

## Global Talent Management of Multinational Companies

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### Abstract

This study probed the global talent management of multinational companies. It described the implementation and effectiveness on the talent sourcing, employee development, talent assessment and employee retention. The findings revealed that global talent management of multinational companies are moderately implemented and moderately effective on talent sourcing, employee development, talent assessment and employee retention. Using the Pearson Correlation on significant relationship on the level of implementation and effectiveness resulted that there is highly significant relationship on talent sourcing, employee development and talent assessment but not on employee retention. The Analysis of Variance (ANOVA) showed that there is significant differences in the perceptions among the respondents of the multinational companies on the effectiveness on talent assessment but not on talent sourcing, employee development and employee retention. Moreover, the significance was validated in the multiple comparisons displaying that, there is significant differences between and within the groups of respondents on talent assessment. It is recommended that the multinational companies should fully appraise the process of their global talent management in relations to the human resource value that will create a mark in the global market place.

**Key words:** Global talent management, multinational companies, talent sourcing, employee development, talent assessment and employee retention.

### 1. Introduction

Talent management has now taken a new center stage in human resource management. In the emergence of many competitors and business sustainability of multinational companies, one of the key initiatives is the need to manage its global talents and retention better. The most sophisticated systems will not succeed, if not matched with the right skills, knowledge and competencies (Telecom Malaysia Berhad Annual Report, 2008). The dynamic nature of global business is putting an ever-increasing pressure on companies to be constantly on the lookout for exceptional talent in a market where demand far exceeds supply. Today, organizations are continuously searching for the right talent. Talent is becoming the key competitive differentiator and countries and companies with access to the right talent are positioning themselves to succeed in the rapidly changing world of work (Porter, 2011). Rothwell (2011) defined talent management as an integrated process of recruiting, selecting, deploying, developing and retaining the best and right people. There is a paradigm shift from the traditional human resource based competitive advantage to managing talent keeping amidst the dynamic competitive environment (Gautam, 2011). In the Manpower Group Survey 2011 of the 40,000 employees worldwide, one in three employees reported difficulties filling up positions due to the lack of available talent as cited by Porter (2011). As of now, the “War for Talents” as created by McKinsey consultants (1997) remains to exist and linger strongly in the global era especially in the multinational companies. At the same time, the market for talent is the most competitive it's been in decades. According to a recent survey in China, “88% of the Chinese executives said that their globalization efforts were hindered by the scarcity of the people with real cross-cultural knowledge managing foreign talent (<http://www.mckinseyquarterly.com/Howchineseacanabroad>). Giving an opportunity to rebalance the workforce: but also pressure and opportunity to do more with less ([http://www.mckinseyquarterly.com/Making\\_talent\\_a\\_strategic\\_priority\\_2092](http://www.mckinseyquarterly.com/Making_talent_a_strategic_priority_2092)). The question today is: What can be done to solve these several GTCs (Today and Tomorrow)? The answer is: A systematic use of HR policies and practices aka Global talent management. Global Talent Management is about systematically utilizing IHRM activities (complementary HRM policies and practices) to effectively manage an MNE's global talent challenges consistent with the strategic directions of the multinational enterprise in a dynamic, highly competitive, and global environment (Schuller, Jackson and Tarique, 2011). Companies competing in the global marketplace require top-quality people to compete successfully as pointed by Noe, R. (2010). Organizations especially multinational companies with state of the art work environments, talent-friendly and competitive people practices are the sought after companies making them the employer's choice by the workforce.

This study endeavored to assess the global management of the multinational companies. It investigated on the effectiveness and implementation of talent sourcing, employee development, talent assessment and employee retention. Likewise, it examined the relationships and differences between and among them. The study utilized the descriptive-correlation research design and employed the quantitative and qualitative research. The Pearson correlation analysis was used to find out the significant relationships of the global talent management of multinational companies. Moreover, the Analysis of Variance (ANOVA) was employed to test the significant differences between and among group of respondents. The multiple comparisons was used to further investigate the results of the significant differences of the three groups of respondents.

## 2. Results and Discussion

### 2.1 Level of Implementation and Effectiveness on Talent Sourcing

Level of Implementation		Talent Sourcing	Level of Effectiveness	
Qualitative Description	Composite Mean		Composite Mean	Qualitative Description
Great Extent	3.51	The company's Hiring Policies for talent sourcing is in place.	3.31	Moderately Effective
Moderately Extent	3.23	The company have an annual human resource planning	3.51	Effective
Moderately Extent	3	The company adopts external talent sourcing	2.94	Moderately Effective
Moderately Extent	3.23	The company gives priority to internal sources for talent acquisition.	3.17	Moderately Effective
Moderately Extent	3.23	The company utilizes various selection process in acquiring the talent to the company.	3.2	Moderately Effective
<b>Moderately Extent</b>	<b>3.24</b>	<b>Weighted Mean</b>	<b>3.23</b>	<b>Moderately Effective</b>

The table presents the level of implementation and level of effectiveness along talent sourcing of global talent management was rated to an overall mean of moderately extent (3.24) and moderately effective (3.23) respectively. With regards to the level of implementation of global talent management, it shows that all indicators are moderately implemented except indicator one which the highest mean. It implies that the company's hiring policies for talent sourcing is fully implemented by the multinational companies. While, the lowest mean of is indicator 3(3.00). it implies reasonable implementation of the company in adopting external sourcing. It has still to be enhanced. The global talent management is moderately effective on all the indicators except indicator two which also the highest mean of 3.51. It indicates that the company's annual human resource planning contributes to the effectiveness of their talent sourcing. On the effectiveness of talent sourcing which is the lowest mean (2.94) is in minimal operative. Grote (2010) declared that talent acquisition management represents the lead conduit of talent into an organization.

### 2.2. Level of Implementation and Effectiveness on Employee Development

Level of Implementation		Employee Development	Level of Effectiveness	
Qualitative Description	Composite Mean		Composite Mean	Qualitative Description

Moderately Extent	<b>3.23</b>	The company provides employee development for the growth and improvements of talents of the employees.	<b>3.14</b>	Moderately Effective
Moderately Extent	<b>2.97</b>	The company gives equal opportunities for development for all employees for organizational effectiveness.	<b>3.4</b>	Moderately Effective
Moderately Extent	<b>3.14</b>	The company provides sufficient employee development budget and support.	<b>3.14</b>	Moderately Effective
Moderately Extent	<b>3.2</b>	The company's employee development goals and objectives is communicated well	<b>3.37</b>	Moderately Effective
Moderately Extent	<b>3.06</b>	Employee development given match with the talent and performance of the employees.	<b>3.03</b>	Moderately Effective
<b>Moderately Extent</b>	<b>3.12</b>	<b>Weighted Mean</b>	<b>3.22</b>	<b>Moderately Effective</b>

The table discloses that the employee development of global talent management on employee development is moderately implemented and moderately effective. All the indicators are moderately implemented. The highest mean is indicator 1 with a mean rating of 3.23. It implies that the multinational companies provides employee development for the growth and improvements of talents of the employees. The lowest mean is indicator 2 which is 2.97. It indicates that the company does not fully give equal opportunities for development for all employees for organizational effectiveness. Hence, there is a need to give attention on this area in global talent management to increase employee performance and productivity. Likewise, all the indicators on employee development of global talent management of the multinational companies are moderately effective. Hence, there is a need to beef up their employee development. The highest mean is the 3<sup>rd</sup> indicator rated at 3.37. It implies the that the company's employee development goals and objectives are communicated has a high value in employee performance. While, the lowest mean is indicator 4 which rated as 3.03. It means that employee development given should match with the talent and performance. Therefore, there is a need to have an assessment of the companies' employee development conducted so that it will be equated with the employee's talent and expected performance. Noe, R.(2009), claims that today's global and competitive business environment, many companies are finding that it is difficult to determine whether employees have the capabilities needed to success. The necessary capabilities may vary from one business unit to another or even across roles within a business unit.

### 2.3. Level of Implementation and Effectiveness on Talent Assessment

Level of Implementation		Talent Assessment	Level of Effectiveness	
Qualitative Description	Composite Mean		Composite Mean	Qualitative Description
Moderately Extent	<b>3.06</b>	The company has an effective talent assessment system	<b>3.23</b>	Moderately Effective
Moderately Extent	<b>3.14</b>	The company has an a talent assessment management policy	<b>3.23</b>	Moderately Effective
Moderately Extent	<b>3.09</b>	The company has highly effective tools in talent assessment.	<b>2.91</b>	Moderately Effective
Moderately Extent	<b>3.29</b>	The company establishes fair standards a for talent assessment for the employees.	<b>3.09</b>	Moderately Effective

Moderately Extent	3.11	The company informs the employees the feedback of their talent assessment and helps the employee to improve in his weak areas of performance.	3.09	Moderately Effective
<b>Moderately Extent</b>	<b>3.14</b>	<b>Weighted Mean</b>	<b>3.11</b>	<b>Moderately Effective</b>

The table reveals that the talent assessment of global talent management is reasonably implemented and moderately effective. All the indicators are moderately implemented. The highest mean is indicator 4 with a mean rating of 3.29. It implies that the multinational companies soberly establishes fair standards for talent assessment for the employees. Hence, there is a need for the companies to examine and fully implement an effective assessment standards to make it unbiased. The lowest mean is indicator 1 which is 3.06. It pointed out that the company does not fully implement an effective talent assessment system. So that there is a need to the companies should appraise and formulate an effective talent assessment system for full implementation. All the indicators for the effectiveness of talent assessment resulted to moderately effective. Both indicators 1 and 2 are registered as the highest mean (3.23). It implies the that the effectiveness is moderate on the talent assessment system and management policy of the multinational companies. The lowest mean is indicator 3 which is 2.91. It indicates that the talent assessment tools utilized by the company are moderately effective. Hence, there is a need that the companies should analyzed and designed a more appropriate global talent assessment tools to a that will pave a way for an enhanced talent assessment. Grobler (2010) viewed that performance management systems are a key element in the use and development of an organizations most vital resource, its employee. Performance management systems are used for a wide range of administrative purposes, such as making decisions about pay, promotion and retention.

#### 2.4. Level of Implementation and Effectiveness on Employee Retention

The table displays that the employee retention on the global talent management is moderately implemented and moderately effective. With regards to the level of implementation, all the indicators are moderately implemented. The highest mean is indicator 4 (3.46). It denotes that employee relations are handled by the companies reasonably well. Hence, it necessitate that the handling well of employee relations of the company should be fully implemented. The lowest mean is indicator 1 which is 3.21. It shows that the company implementation of fair and very good compensation and benefit is not fully implemented. Hence, it is essential for the companies to abundantly implement a very attractive compensation and benefit package to retain the Employees commitment for the company.

**Table 2.4. Level of Implementation and Effectiveness on Employee Retention**

Level of Implementation		Employee Retention	Level of Effectiveness	
Qualitative Description	Composite Mean		Composite Mean	Qualitative Description
Moderately Extent	3.23	The company pays a fair and very good compensation and benefits to the employees	3.03	Moderately Effective
Moderately Extent	3.31	Career development and establishment of career path for the employees exist.	3.2	Moderately Effective
Moderately	3.37	The company provides a safe and	3.26	Moderately

Extent		functional working environment for the employees,		Effective
Moderately Extent	<b>3.31</b>	Level of trust between management and employees exist.	<b>3.37</b>	Moderately Effective
Moderately Extent	<b>3.46</b>	The employee relations are well handled in the company.	<b>3.51</b>	Highly Effective
<b>Moderately Extent</b>	<b>3.34</b>	<b>Weighted Mean</b>	<b>3.27</b>	<b>Moderately Effective</b>

Likewise, all the indicators on employee retention of global talent management of the multinational companies are moderately effective except indicator 5. It implies that employee relations of the companies are handled very well. Hence, the employee relations management should be sustained to maintain the effectiveness in holding the employees' talents for the company. While, the lowest mean is indicator 1 (3.03). It pointed out that company compensation and benefits paid to the employee is not reasonable effective. Hence, is important for the company formulate their compensation and benefit package paid to the employee should be equitable and attractive motivating employee retention for the multinational companies. According to Scott (2010) employee retention refers to the techniques employed by the management to help the employees stay with the organization for a longer period of time. Employee retention strategies go a long way in motivating the employees so that they stick to the organization for the maximum time and contribute effectively. Sincere efforts must be taken to ensure growth and learning for the employees in their current assignments and for them to enjoy their work. Employee retention has become a major concern for corporate in the current scenario.

### 2.5. Relationship between the level of implementation and effectiveness of global talent management

The results below shows the results of the relationship between the level of effectiveness and the extent of implementation among the multinational companies. It resulted that there is highly significant relationship along talent sourcing, employee development, talent assessment except employee retention. It means that there is a direct relationship on the extent of implementation and level of effectiveness of global talent management. Hence, the decision is to reject the hypothesis. However, there is no significant relationship between the level of effectiveness and the extent of implementation on employee retention. It means that there is no direct relationship on the implementation and effectiveness on employee retention on global talent management. Therefore, the decision is to reject the hypothesis.

**Table 2.5 . Relationship on the Level of Implementation and Level of Effectiveness of Global Talent Management**

Level of Implementation		Level of Effectiveness
<b>Talent Sourcing</b>	Pearson Correlation	.714
	Sig. (2-tailed)	<b>.003*</b>
	N	35
	Interpretation	<b>Highly significant</b>
<b>Employee Development</b>	Pearson Correlation	.731
	Sig. (2-tailed)	<b>.002*</b>
	N	35
	Interpretation	<b>Highly significant</b>
	Pearson Correlation	.842

<b>Talent Assessment</b>	Sig. (2-tailed)	<b>.000*</b>
	Interpretation	<b>Highly significant</b>
	N	35
<b>Employee Retention</b>	Pearson Correlation	.248
	Sig. (2-tailed)	.373
	N	35
	Interpretation	<b>Not significant</b>

\* Correlation is significant at the 0.05 level (2-tailed).

### 2.5. Difference among the respondents on the level of effectiveness of the global talent management

The table demonstrates the outcomes of the test of differences of perceptions on the level of effectiveness between and among the respondents on Global Talent Management. It exposed that there is no significant differences on the perceptions between and within the group of respondents on the employee development practices of the three groups of respondents in terms of talent sourcing, employee development and employee retention. Hence, the decision is to accept the hypothesis.

Likewise, there is significant differences on the perceptions among and within the group of respondents on the global talent management of the multinational companies in terms of talent assessment. Therefore, the decision is to reject the hypothesis.

**Table 2.5. Test of Differences on the Level of Effectiveness between and among the Multinational Companies (ANOVA)**

Level of Effectiveness		Sum of Squares	Mean Square	F	Sig.	Decision
<b>Talent Sourcing</b>	Between Groups	.052	.026	.276	.763	Not significant
	Within Groups	1.131	.094			
	Total	1.183				
<b>Employee Development</b>	Between Groups	.253	.127	1.986	.180	Not significant
	Within Groups	.765	.064			
	Total	1.018				
<b>Talent Assessment</b>	Between Groups	1.084	.542	18.127	<b>.000</b>	<b>significant</b>
	Within Groups	.359	.030			
	Total	1.443				
<b>Employee Retention</b>	Between Groups	.056	.028	.606	.561	Not significant
	Within Groups	.550	.046			
	Total	.606				

## 2.5. Multiple Comparisons

Furthermore, the results of the post hoc analysis on the significant differences of perceptions of the three groups of respondents namely managers, supervisors and employees of the multinational companies on global talent management. The test of groupings revealed that between and among managers, supervisors and employees is the same or almost the same.

Moreover, the managers and employees disclosed that there is significant differences on their perceptions on the level of effectiveness on talent assessment of global talent management.. Likewise, there is also a significant differences between supervisors and employees.. While there is significant differences between employees and managers. While, there is a significant differences on the perceptions between employees and supervisors of the multinational along talent assessment of the global talent management.

Dependent Variable	(I) RESPNDNT	(J) RESPNDNT	Mean Difference (I-J)	Std. Error	Sig.	Decision
Talent Assessment	Managers	Employees	.6224	.10936	.000*	significant
	Supervisors	Employees	.4974	.10936	.001*	significant
	Employees	Managers	-.6224	.10936	.000*	significant
		Supervisors	-.4974	.10936	.001*	significant

\* The mean difference is significant at the .05 level.

## 3. Conclusions and Recommendations

The global talent management of the multinational companies are moderately implemented and moderately effective but necessities enhancement on talent assessment. So that,, there is a need to completely implement the global talent management of the multinational companies to beef up their competitive edge and sustainability in the market. Furthermore it is recommended that the multinational companies should run a full process of evaluation to measure their global talent management strategies and practices specially the critical factors to retain the best talents in the global competitive market place. In addition, there should be a formulation of a highly effective talent assessment tools that will match the companies ' aspirations. Multinational companies should create a strong corporate culture of talent posture on all the employees specially their executives. This will pave a way for the multinational companies to gain a leading and winning edge in preserving a stronger and best global talents now and beyond.

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