

THE SHIFT IN TALENT MANAGEMENT FOR FRENCH MNCS IN ASIA

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Western MNCs are currently facing new HR challenges in Asia. For years, they were accustomed to being considered very attractive for local talent, who saw them as good potential employers. Basically, the perception was that they offered comparatively better benefits and career opportunities than local companies. However, it could also be interpreted in another light; i.e., that local candidates were not yet confident about how economic growth would continue around the world and preferred to join well-established multinational companies with known brands. In any event, the situation seems to be changing, at the expense of Western multinationals. In fact, young Asian talent now prefers local companies to Western multinational, a preference that has created a real obstacle for Western companies in their strategy of being key players of the economic upturn in the emergent countries in this part of the world.

Three reasons for this significant shift may be put forward. First, the differences in benefits and compensation are no longer significant be-

tween Western and local companies. Second, new Asian multinationals have emerged with a challenging policy to conquer new markets around the globe. As a result, international exposure is no longer limited to Western companies. Third, local potential employees perceive a potential glass ceiling for future careers in Western multinationals that could block their career progress at some point.

This shift in behavior among Asian talent is a serious challenge for French multinationals that need to reshuffle their local HR policies swiftly if they are to staff the upcoming growth on Asian markets properly; i.e., when it will no longer be possible to sustain the pace of growth in both the quality and number of staff by using expatriates.

Confronted by the difficulty of attracting, retaining and managing Asian professionals, French MNCs need to reconsider their traditional way of managing human resources in this region. In order to examine the scope, reality

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and future of this issue herein, we first consider the economic, sociological and managerial features of this emerging problem. We then present the case of three major French MNCs so as to contrast different business situations while pinpointing similarities and differences in which policies or strategies companies have been implemented as a response to this new situation. We conclude by drawing a few lessons pertinent to the current challenges of international human resources.

1. THE ECONOMIC AND BUSINESS CONTEXT

For most Western MNCs, the potential for growth lies in the Asian markets. In fact, some companies have been investing for years there so as to gain market shares. Asia and emerging countries may be the real center for their business (McCool, 2007; Neal, 2007). A survey conducted by the OECD and the Boston Consulting Group (Vance & Paik, 2011) reported that in 2010, there were one billion people of middle-affluent class² in these new markets³. The same study forecasts that this number will increase to 2.7 billion in 2020. That seems to modify the traditional view of the stages of the internationalization of a company slightly. The usual pattern was the evolution of the local and domestic company towards the multinational company, combined with the myth of the global company. Instead of a global company, some MNCs resemble 'new-centered' companies with a mother country and market that no are longer the epicenter of their activities and preoccupations. In fact, there are other centers possessing significant autonomy and a locally designed strategy. For example, the CEO of Schneider is now based in Hong Kong and the new VP (Strategy) of PSA, a major French automaker, is permanently located in China where the company's CEO spends one week per month on a regular basis.

Traditionally, theories related to the internationalization of companies and businesses displayed little interest in the HR side of the

process. Indeed, very little research has been conducted on the topic. Most academic work examines human resources issues with an eye only to international HRM (Festin & Royer, 2008) and expatriation (Cerdin & Le Pargneux, 2009). This apparent lack of interest in linking strategic and HR concerns becomes a problem of the utmost importance, especially as human resources are a key factor in the success of any business and as the context of the local talent market shifts toward a new template. As it happens, the supply of talent has changed in countries where the higher education system provides numerous well-educated young people. Moreover, the continuing expansion of national economies across Asia is spawning new companies and increasing the demand for experienced executive or managerial talent (McCool, 2007). Yahya & Kaur (2010) outline the fascinating example of Singapore by comparing the strategy of recruiting foreign talent in Malaysia and Singapore while considering its economic, political and social impact on local talent. Overall, however, multinational enterprises face challenges in finding competent managers to staff operations and subsidiaries in emerging market economies (Koh, 2003; Tomasz & James, 2007).

1.1. The traditional issues of international human resource management

As mentioned, traditional discussions of international HRM have neither included these issues nor even anticipated them. It is true that a large body of research has been devoted to expatriates, managing cultural differences and, sometimes, the need for global policies in the field. Obviously, economic growth in Asia has raised the issue of recruiting and integrating young local talent for some time now. After all, there was a real need for people who had a thorough knowledge of the language and culture of these countries (Tomasz & James, 2007), and MNCs could not find at home Western citizens with the right portfolio of linguistic, cultural and business knowledge plus experience. Of course, that was a comfortable situation at a time when

² Middle-affluent is a term applied to households with disposable income > USD 15 000.

³ Countries included :China, India, Indonesia, Pakistan, Thailand, Philippines, Kazakhstan, Malaysia, Vietnam, Russia, Ukraine, Turkey, Brazil, Mexico, Peru, Colombia, Egypt, South Africa, Iran, Nigeria, Algeria, Morocco, Saudi Arabia.

MNCs enjoyed a fine reputation among young Asian talent, who saw opportunities for exploring new parts of the world and for acquiring both experience and additional training that would be of great value on the market in the future (Yeung, Warner, & Rowley, 2008).

1.2. The context of talent management

This new challenge for MNCs occurred at a time when talent management appeared to be a new frontier for renovating and reshuffling HR policies in companies (Farndale, Scullion, & Sparrow, 2010). When the notion became popular at the beginning of the 2000s with McKinsey (Michaels & Handfield-Jones, 2001; Pfeffer, 2001), the 'War for Talent' meant the incoming fight between companies for attracting and retaining the candidates necessary for their development during the .com or internet bubble and when demographic issues started to become more obvious in Western countries.

Throughout the last decade, the notion of talent has remained a concern. In some areas, talent management progressively replaced human resource management (Dejoux & Thévenet, 2012). In other areas, talent management emphasized the difficulties inherent in detecting, attracting and retaining the talent considered necessary for the achievement of new strategies (Cappelli, 2008a; Cappelli, 2008b, Rajwani, 2009). By the late 2000s, a more strategic approach emerged which held that attention to talent would allow human resource management to become more strategic. The idea was that the success of a strategy ultimately depends on the presence of key talent within a company. Those talented individuals are no longer synonymous with high potential but rather with succeeding in a business policy (Boudreau, 2010; Boudreau & Ramstad, 2007).

The new challenges for MNCs in Asia illustrate perfectly this concern for getting the right people to ensure success of a strategy. These corporations need local talent for a series of reasons (Hsieh, Lavoie, & Samek, 1999), and the talent pool appears shallower since these MNCs are less attractive than in the past (Williams-Lee, 2008). Consequently, companies need to approach their policies differently while under the constraints of time and competition. Hence, the issue is no longer whether talent management is merely a re-packaging of what already exists

(Pigeyre, 2011), but rather how talent management can bring new solutions to address the problem of a shortage of Asian talent.

Actually, this issue is also addressed in Asia and in terms of talent management. Some scholars (Iles, Chuai, & Preece, 2008) show how six Chinese firms have dealt with the matter. They reveal how some firms focus on "exclusive-people" (certain groups of high-performing or high-potential candidates), while others used an "exclusive-position" focus on certain "key" positions in the organization. Heid & Murphy (2007) explain that a Global Talent Index (GTI) has been elaborated to measure the location of talent. The GTI indicates that the USA will remain a talent pool until 2012, and a shift to the BRIC will follow.

1.3. Difficulties faced by Western companies in China

Many studies (Connell, 2010; Schmidt, 2011; Ulrich, 2010) have outlined how Western MNCs are less attractive to Asian (especially Chinese) students. Schmidt (2011) conducted a survey from 2006 to 2010 by collecting data on 300,000 employees and job candidates in China within 60 firms. In 2007, the results revealed that 41% of highly skilled Chinese professionals preferred to work for a Western multinational while only 9% favored a job in a domestic firm. By 2010, the figures were respectively 44% and 28%. It appeared that MNCs remain the number-one choice and that this situation might be related to the present economic climate. Second, there are more and more graduate students in China alongside more and more fast-growing domestic companies. Third, some studies (Rashid, 2010; Ulrich & Sutton, 2011) emphasize a crucial difference between male and female respondents as far as the choice of an employer is concerned. Women look for Western MNCs because of the opportunity for international assignments. They are highly ambitious, even if they need to break through a very thick glass ceiling. On the contrary, men prefer to remain in their home country and not necessarily in the big cities. Finally, there is a debate about the number of Chinese students who return home. Tung (2008) explains that, according to the Chinese Academy of Social Sciences, 70% of the Chinese students who experienced studies abroad did not return to the

homeland. This question of talent flow (or “brain drain”, “brain gain”) is becoming more significant.

A few possible reasons may be put forward in order to explain why Western MNCs may lose their attractiveness as top employers in this emerging and growing marketplace:

- The MNCs’ hiring advantages (higher status, safety net, long-term career path, international assignment) are no longer significantly more generous and motivating when compared to the packages that local companies offer;
- With the help of a good international educational background on top of their national culture (*Guanxi*⁴ for example), the young Chinese graduates accumulate the potential ingredients for a successful career in a local company. Whereas, they consider that they will never be able to get the equivalent portfolio of key competences for succeeding in Western MNCs;
- The best Chinese talent often leaves foreign multinationals with the conviction that they will become successful entrepreneurs. In other words, they will remain in their own country, be in a position to seize any emerging opportunities and thus make more money as an entrepreneur than as a manager;
- MNCs and their brands (except the luxury industry) took a hit during the 2008 crisis and reduced staff, hiring, and expenses. Many graduates will remember that and try to avoid the same experience in the future;
- Chinese graduates may be impatient, thus unwilling to wait too long for key positions. HR professionals in Western MNCs mention this impatience and the common reaction of Chinese employees leaving the company if they do not get top jobs after a couple of years;
- We can also imagine, even though it is difficult to assess it firmly, that young Chinese talent may feel more and more patriotic as long as the political status of their country is rising in the world; as a result, they may feel honored to join a national firm at a time when the reputation of Western institutions is fading;

- The public sector in many emerging countries is also more desirable because of job security, professional opportunities, benefits and prestige. Rashid (2010) points out that 60% of Indian male and female students aspire to work in the public rather than private sector.

1.4. Overview of possible solutions

Facing this challenge, Western MNCs need to develop different strategies to break through with traditional policies and also to sustain their growth in this fast-growing market (Zheng, 2009). Jenkins (2006) shows there is a critical need for the accurate and meaningful assessment of the impact of talent management and leadership development initiatives. Let us begin our overview by highlighting two seemingly prevalent policies. The first policy consists of attracting and retaining young talent by implementing a talent management approach. The second policy consists of hiring young Western expatriates with local contracts. These very general talent policies emphasize the need to accommodate individual expectations and, consequently, prepare packages that are more and more specific and attractive to individuals (Cantrell & Smith, 2011). These policies require that multinationals have processes in place so as to integrate individuals into the social and cultural context of the company better.

From a practical, even sophisticated, perspective, Schmidt (2011) highlights five different strategies for those Western MNCs that consider operating in China:

- 1) reboot employment-branding effort with high-profile university alliances and sponsorships;
- 2) create local development because most Chinese candidates want to stay in China;
- 3) offer variable career paths and a compelling long-term career plan;
- 4) be smart about pay because domestic firm pay increases between 20% to 50% more than MNCs to keep talent at home;

⁴ *Guanxi* comes from Confucius and refers to the concept of drawing on connections or networks of contacts, which an individual may have, thanks to his/her family, friends, individual or professional relationships.

5) become a quasi-local company by developing relationships with local suppliers in second- and third-tier Chinese cities.

We emphasize here that the traditional strategic approach in HR should remain open to some issues usually not addressed. For instance, Rashid (2010) has outlined the importance of gender in these countries. A large survey, sponsored by five global companies (Bloomberg, Booz & Company, Intel, Pfizer and Siemens) was conducted in emerging markets (Brazil, Russia, India, China and United Arab Emirates) among 4,350 college-educated men and women, supplemented with focus groups. Results showed that talented women in emerging markets are ahead of the curve in unexpected ways. These women represent 65% of college graduates in the UAE, 60% in Brazil, 47% in China, 50% in India. They represent a huge talent pool that is currently underleveraged. Nevertheless, should a talent management approach focus on this group, it would have to take into account certain characteristics. First, women are highly ambitious and aspire to hold a top job (42% of highly educated Indian women earn as much or more than their spouse). Second, they are willing to work extra hours (49 hours a week in Brazil, 73 hours in Russia, 58 hours in India, 71 hours in China⁵) and they do express a real passion for their work. Third, they face a double challenge that limits their career path: having to care for the older generation (in India and China, the notion of filial piety influences many decisions), so they are hindered by both maternity and family values.

As mentioned above, our research has focused on three major French MNCs that are genuinely international in their activities and can potentially be significant players in the competitive Asian markets. The survey of these three examples should provide interesting information at three different levels: (a) the survey describes in real time how these companies are adjusting to ongoing rapid change within the Asian context that may jeopardize their traditional HR policies; (b) the analysis will foster reflection by HR scholars on talent management, its reality and the emerging HR policies and practices flourishing under the umbrella of this not yet

stabilized concept; (c) the survey should help us understand better, in terms of the strategic approach of human resource management, the rationale of these HR policies, given the characteristics of the three businesses, their global strategies, plus their corporate and HR cultures. From a human resources perspective, these challenges should illustrate how the HR function organizationally tackles issues of talent management given the balance of power and influence of the corporation vis-à-vis the local entities.

2. BUSINESS CASES⁶

Research Methodology

The methodology is based on exploratory case-study research (Eisenhardt, 1989; Yin 1994). As related by Yin (1994, p 14) “*the case study strategy should not be confused with “qualitative research” (see Schwartz & Jacobs, 1979; Strauss & Corbin, 1990; Van Maanen, 1988; Van Maanen, Dabbs, & Faulkner, 1982)... case studies can be based on any mix of quantitative and qualitative evidence. In addition, case studies need not always include direct, detailed observations as a source of evidence*”. A case study consists of a description of an entity’s actions. Our research was based on planning case studies and we had in mind the question to answer: “*How does the talent management process address the issue of attracting, retaining and developing young Asian talent?*” The greatest advantage of the case study method is that enables researchers to reveal how a multitude of factors have interacted to produce the uniqueness of the problematic.

Case Selection

We selected three French MNCs that are confronted with the same issue of staffing their Asian activities with young Asian talent. The three companies have activities in different industries (health food, consumer goods, industrial projects), and have been involved in an Asia-centric talent management process for more than

⁵ R. Rashid, R. 2010. The Battle for Female Talent in Emerging Markets. *Harvard Business Review*: 101-106. p 104.

⁶ The authors would like to thank all the respondents from DANONE, L’OREAL and ALSTOM for their time and their valuable insights.

Table 1: The sample of the Study

DANONE	L'OREAL	ALSTOM
HR Asia Pacific	International Recruitment Director	Talent Management Director of South Asia
HR Talent Management project executive	Employer branding Director	Singapore HR Project manager
China HR Manager	HR Talent Recruitment project manager	China HR Project manager
Indonesia HR Manager	HR South Asia	
	China HR project manager	
	Singapore HR project manager	

five years. They all share the same objective of developing local staffing.

Data Sources

These three business cases are drawn from broader research on tackling HR issues from French MNCs in Asia. In these three firms, interviews with the HR country managers (China, India, Singapore) and HR managers (HR project leaders, talent manager leader) were conducted from 2008 to 2011. Some participants are generalists, responsible for all areas of HR; whereas, others are managers of a business unit who have implemented talent management tools (table 1).

Data Collection

The participants' job titles vary, but all are involved in policies and processes related to talent management in Asia. The participants' experience in the HRM field ranges from 2 to 20 years. Of the six female and seven male participants, six hold certification in the HRM field. For this study, data were collected through various methods: face-to-face, semi-structured, individual, and in-depth interviews were conducted with 13 HRM practitioners, with the help of an interview guide. Documentation reviews and archival records have been read and explored to multiply the sources of evidence. This triangulation across various techniques of data collection proves especially fruitful in that it provides multiple perspectives on an issue, allows for cross-checking, and yields stronger substantiation of construct (Eisenhardt, 1989; Orlikowski, 1993).

The interview protocol was based on the research framework and the process of talent management. Practitioners were contacted by

telephone to determine their willingness to participate. Interviews are *focused* interviews (Merton, Fiske, & Kendall, 1990) in which a respondent is interviewed for a short period of time (less than 130 minutes). In such cases, the interviews may follow the interview guide but may still remain open-ended and assume a conversational manner and can contain a set of questions derived from the case study protocol. The interviews varied in duration, but all fell within a range of 90-120 minutes each. Some interviews were organized face-to-face, some by telephone. Interviews were tape-recorded, transcribed verbatim, verified by the respondents and used an interview guide in order to further explore the "black box" of how the talent management process is implemented. This interview guide consisted of both closed-ended and open-ended questions that were asked of all participants. Examples of the questions included: "What kind of tools do you use to attract Asian talent?" and "[t]o what extent do you use mentoring to retain young Asian talent?" For the latter question, participants could choose from a scale of 1-5. The interviews sought to obtain both consistency and diversity in responses in order to develop a better understanding of the perceptions of attraction and retention of Asians.

Analytical Strategy

The data were analyzed using content analysis (Miles & Huberman, 1984). Thematic units were identified and formed the basis for answering the guiding questions. At the same time, this research employs an interpretive ontology with a realist epistemology to facilitate the understanding of managerial perceptions because "*when investigating contemporary phenomena*

within real-life contexts when the boundaries between phenomenon and context are not clearly evident” (Yin 1994, p.13).

With this in mind, we prepared a general analytical strategy to apply to the case studies (Yin, 1994, p 106). After collecting the data, each interview was coded separately on the basis of “in vivo” words, phrases, terms offered by the informants. First-order codes are discerned. Then, various analytical techniques (see Miles & Huberman, 1984) have been implemented; such as, putting information into different arrays, making a matrix of categories and placing the evidence within the categories, creating data displays for examining the data, tabulating the frequency of different events, using some other temporal scheme. Data collection, or first step of the strategy, relied on a theoretical proposition about the causal relationships in answers as to *how* and *why* talent management enables companies to attract and retain people (Boudreau, 2010; Cappele, 2008a; Lawler, 2008). The second step of the analytical strategy was a descriptive approach that was used to explain why implementation of talent management for young Asians had succeeded.

2.1 DANONE : How to attract Asian talent?

DANONE, created in 1966 by Antoine Riboud, is a fast-growing food company who has defined its mission since 1995 as “bringing Health through food to as many people as possible in the world” that experienced a major shift in 2007 allowing to have a business 100% consistent with the mission. DANONE underwent a commercial and geographical transformation to create a new health-oriented company. First, in 2007, DANONE focused its activities on four core competencies (57% fresh dairy products, 20% baby food, 17% bottled water, 6% medical nutrition). To achieve its target, the firm sold its biscuit business and bought Numico, a world leader in infant and medical nutrition. Second, the company decided its future was linked to emerging markets. The shift may be seen quantitatively: in 1996, the largest share of sales was in Europe (77% of the sales breakdown) versus 17% in emerging markets; by 2010, only 39% of DANONE’s business was carried out in Europe and almost half of the company’s business was in emerging markets (49%).

Asia has become one of the key drivers for the growth of worldwide business for DANONE now and in the foreseeable future. Indeed, Asia should represent about 13% of the company’s business and 50% of the growth of the entire DANONE group is done in emerging markets. In order to make this growth possible, the firm needs to make a shift in the rapidity of talent development to be able to provide the business with the local talent pool needed to face the high growth.

DANONE faces specific marketing, business and HR challenges in this part of the world and seeks to do the following:

- Reinforce its product and brand image. Some DANONE products (e.g. Aqua Water in Indonesia) are well known and some are breaking into the market (especially baby formula).
- Develop the local sales force and its management. The company needs to hire many young salespeople and managers to increase its market shares.
- Expand its relationships with universities and business schools in Asia by promoting its serious game “**Trust by DANONE**”, an effective tool to promote the working specificity of the company. Management trainee programs have been created to integrate more efficiently the young graduates.

DANONE has many strengths which should help it reach its goals in Asia despite the fact it is not yet the leader because it is two times smaller than Unilever and five times smaller than Nestlé. For example, DANONE possesses a very strong culture of entrepreneurship that enables its subsidiaries to take local initiatives to fulfill their needs. For example, thanks to its research center and its local marketing surveys, DANONE will find the right taste of dairy products for Chinese consumers, as it has done in so many countries. The ninety subsidiaries are encouraged to propose products and action plans to adapt to the local market. Also, people have been considered a key driver ever since the company’s founding by Antoine Riboud. Talent management has been the heart of the human resource management process for more than fifteen years and HRM has implemented many people-centered tools such as a specific program for Asian emerging markets, called “**BO Le**” in Asia.

The “BO Le” program was launched in January 2010 as an ambitious policy to accelerate

the focus on the urgency to develop Asian leaders. This program was built through a cross-division, country and multiple-function team. Three objectives have been defined: attract, develop and retain talent. *“BO Le is a strategic HR program for DANONE because the growth of our business is located in Asia. The target of the BO Le program is to accelerate the development of young Asian talent. We have an objective to empower people in their team, to define what are the key drivers in Asia to grow the resource pipeline after having analysed the manpower needed in the next 3 to 5 years, and to allow Asian leaders to grow in Asia then worldwide”*, said the HR Director of DANONE Asia Pacific.

The project teams have recommended key actions such as building a stronger employer branding, developing and generating talents faster, and retaining new or existing ‘DANONERs’.

Three groups have been working on this talent management program: Attract, Develop and Retain. Below are details about each one.

- **Attracting talent through strong employer branding**

The group conducts a survey about the employer brand in five Asian countries and outlines a gap between in-house management values and people’s perception. This survey helps the company focus on different key items regarding countries. For example, in China what was revealed was working environment, career development, proximity, entrepreneurship and pragmatism. *“Danone is indeed not always known for what it is now, but for what it was in the past. For instance, an employer branding survey conducted in China in 2010 showed that Danone was still perceived as a biscuit company both by young graduates and professionals. Or in fact, the group sold its biscuit business back in 2007, while buying Royal Dutch Numico. The new Danone, 100 % focused on healthy food products with the integration of the medical and baby nutrition businesses”*. Many sponsoring operations have been set up in universities to communicate and to attract graduate students. Some student ambassadors have been trained to promote the brand in student activities.

- **Developing talents from within to generate young Asian managers**

“An analysis of Danone’s talent pool in Asia was led and revealed that the group had not

enough [individuals] to grow in a sustainable way in the region. There was the need to take quick action to face this challenge. The idea was to build a common ambition to tackle this issue in a collaborative way. As a result, a group of 20 people representing Danone in Asia (people from different functions, CBUs and countries) was created to identify this needed common ambition. Then two groups [...] have been identified by the firm to set up a talent pipeline: a group of ongoing leaders and a group of managers.”

For each of these two groups, a specific program included tailor-made training, a projects workshop as well as networking and coaching. Specific leadership programs and self-assessment workshops on emotional competencies have been proposed. Each local talent has to work on a Business Unit strategic Project with other participants from other divisions to solve a relevant problem. In addition, they are proposed to participate to a CSR project they are choosing themselves, in order to develop a deep understanding on contributing leadership. The HR committee has organized events (coffee morning, lunch) with two general managers from all the divisions for each talent. The objective is to facilitate the transfer of employees and to expand the individual employee’s network. Finally, coaching sessions have been designed to train managers to become effective coaches for their own teams.

- **Retaining talent for the future**

Given the high turnover in Asia, talent retention is considered a key challenge. The firm has ensured that the salary package to its competitors’ practices and to reinforce the safety net *“because of the tradition of looking after seniors without a pension. This is one of the elements of the company’s health goal and it echoes Danone’s global mission (to bring health through food to as many people as possible).”* Tremendous attention is paid to people who resign, in fact, an exit interview is automatically conducted.

More and more Asian managers and executives have been nominated to lead key positions in Asia and international assignments in Paris. A local director was promoted to a general management position two years after launching “BO Le” and a Chinese regional vice president was nominated from the general management pool.

The “BO Le” program remains anchored thanks to two basic tools: a roadmap in each of the countries which sums up the key action, key timing and key people plus a dashboard with key performance indicators which are assessed every two months by the HR steering committee in Asia. After two years, a survey based on online answers and 30 interviews was conducted and outlined three positive results: the hiring of young talent has increased dramatically, the commitment of the Asian employees has improved and the turn-over has decreased.

In order to reinforce its position in Asia, DANONE has implemented a talent management process to fulfill its recruitment needs. With the “BO Le program”, the firm displays a local hands-on approach that has reached two main objectives: hiring young Asian talent and committing all employees by boosting their mobility in Asia.

2.2 L'OREAL: How to develop young Asian talent

L'OREAL is a leading global company with a mission to make beauty universal in a sustainable and responsible way. In 2009, L'OREAL celebrated its 100th anniversary. This international group promotes 23 global brands in 130 countries, hires 66,600 employees and, in 2010, had 612 patents. With the opening of emerging markets, L'OREAL's mission has broadened in response to the vast diversity of populations. In 2010, L'OREAL had 64% of its business in Western countries. For 2030, the company's business forecast is 70% in Asia, Africa, and Latin America. Attracting, developing and retaining young talent in Asia is becoming crucial for the company. Indeed, L'OREAL's Asia Pacific Business Unit hires one hundred people, considered young talent, for India, Singapore and South Asia annually; whereas, it hires more than 500 for all of Asia (China included). However, the turnover is rather high at more than 50%.

Given this context, L'OREAL has decided to develop all the young talent in the Asia-Pacific. *“[the] talent management process is about making long-term commitments with chosen individuals that will develop their talent and build our company for the greater future. The Gen Y in the BRIC, and especially in Asia, is one of our priorities and talent management is one of the*

solutions to attract and retain them”, said the International Recruitment Director of L'OREAL. The HR director of this area describes Asia's Generation Y as well-connected, ambitious, techno-addicts, who are mobile, want to be independent from their parents. In order to attract these candidates, L'OREAL had its ‘campus managers’ in the targeted universities. They propose sponsorship opportunities, interviews, internships and workshops. Furthermore, the firm proposes a famous worldwide ‘serious game’, entitled “BRAINSTORM”, with a pool of local universities.

A talent shortage remains the first problem. However, retention through development is another one with which the firm is struggling. As a result, three major courses of action have been drafted for L'OREAL in Asia: learning, compensation and promotion.

L'OREAL has a lot of experience in effective learning workshops. One ‘must’ for newcomers is the two-year personalized guidance and training program appropriately called “FIT”. This two-year process is based on six key areas (experience in the field and with the products, training and round-table discussions, personalized meeting programs, on-the-job learning supported by the line management, individual guidance with mentoring and HR support and, at the very start, a successful welcome). A specific learning program about leadership is offered so as to meet the expectation for learning quickly and gaining as much as possible in the shortest period of time possible. An assessment center allows new employees to improve their individual skills. Mentoring programs help them get quick answers to their questions and expand their internal network in such a big company. For L'OREAL, integrating a newcomer is a shared responsibility: the manager is considered an operational coach; the human resources team are project drivers; the newcomer, a potential great performer.

Compensation is also a key argument. In many Asian countries, local companies offer better compensation packages than Western MNCs do. For candidates, the compensation and the safety net that a firm offers is a determining factor, because they need to think about their future as many Asian states do not provide social compensation (unemployment indemnities, medical benefits, retirement pension). Furthermore, in these countries runaway inflation is the norm combined with the rising cost of living (es-

pecially housing). “*Gen Y in Asia is difficult to retain. They quit the firm if they have a better opportunity. They need to think about their future because the government doesn’t provide social compensation, and they pay for their relatives.*”

Promotion has become another requirement for the Asian Generation Y. This generation wants to stay for fewer than 3 years in a firm and to be free to test the job market and possibly join a new firm with better salary conditions. To meet this challenge, L’OREAL has sped up the pace of projects, enhanced responsibilities and a worldwide network within the company to keep Generation Y committed to the firm. Mobility is thus encouraged, including giving early responsibilities to new talent with a limit of two steps at a time, maximum. One step is a change of hierarchical position, country, division, professional field or trade. Every entity has a formal process of talent reviews and nomination committees, under the responsibility of the national managing director. Staffing decisions are made according to the potential of individuals, as assessed by the accomplishment of a mission and actual performance on the job, competences (seven L’OREAL general competences plus technical competences), employee aspiration, experience and character.

The talent review focuses on the detection of potential employees and their development of employees. The review has four objectives:

- 1) focus on individuals;
- 2) review and regular updating of the pool of potential talent for key positions;
- 3) examination of individuals’ careers;
- 4) identification of potential gaps for sourcing the need of the different entities.

This review takes place at least once a year and produces an individual talent review form and a talent list. “*L’OREAL talent management program aims at providing individuals with the conditions to develop their talent over the long term and generating most of the talents and competences necessary for the growth and development of the business.*” A second and complementary process involves nomination committees. The target of these committees is to organize mobility. In other words, they focus on key jobs, fill vacant positions according to the short-or medium-term, and es-

tablish a calendar for the process. The committees meet four or five times a year and elaborate a succession plan. “*L’OREAL takes a long-term approach on career development, based on people’s performance and potential. The group offers a wide variety of career opportunities.*”

In conclusion, L’OREAL Asia uses all the corporate tools and support at its disposal to develop the Asian Generation Y through its talent review and nomination committees. At the same time, the Asian L’OREAL core business units (CBUs) have taken the initiative to integrate cultural specificities and meet the requirements of this specific ‘spoilt’ demographic.

2.3 ALSTOM: How to retain young Asian talents

ALSTOM is a world leader in transport infrastructure, power generation and transmission. The firm is present in approximately 100 countries with sales (in 2011) of about 21 billion Euros, and hires 100,000 employees in three fields: power transmission (56%), grid (17%) and rail transport (27%). The group continued its growth strategy in the BRIC countries, forging strategic relationships with local partners. In a 2010 interview, ALSTOM’s chairman, Patrick Kron observed that “*the geography of our markets is shifting and demand for systems, equipment and services is changing with it. In 2009/10 emerging markets accounted for 35% of our orders. In 2010/11, that figure was almost 60%.*”

This global French company competes and signs contracts for an increasing number of projects in Asia (subway in Chennai, India; metro projects in Singapore and in the Republic of China). Like many Western companies in this part of the world, ALSTOM faces the challenge of how to retain young Asians.

Its target: become a local firm with projects and operational teams. In order to carry out these projects, the company needs to develop Asian managers and train them according to ALSTOM’s values. For that reason, ALSTOM has set up a specific talent management process focused on a training program, called “**GOAL**” (Grow Our Asian Leaders). “*Many young Asians try to know how much discrimination is in the company and if the company treats its nationals the same as the others. They*

want to know what kind of future they can have at ALSTOM if they stay more than 3 years. That is why GOAL, our talent management program is a great example demonstrating our will to have one policy for everybody to be promoted in the company, whatever country they come from," said the Talent Management Director of ALSTOM South Asia.

GOAL has three objectives: (1) create an Asian group of managers and initiate an Asian network; (2) break the glass ceiling and demonstrate that the firm wants to push Asian managers to become executives; (3) reinforce ALSTOM's culture and develop relationships with the headquarters in France.

The program concerns three groups of talented employees: (1) added-value employees whom the firm wishes to assist in charting their in-house career path; (2) indispensable specialists with strong technical skills; (3) high potential employees who could reach senior posts or become executives in the short or middle term (4-8 years). The first GOAL session took place from 2009 to 2011 and involved 12 people from all Asian countries.

The content of this program has been designed as follows:

- A personality inventory test (MBTI: Myers Briggs Type Indicator) to help people be aware of their strengths, their improving axes followed by drills to drive their Emotional Intelligence in order to improve relationships with others;
- A leadership workshop to bridge Asian and Western cultures that can be distinctly different;
- Different workshops designed to reinforce specific managerial technical skills such as media-handling skills, presentation skills, etc... "For example, we want to teach young Asian talent how to use their emotional competencies because in an international and cross-cultural context it seems a real asset.";
- An educational visit to the French headquarters in order to strengthen their in-house network and to be committed to sharing the vision of the top executive team;
- Visits to various work and business excellence centers to gain a deeper understanding of the business;

- A project-based active learning process where cross-cultural groups of 4 have to work on a project for one year under the mentorship of a dedicated senior manager. This project entails inter-regional interaction and research with French colleagues horizontally and vertically within the hierarchy. The topic of this virtual work (each member lives in a different country) meets an important need for the French and the Asian headquarters and gives the employees the opportunity to use their new network and to develop close relationships with all the people met.

- At the end of the program, each group makes a presentation in front of the Asian board, with representation from headquarters in France.

The first session of this program turned out to be a real success. "People were positively surprised to have so many benefits from this program. For example, they improve their internal social network and they understand French corporate culture better." Eleven out of twenty people were promoted and changed their positions. For example, in finance, this program helped create a talent pipeline. In fact, the trainees have worked in different Asian countries and have improved their analysis and forecasting skills in this complex and very demanding field, according to the human resources department. Some of them have been sent, or 'expatriated', in Europe for three years to reinforce their technical skills in power transmission. Another strength of this talent management program lies in its ability to facilitate job transfers from one sector to another for transferrable skills (excluding technical skills).

In terms of retaining young Asian talent, ALSTOM relies on the originality of its GOAL program and HR executives are convinced that an HR differentiation is directly linked to low turnover.

3. RESULTS, LEARNING AND DISCUSSION

In what follows, we provide an overview of the main practices of these firms as well as highlights of the main lessons to be learned from the three cases. We also suggest topics for further discussion.

3.1 Results from the cases

Ready, Hill, & Conger (2008) claim that emerging markets pose special challenges for foreign multinationals and the talent management process needs

to be aligned to new constraints specific to these markets. The three cases confirm the above statement. In order to manage the issue of a shortage of talents in Asia, DANONE, L'OREAL and ALSTOM have proposed similar answers:

Table 2: Overview of Asian Talent Management Programs

	DANONE	L'OREAL	ALSTOM
Date of entry in Asia	1997	1993	1992
Activities	Health food	Consumer goods	Industrial projects (Transport, power, grid)
Countries under the responsibility of the regional HR in Asia	New Zealand, Australia, India, North Asia (Japan, South Korea, China), South-East Asia (Indonesia, Malaysia, Singapore, Thailand). For dairy activities: (Middle East and South Africa added)	China, Hong-Kong, India, South Korea, Taiwan, Singapore, Malaysia, Indonesia, Australia, new Zealand, Thailand	For transport: China, Hong-Kong, India, South Korea, Taiwan, Singapore, Malaysia, Indonesia, and Australia.
Fields of responsibilities between regional HRM and country HRM in Asia	- <i>cross-corporate HR</i> for all activities - in each business division in Asia, there is an <i>HR Director</i> - China : « <i>HR shared service</i> » in charge of recruitment, learning, resources development	- <i>HR country</i> - <i>HR international recruitment</i> at a corporate level - <i>HR international talent development</i> at the corporate level	- <i>HR Project</i> : recruitment, salary management, HR project, supports the Project, reports to the country HR hierarchically - <i>Country HR</i> : staffing management of all projects across sectors (Transport sector, Power sector, Grid) within the country. Optimizing HR management between countries. Reports to the Country President operationally, and to the DRH Asia-Pacific hierarchically. - <i>HR Director Asia-Pacific</i> Reports to President of Region operationally, and to the International HRM Director in France hierarchically.
Target of the Talent Management program	Attract, develop and retain Asian talent	Active policy of contacts with universities Develop Compensation Promotion <i>Acculturation to the company and its business.</i>	Development Leadership program <i>Assign talent to Position of greater influence.</i>
Talent management decision-making	HR Asia	International HR Director	HR Asia
Talent management program and tools	BO Le TRUST Campus of Universities Brand image Coaching Mentoring Local task force Empowerment Roadmap	FIT Campus of Universities 'Serious game' Worldwide training Assessment center Challenging Mentoring	GOAL International mobility Project leader Challenging Emotional competency assessment Cross-cultural projects Breaking the glass ceiling Talent review form

– Creating a specific talent management model for Asia

A new model of international HR is appearing in emerging markets and more specifically in Asia for MNCs. This model needs to align the young Asian's aspirations that are different from those of the young Westerner.

Attracting, developing and retaining young Asian talent could therefore focus on targeted actions such as:

– Focus on young, potential graduates while they are still at university

To draw upon a deep pool of young talented employees, firms develop tight relationships with selected universities. They try to identify graduates in the same field as their activities and create a process of integration (internship program, workshop, sponsorship, student ambassador, business case study, award and reward).

– Communicate about international mobility

The possibility of an international assignment may appear to be a great advantage in the job proposal made to Asian talent. Even if some studies (Schmidt, 2011) emphasize that nowadays, the trend is for Chinese men to prefer to be re-located within their own country.

– Target a long-term career without the glass ceiling

If Western firms wish to win the talent battle in emerging markets, their HR approach should be reshuffled to take into account cultural specificities and local requirements. Removing the perceived glass ceiling seems relevant. However, this is not a new way of managing. Indeed, many American MNCs active in Europe have pushed a European CEO to the head of their business unit. This must be an ongoing, logical process, though.

– Increase the salary

In Asia (and more particularly in China), the level of salary increases regularly and reaches the Western level for skilled personnel. The struggle with the public sector and with expatriates has raised standards. To compete, firms need to be aligned with the local companies and to propose a significant increase.

– Build a tactical training policy

Studies have indicated that there are three dangerous points when young employees may

leave a firm: 1) after 1.5 years; 2) after 3 years; 3) after 5 years. To retain talent, some companies had the bright idea of putting these employees into a training program (leadership workshop, MBA program, and executive MBA) at these critical points and to make the talent sign a letter in order to keep them for two or more years.

3.2 Learning from the cases

First, these three major French MNCs have obviously adopted the concept of talent management. They all label their initiatives with this wording that is supposed to be a disruption in their HR policies in Asia. Although it may be too soon to tell whether this constitutes a genuine breakthrough, it is at least related to a perception of a dramatic change in the context of their traditional HR policies.

Second, companies consider talent management in the same priority as issues of attraction and retention. That concurs with what the major academic books (Boudreau, 2010; Cappelli, 2008a) or practical handbooks (Berger & Berger, 2010) argue as another order of priority in HR topics in the context of what could be talent management.

Third, these three case studies demonstrate that a large variety of policies and practices may be found under the umbrella of the same so-called TM approach. Across the companies, these policies may cover training programs as well as a compensation and career-management policy.

Fourth, this variety of policies could be presented as an escalation of policies from the developmental approach (with a training program) of ALSTOM, to the broader scope of DANONE's policy (attraction, retention and development) and L'OREAL's more consistent HR policy that encompasses development, career-management and compensation. This difference in the scope of TM policy has to be related to the differences in their respective businesses. ALSTOM is settling in Asia according to the projects it has to gain there and to implement if successful in bidding. DANONE has a strategy in Asia that is very different according to its product divisions and countries. Therefore, the BO Le program is clearly associated to the company's business strategies in China and Indonesia. In the case of L'OREAL, its presence in Asia

goes back quite a while. They are operating with famous brands in a market of consumer and luxury products with a genuine effort of a regional policy.

3.3 Discussion

Interestingly, the presentation of talent management for these three French MNCs makes it clear that the emergence of talent management cannot be considered outside of a local and business context that varies from a company to the other. Although it may have been considered a fad by some authors (Pigeyre, Dietrich, Gilbert, Aubret, 2010), talent management in our examples is a way of putting a name on practices and policies that are pretty new for these companies, either in Asia or in the mother country.

It will be interesting to follow up on these companies in the future. This is truly the situation of a region where MNCs see their growth potential but may face greater difficulties in confronting local competition. All in all, we are probably seeing a signal of what the economic and HRM situation of these companies will be.

We can then imagine that, in a kind of rebalancing of the regional activities of these companies, the challenge of staffing and motivating Asian staff may help companies to change their HR policies worldwide. What is happening to these companies in Asia is totally new and will generate a kind of cultural revolution in how HR is considered, just as the difficulties of the business challenge could trigger the more strategic approach in HR that has been proclaimed by scholars for so long.

This survey has presented three limits that further research will necessarily compensate. First of all, it would be interesting to increase the sample size in order to be more specific about the connections between these HR policies and the general strategy of the companies. Second, given that this research has been conducted in real time with the implementation of these policies, we are unable to evaluate in the mid-term the real effectiveness of what has been implemented. Third, it was helpful to compare French multinationals; however, it would have been significant and enriching to compare their policies to those of other multinationals in the same region or even in other emerging regions around the globe.

Conclusion

By addressing a brand new issue that French MNCs face and by trying to decipher the emerging policies and HR approaches, this article opens up several perspectives that are of the utmost importance for human resource management.

First, the study provides a good illustration of how companies adjust their policies to their context by breaking or changing the traditional rules of HR policies that would be directly managed from the top within the framework of a global unique strategy. That raises one of the key questions of international human resource management: the organizational issue of *who* should do *what* and *where*.

Second, the rising problems encountered by French MNCs in the Asian region exemplify the new type of dilemma that companies must confront when their reputation is not sufficient to generate enough applicants and to find employees who will be more ready to espouse the policies and culture of the company. Clearly it is easier to manage HR when you have a positive and powerful reputation, like that which these companies have traditionally enjoyed so far. Having new perspectives is thus important when a corporation seeks to develop its brand as an employer.

Third, another perspective opens here and relates to the issue surveyed; i.e., the risk of not succeeding in their new approach to local talent. What happens if these policies do not succeed? What can be done, then, in terms of HR policies to sustain business growth in this part of the world? With respect to Asian talent, there are a few ideas to explore. First, firms could adopt a targeted approach for women, who represent a highly skilled group. For example, Google launched the India Women in Engineering Award in 2008 with an award of US\$ 2,000. Second, MNCs explain to young candidates that they can build a strong network with a first job in their company. This target is reached through coaching, mentoring approaches and business-centered projects realized in a cross-division team (for example in General Electric with “*my-Connections*”, a talent-spotting and mentoring program in the United Arab Emirates). Third, companies could try to adjust to the cultural values and current way of life. This might mean proposing a package that allows an employee to

take care of parents. In China and in India, the elderly have no more income. Furthermore, caring for one's parents (or parents-in-law) is considered a duty. Domestic firms, which sometimes propose high salaries, have few such benefits. This supports Western MNCs taking into account the situation and imagining a "package for the caring family". This last idea refers to a certain exemplarity since mimesis can be an effective means of management. Asian young employees might be motivated if they know the firm has already promoted Asian employees to top jobs. Nothing is more effective than a positive story of a career path. Eventually, another approach to include would concern the renewal of policies targeted at talent coming from outside Asia. If it becomes impossible or too expensive to find young Asians, why not hire young highly skilled Western graduates who are ready to be involved in a local contract for a first experience? Through the Erasmus program and internships abroad, many graduate students have developed cultural skills and are eager to try a foreign assignment. A large number of them happen to have acquired international experience that is adaptable to the situation which goes beyond the traditional limitations that exist in managing expatriates. Such a scenario could be very positive in an Asian management pool.

Fourth and finally, we hope this article opens up a new vista for more observation of what is happening in an area of HRM in contexts and situations with which we are not traditionally familiar. This type of research enables all of us to rethink our assumptions on the field's practices, strategic importance, and, indeed, its very role.

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