internationalization process. On the other hand, vicarious learning (i.e., learning by imitating role models) may be difficult for early movers, but becomes more feasible once a substantive number of firms from the same country of origin have invested abroad.

In HQ operations, the main challenge for organizational learning is to not only disseminate knowledge to newly established subsidiaries, but also to attract reverse knowledge flows. The integration of knowledge from overseas subsidiaries is particularly important to implement EMNEs’ catch-up strategies. This reverse knowledge transfer appears to often lag expectations. Thus, we need a better understanding of theoretical constructs such as HQ absorptive capacity (Ambos et al., 2006), the acquired unit’s disseminative capability, and knowledge search in MNEs (Monteiro & Birkinshaw, 2016). These concepts encompass not only technological capabilities but also organizational characteristics such as flexibility and openness, which in turn are significantly influenced by the personal characteristics of people in the organization.

**Social Psychology and Anthropology Perspectives**

Our discussion of EMNEs highlights the diversity of people who work in EMNEs, sometimes at the same locations, in other cases interacting across geographic space (Moore, 2012; Reade, 2001). This diversity of people raises interesting questions for social psychology and anthropology with regard to the identity and personality of individuals in different parts of the organization, especially those at critical interfaces between different social groups (e.g., Hogg & Van Knippenberg, & Rast, 2012; Richter, West, van Dick, & Dawson, 2006).
With regard to the identity of individuals within MNEs, recent work on local and expatriate employees suggests that they may identify with groups other than the crude categories frequently used in scholarly work (Caprar, 2011; Moore, 2012). Moreover, individuals who move between organizations may partly identify with their former affiliation (Grohsjean, Kober, & Zucchini, 2016). Given that in-group or out-group membership tends to play an important role in many emerging economies, questions of identity and its evolution over time are of both practical and theoretical importance. Perhaps, ethnographic studies of EMNEs across multiple locations would be particularly helpful in advancing this line of work (Moore, 2011).

Regarding the personality of managers in critical boundary-spanning roles, recent research grounded in psychology suggests that personality traits play an important role in expatriate selection and performance (Caligiuri, 2000; Shaffer et al., 2006). In EMNEs, for example, a critical capability is the ability to cope with conflicting demands of HQ bosses who are embedded in a traditional culture of high power distance and in-group collectivism, and Western employees who value their autonomy and individual rights (and thus for instance ‘fair’ and transparent promotion criteria). We observed several incidences of early departure of non-Chinese leaders in Chinese acquired companies. This observation raises further questions regarding the personality traits that enable managers to operate effectively at critical interfaces between social groups with disparate organizational cultures within EMNEs.

**Conclusion**

An extensive discourse between strategic management and HRM scholarship is needed to advance our understanding of strategy implementation in MNEs, and EMNEs in particular. Recent studies provide solid insights into the motivations and strategies of EMNEs, but we still know relatively little about how they overcome obstacles to strategy implementation related to managing people in their recently established international operations.

The research agenda outlined in this paper proposes to study both overseas and home-based talent management with the dual aims of explaining current leadership practice and the development of future leaders who can lead growth strategies in the global economy. Eventually, EMNEs will be able to achieve their ambitious strategic goals only if they can attract, retain, and develop highly qualified people to implement their strategies.
References


Figure 1 Organizational Framework for this Paper

Table 1 Typology of Talent in EMNEs

<table>
<thead>
<tr>
<th>Home country nationals with little international experience</th>
<th>In Foreign Subsidiaries</th>
<th>In Headquarters</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Expatriates</td>
<td>Traditional leaders</td>
</tr>
<tr>
<td>Individuals abroad with roots in the home country</td>
<td>Diaspora</td>
<td>Returnees (‘sea turtles’)</td>
</tr>
<tr>
<td>Host country nationals</td>
<td>Local employees</td>
<td>Inpatriates</td>
</tr>
<tr>
<td>Third country nationals</td>
<td>Third country employees</td>
<td>Foreign experts in local organizations (FELOs)</td>
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</table>
### Table 2: Subsidiary Leadership Roles – Exemplar Research Questions

<table>
<thead>
<tr>
<th>Effectiveness of home-country talent in subsidiary leadership</th>
<th>Catch-Up Strategies</th>
<th>Global Careers</th>
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</thead>
<tbody>
<tr>
<td>How can home-country managers of EMNEs lead acquired businesses and effectuate reverse knowledge sharing?</td>
<td>How can home-country leaders with minimal cross-cultural experience manage employees and other stakeholders in a foreign cultural context?</td>
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<table>
<thead>
<tr>
<th>Effectiveness of local* talent in subsidiary leadership</th>
<th>Catch-Up Strategies</th>
<th>Global Careers</th>
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<tbody>
<tr>
<td>How can local talents as subsidiary leaders enable mutual knowledge sharing with HQ while keeping the subsidiary on a profitable growth path?</td>
<td>How can local talents effectively engage with HQ in an emerging economy when they are not part of the in-group of corporate decision making?</td>
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<table>
<thead>
<tr>
<th>Managing local talent</th>
<th>Catch-Up Strategies</th>
<th>Global Careers</th>
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</thead>
<tbody>
<tr>
<td>Which personal characteristics or experiences enable local talent to effectively engage with superiors based in an emerging economy?</td>
<td>What HRM and talent management strategies enable EMNEs to attract and retain local talents in critical overseas operations?</td>
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<table>
<thead>
<tr>
<th>Internal development of local talent</th>
<th>Catch-Up Strategies</th>
<th>Global Careers</th>
</tr>
</thead>
<tbody>
<tr>
<td>How does the effectiveness of talent management practices vary across EMNEs subsidiaries pursuing different strategic objectives?</td>
<td>How can internationally and organizationally mobile talent ‘fit’ into organizations with a largely home grown leadership team?</td>
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</table>

Note: * ‘local talent’ in this table refers to all staff recruited outside the home country, including host country nationals and diasporas from the home country.

### Table 3: HQ-based Leadership Roles – Exemplar Research Questions

<table>
<thead>
<tr>
<th>Effectiveness of traditional leaders in global leadership roles</th>
<th>Catch-Up Strategies</th>
<th>Global Careers</th>
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<tr>
<td>How can home-based leaders with little international experience lead the integration of reverse knowledge transfer?</td>
<td>How can traditional leaders cope with competition from externally recruited managers with international experience and high ambitions?</td>
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<table>
<thead>
<tr>
<th>Effectiveness of externally recruited talent in global leadership roles</th>
<th>Catch-Up Strategies</th>
<th>Global Careers</th>
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<tbody>
<tr>
<td>How can returnees, diasporas, and FELOs balance ‘fitting in’ with the existing organization while using their distinct competencies to promote change within that organization?</td>
<td>How can traditional leaders and externally recruited talent work together effectively within the home-based operations of an EMNE?</td>
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<tr>
<th>Managing external talent in the home country</th>
<th>Catch-Up Strategies</th>
<th>Global Careers</th>
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<tr>
<td>How can EMNEs attract successful overseas diasporas and FELOs, and create a supportive climate to enable them to function effectively?</td>
<td>How can EMNEs increase the diversity of their corporate leadership without undermining their group cohesion and their speed of decision making and execution?</td>
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<tr>
<th>Internal development of talent of global leaders</th>
<th>Catch-Up Strategies</th>
<th>Global Careers</th>
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</thead>
<tbody>
<tr>
<td>How can EMNEs effectively organize their talent development programs to close the capability gap?</td>
<td>How can EMNEs best attract, develop and retain young, globally mobile talents with high ambitions for their own career?</td>
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## Appendix: Case Research that Informed this Paper

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<tr>
<th>Company</th>
<th>Note</th>
<th>Publication</th>
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<tr>
<td>AVIC (China in USA)</td>
<td>A</td>
<td>K.R. Xin 2013. AVIC International Takes Over Continental Motors (A) (B) (C), CEIBS (CI-413-064)</td>
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<td>CNOC (China in Canada)</td>
<td>A</td>
<td>K.E. Meyer &amp; A. Han, unpublished, CEIBS CGC</td>
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<td>Four Dimensions (China in UK)</td>
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<td>K.R. Xin &amp; A. Yeung (2013). Four Dimensions integrating Johnson Security (A) (B), CEIBS (CI-413-067)</td>
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<td>(USA in China)</td>
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<td>Jiangsu Jinsheng (China in</td>
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<td>Y. Ding, 2015, unpublished case notes.</td>
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<td>Germany and Switzerland</td>
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<td>KEMET (US in Indonesia)</td>
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<td>K.R. Xin, 2015. KEMET’s Chinese integration team (A) (B) (C) (D), CEIBS (CI-314-096)</td>
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<td>Lenovo (China in US)</td>
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<td>Poland)</td>
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<td>Sany (China in Germany)</td>
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<td>Y. Ding, K.R. Xin, A. Yeung, 2015, unpublished, Tata Integrating Jaguar Land Rover, CEIBS CGC</td>
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</table>

Notes: A = original case research involving one of the authors of this paper; B = case used in MBA, EMBA, or executive classes to stimulate discussions; C = cases the authors discussed intensively with the case authors and obtained supplementary information; CGC = Center for Globalization of Chinese Companies.