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Abstract

Talent Management has emerged as a key trend in HRM, though differences exist over its definition and rationale. This study reports on interview studies undertaken in four multinational companies and three consultancies in Beijing, China to explore what led the companies to adopt talent management strategies. In particular, employing perspectives from management fashion theory and new institutionalist theory, it analyses the role of fashion-setters and fashion followers in the fashion setting process, and the role of coercive, normative and mimetic processes in particular.

The emergence of Talent Management

A rapidly-growing trend in HRM has been interest in ‘talent’ and ‘talent management’ or TM; there has been a great expansion in articles using these terms; many consultancies have developed TM products and services; and professional bodies such as CIPD in the UK have recently commissioned and published research in the area (eg CIPD 2007, 2009). Most interest has been stimulated by work by McKinsey consultants in the late 90s on the so-called ‘War for Talent’ (e.g. Michaels et al 2001). The drivers identified include the knowledge economy putting a premium on talent, especially professional and managerial talent; globalisation making competition for talent now a global, not just a national, issue; and changing demographics, especially ageing populations, meaning that the retirement of baby-boomers has resulted in a loss of talent, with fewer younger replacements. In addition, changing values among younger generations are held to generate less organisational loyalty and commitment, making retention of talent a growing problem.

In addition, TM shows the increasing importance of economic theories to HRM, especially those concerning the importance of human capital, human capital management, and labour market segmentation, as well as the growth in influence of marketing theories. TM is often linked to ‘employer branding:’ just as customer branding is important to give reasons for customers to believe in a product or service enough to buy it and advocate purchase to others, an employer brand has become more important, both to give applicants reasons to choose an employer and advocate it to others, and to give existing employees reasons to stay, and advocate the company to others. Different ‘offers’ or ‘propositions’ will need to be targeted at different groups of employees and potential employees, just as different offers are made to different customer groups. (eg Huselid 2003)
This is a very ‘exclusive’ view of TM, one adopted by many organisations in practice. Take this view, targeting TM initiatives at either senior managers or ‘high-potentials’, whether in the US (e.g. Cappelli 2008) or UK (e.g. CIPD 2007), though not all will take an exclusive perspective on ‘positions’ as well as ‘people’. This perspective on TM is often linked to more traditional concerns with ‘succession planning’, often associated with early identification of potential, fast-tracking and intensive development.

Other organisations take a more ‘inclusive’ view, seeing talent as potentially occurring at all levels in all roles, or as occurring in several key functions (e.g. the health authority that saw talent in the managerial, clinical and service leadership fields, CIPD 2007). A more ‘inclusive’ view often argues that a focus on individual talent or human capital development distracts attention from the development of social capital (e.g. trust, relationships) and the importance of teams, leadership, networks, and organisational culture, routines and processes in affecting organisational performance (e.g. Iles 2007, Iles and Preece 2006).

Is TM a management fad or fashion?

TM is therefore becoming more and more important to modern HRM; the CIPD (CIPD, 2007) in the UK has identified TM as one of their three major research objectives, and Schweyer (2006) argues that talent has become the decisive factor affecting whether countries will thrive or stagnate in the 21st century. One might think that TM is therefore a well-defined and mature area of practice supported by extensive research and a core set of theories and models. However, this is not the case, as ‘the discussion on TM has only just begun in earnest’ (SOCPO, 2005, p. 10). There is an absence of clarity regarding the definition and scope of TM; most current discussion regarding TM is found in practitioner-oriented publications, with a shortage of systematic academic research.

Such ambiguity is an important feature of management fashions in the eyes of a wide range of academics (Bijker, Hughes and Pinch, 1987; Clark and Salaman, 1996; Ortmann, 1995; Eccles et al., 1992; Kieser, 1997; Watson, 1994; Swan, 2004; Rovik, 1998), because it allows interpretive flexibility on the part of those adopting new ideas. This ambiguity can then greatly increase the scope for diffusion and enhance market opportunities for ‘fashion setters’ to promoting diffusion by claiming specialist expertise in interpreting and resolving such ambiguity. Abrahamson (1996b) defines ‘fashion followers’ as actors who translate fashionable techniques when the legitimating discourse becomes fashionable; they are rendered vulnerable to fashion during the management fashion-setting process to ideas promulgated by ‘fashion-setters’ such as consultants, business academics or ‘gurus’.

Thus, TM displays a characteristic of management fashion, as identified by Abrahamson (1996a) and Rovik (2000). It appears both rational and progressive, providing efficient means to important ends, and seems new and/or improved, relative to older management techniques.

As a means of understanding management fashion, the influence of the institutional environment and the role of imitation is important. In the ‘Old Institutionalism,’
influence, coalitions and competing values were central, along with power and informal structures. DiMaggio and Powell’s work (1983), which Greenwood and Hinings (1996) label as ‘New Institutionalism’, puts more emphasis on legitimacy, the embeddedness of organisational fields, and classification, routines, scripts and schema. They introduced the homogenization phenomenon; managers make their organisations increasingly similar to each other as they try to change them. The concept of isomorphism best captures this homogenization process: organisations in the same or similar social, economic and political contexts come to resemble each other over time.

DiMaggio and Powell (1983) distinguish two types of isomorphism: competitive and institutional. Competitive isomorphism assumes an underlying systemic rationality; emphasizing market competition, niche change and fitness measures, it is therefore likely to be most prevalent where free and open competition exists (Hannan & Freeman, 1977). Firms also face institutional pressure from government regulators, professional associations and social networks, as well as competitive pressures from rivals. Organisations compete not only for resources and customers, but also for political power and institutional legitimacy; for social as well as economic ‘fitness’.

DiMaggio and Powell (1983) identify three institutional mechanisms influencing organisational decision-making: coercive, normative and mimetic. Coercive mechanisms arise from political influence and the challenge of legitimacy: social partners, labour legislation and government, the formal and informal pressures exerted by other organisations upon which they are dependent, and societal cultural norms. Such pressures may be experienced as force, persuasion, or invitations to collusion (Meyer and Rowan, 1977). Coercive mechanisms signal the fitness or apparent willingness and ability of the organisation to fulfil its constituents’ role expectations (Meyer, 1979).

Normative mechanisms (associated primarily with professionalism) refer to the articulation between management policies and the professional background of employees in terms of educational level, job experience and craftsmanship. The extent of professionalization of the workforce affects management control systems in place and related practices, and, in many cases, the influence of the professions per se can be as strong as that of the state. Professional networks, such as professional and trade associations, help define and promulgate norms about organisational and professional behaviour. For Perrow (1974), normative mechanisms create pools of individuals who not only share common expectations, but also occupy similar positions across a range of organisations and possess similar orientations and dispositions. Such normative isomorphism is reinforced through filtering; many professional career tracks in organisations are so carefully controlled and monitored, at entry and throughout the career path, that individuals in similar positions across organisations tend to have similar biographies in terms of education, skills, work experience, and ideology.

Finally, mimetic mechanisms refer to imitations of the strategies and practices of competitors as a result of uncertainty, or fads in the field of management. Thus, these are the mechanisms most often referred to in institutional theory discussions of management fashion. When organisational technologies are poorly understood, goals are ambiguous, or the environment creates symbolic uncertainty, organisations may model themselves on other similar organisations in their field, perceived to be more
legitimate or successful (DiMaggio and Powell, 1991). Later, fashionable managerial techniques may be 'diffused unintentionally, indirectly through employee transfer or turnover, or explicitly by organisations such as consulting firms or industry trade associations' (DiMaggio and Powell, 2002: 172).

This study attempts to explore whether TM in China can be seen in terms of ‘management fashion’, and in particular to explore the operation of coercive, normative and mimetic processes in its adoption by multinationals in Beijing through fashion-setting and fashion-following processes.

The emergence of Talent Management as an issue in China

Since social and economic reform began in 1978 in China, it has experienced profound transformation, marketization in the economic arena, and the convergence of the Chinese economy and society with the contemporary capitalism system (Wang, 1998). China’s reforms have led to the incorporation of the country’s economic processes into the global marketplace. The attraction and retention of talented individuals has become a key strategic issue for Chinese organisations. For example, former president Jiang Zemin acknowledged a global market for talent, and that China must compete within that market, even for its own people (Singapore Strait Times, 2000), whilst former premier Zhu Rongji remarked in 2001 at the Sixth Session of the Worldwide Chinese Businessmen’s Association that China would now stress the infusion of human talents and technical skills, rather than attracting foreign capital. This was an important response to the idea of ‘building national strength through science and education’, and an important step towards the current policy of ‘strengthening the country through human talent’.

However, TM in China is an under-researched area (Cooke 2008). Exacerbating shortages of managerial talent and aggravating pressures of fierce competition have helped fuel interest (Chuai, Preece and Iles 2009a,b; Lau 2007, Lin 2006). According to Zhang and Carter (2007) China possesses only a very limited ‘qualified’ pool of employee talents in the types of positions required by foreign invested enterprises; the demand for talent has already created significant shortages in several specific functional areas within foreign enterprises across China.

Buxton and Li (2007: 1) state:

‘In the past, the MNCs’ biggest challenge was with patent protection, but today, the single largest brake in China is the struggle to attract---and even more importantly, retain---an executive workforce that possesses the right skill sets to sustain the growth for the long term’.

Various factors are exacerbating this interest in TM. China’s baby boomers are producing children significantly below the rate necessary to maintain the country’s population; the rate required is 2.1 children per mother compared to the actual rate of 1.3 to 1.8 children (Kahn, 2004). In just 10 years, the working population in China will begin to shrink (Jackson & Howe, 2004). The projected supply of Chinese university graduates between 2003 and 2008 is estimated at 15.7 million; only about 1.2 million will be suitable for employment in multinational corporations. Meanwhile,
China will need 75,000 globally effective leaders in the next 10-15 years, but current estimates are that there are only 3,000-5,000 individuals in China who meet the criteria (McKinsey Global Institute, 2005).

For many foreign enterprises operating in China, currently available managerial and professional talent cannot satisfy increasing demands for business expansion, whilst domestic companies are becoming their competitors for all kinds of strategic resources, including talent, following the elimination of trade restrictions and increased domestic market access as a result of China’s accession to the WTO (Iles and Yolles 2007). Many current leaders, brought up in the Cultural Revolution, lack critical knowledge, skills and experience in strategy, innovation, enterprise and empowerment. Younger leaders may lack people skills, and despite high education levels may have received little management training. Turnover in this group is often high (25% per annum). Expatriates continue to fill many capability gaps, with increasing use of managers from the Asia-Pacific region and foreign-born Chinese. This short-term solution however creates longer-term problems, such as high expense, the need for localisation, and the grooming of local staff against a common perception of emerging ‘glass ceilings’ (Lane and Pollner 2008, Wilson 2008).

In a recent study by Mercer, 72% of respondents in China claimed that their main challenge in staff recruitment was a lack of qualified candidates in the labour market. A key issue is also how to develop and retain staff, making management and leadership development of local staff in particular a priority (Wilson 2008). However, many companies in China lack commitment to develop a comprehensive leadership development strategy, or the expertise to implement one: talent development cannot keep pace with business development in China (Qiao and Xuejun 2008). Succession planning is not often seen as working well, due to shortages of talent ready to fill leadership positions in fast-changing and volatile markets, and the over-high expectations of those identified as ‘talented’. Short-term business goals often conflicted with long-term talent development objectives. ‘Talent readiness’ was seen as a key issue by CEOs, line managers and high-potentials themselves, but not necessarily by HR staff.

Methodology

Given the exploratory and qualitative nature of the questions and issues outlined above, a case study method was selected as the main methodology. The study was undertaken in Beijing, and target companies were limited to MNCs. Given that TM as a newly emerging managerial label/concept, it would seem more likely that MNCs are establishing their own TM strategies. In China, “tier-1” and “tier-2” cities, such as Beijing, Shanghai, and Guangzhou, which have less than 20% of China’s population, possess more than 80% of the leadership talent (Lau, 2007). Moreover, three out of four people attending higher education (especially those with a Master’s degree or PhD) want to work in Beijing, Shanghai or Guangdong (Lau, 2007). Given this ‘unbalanced’ development, it would appear more likely that TM will be on the agenda of organizations in these cities.

In-depth case studies were conducted with four MNCs in Beijing respectively, coded as A, B, C, and D. Interviews were semi-structured, planned to last from half to one hour; with the permission of the interviewees, they were tape-recorded, and
subsequently transcribed and content-analysed. Over twenty interviews were conducted across the case-study organizations with a range of stakeholders, including at least one HR specialist in each organization (the senior HR professional wherever possible), senior and functional managers, and non-managerial staff. In addition, in order to broaden the perspectives and insights, we carried out interviews in three management consultancy firms, coded as E, F, and G.

A is a full-service, full-spectrum communications software company and a market leader in the industry with 25 corporate offices and headquarters in the USA. B is one of the world’s largest IT management software providers, a global company with headquarters in the USA and 150 offices in more than 45 countries. C provides online multi-vendor sales channels for diagnostic, treatment and surgery planning solutions; it is headquartered in London with offices in the USA, Japan and China. D, registered in Canada, is mainly responsible for education investment, management, consultation, communication and cultural media, with 22 branch offices in China and Canada. E is a leading provider of HR outsourcing and consulting services, headquartered in the USA, located in 35 countries and employing approximately 24,000 associates. F is also headquartered in the USA, and is a well-established consulting firm, serving more than 8,000 clients from 88 offices in 47 countries worldwide. G is headquartered in the USA and employs more than 15,000 individuals, serving clients from more than 180 cities and 42 countries worldwide.

The purpose of the study was to explore the drivers of TM in China, and whether adopting TM was the result of fashion-setting and fashion-following processes and coercive, normative and mimetic pressures. In Figure 1 DiMaggio and Powell’s (1983) three institutional mechanisms have been transposed into the TM field, illustrating how such mechanisms could impact upon TM strategies, policies and goals in China.
Empirical Findings

The empirical findings challenge the view that TM is just a management fad or fashion; interviewees unanimously claimed that the real driving force for adopting TM was their company’s demands for further business development, and especially the urgent demands for the attraction and retention of talent, rather than some ‘frivolous pursuits’ (English Tutor from D) or ‘superficial tricks’ (Sales Manager from A).

The Public Relations Manager from Company C stated:

‘Any actual development must depend on internal causes. Internal causes are determinants; while external causes can only be some auxiliary causes. In a word, external causes can only become operative through internal cause’.
In Company B, interviewees held a similar view. The HR department was seen as playing the role of strategic partner and consultant, excluding daily routine work; if the HR department did an effective job, it would make a favourable impression on other departments, but that was not the main driver for TM. Though enhancing departmental status could not be entirely excluded from consideration, it was ‘by no means a point of departure’ (HR Manager). In contrast to the Public Relations Manager from Company C, some other interviewees claimed not to take account of HR’s pursuit of legitimacy and status into their decision process regarding TM.

An observation from one of the interviewees contrasts with the ‘fashion’ argument:

‘The existence and development of the HR department is for the wellbeing of the company rather than the build-up of certain individuals’ public image or popularity. Maybe a number of people have this kind of cognition or understanding in their subconscious. However, the HR department or these several individuals cannot make business decisions on behalf of the overall company, because the company is a business organisation chasing profits, it will always do cost accounting before any business action’ (Senior Consultant from F).

TM does seem to bring new ideas and modifications in management ideology, not just a simple re-packaging of old techniques; TM can be seen as a carrier of substantive, as well as symbolic, meanings. The Senior Consultant from E commented,

‘The old stuff cannot be sold out, just because they don’t satisfy our clients’ demands any more. Our clients are in continuous growth; the old methods, which could help them sort out problems in the past, cannot help them sort out problems in current days. Therefore, the solutions we propose must be based on our clients’ actual difficulties and their subsequent demands. Many of our products are the conclusions of our innovations in resolving actual problems’.

As the HR Manager from D observed, ‘the emergence of TM is affirmatively for the purpose of resolving problems’.

However, though TM was seen to act as a substantive tool to resolve actual problems and facilitate improvements, it could also carry symbolic meanings for organisations. For example, the HR Manager from company A pointed out that it enhanced their employment branding and the gaining of ‘best employer’ status in China. Interviewees generally held the view that, though symbolism was not a main reason or motive for adopting TM, it was undeniably one of the positive effects that TM could bring. For instance, the English Tutor from D argued that the pursuit of symbolic meanings was not a determinant of TM, because ‘the obtainment of branding effects is just one of the outcomes that TM programmes bring about, it is by no means our preliminary intention’.

The Deputy General Manager from B similarly stated, ‘the achievement of branding effects should be just an accessory; we wouldn’t advocate TM simply in order to chase branding effects’.

Adoption motivated by ‘real’ organisational problems
The companies claimed to employ TM because it could help them resolve organisational problems; interviewees expressed their disappointment and dissatisfaction with previous solutions and procedures, articulated their current deficiency, inadequacy and inappropriateness, and simultaneously asserted that TM does bring about some fundamental changes to overcome those problems. The main problem was that traditional HRM lacked a systematic and directed management focus aimed at particular groups of people. For example, the Senior Support Engineer from B claimed:

‘We did not set up a smooth and effective management procedure at that time. Although ‘talents’ or some similar names, such as ‘core employees’, ‘key employees’, might be mentioned in the HRM practices, the management of those people was solely limited to a single functional model, i.e. selection. Our current TM, however, not only makes up the other functional models but also makes them more systematized’

In addition, traditional HRM was seen as not advocating segmentation of employees, or differentiation management. As a result, companies may lack particular management means and methods for different segments of employees. TM, as a new terminology and managerial technique, may help counteract HRM’s weaknesses and defects here by stressing differentiation management. For example, the HR Manager from D observed,

‘The loss of our talents mainly happened in our professional and technical categories of employees, because those professional and technical talents came up against bottlenecks in their career development. At that time, we were indeed short of a set of directed management systems aiming at those people; if they could not enter the management team, whatever their compensation or positions in the company would not satisfy their own demands. Thus, our professional and technical talents easily run off. In a word, we were short of a system or a channel for those people to develop and give full play of their talents and initiatives’.

The Marketing Director from C held a similar view,

‘We divide all of the employees into four major categories, i.e. managerial category, professional category, sales category and operational category. Each of those categories includes a variety of job sequences, which is to indicate different promotion paths for different sequences of employee. Therefore, each talented individual can find a clear path for his/her personal career development…before, there was just a single path for administrative/managerial jobs. Hence, the diversification of the promotion paths should be a purely new content’.

**Adoption motivated by externally created problems**

All companies reported struggling for talented individuals, and most listed ‘attraction and retention of talents’ as their main reason for adopting TM. For instance, interviewees in A felt pressures from both inside and outside their organisation to accept TM. Internal pressures included the need to retain current talents in order to
maintain and enhance overall management competence, whilst external pressures included the need to attract more talents to the company. The Sales Manager claimed:

‘Currently, we are still short of sales talents. We not only have our own products, but also are commissioned to sell the other companies’ products…There are a number of companies commissioned to sell the same company’s products, so there is definitely competition between us, certainly including talent competition. Frankly speaking, if we need a marketing executive, we will not only value our internal training programmes, but also actively look for suitable persons in the external labour market’.

Similarly, interviewees in B said that fierce competition in the talent market was a real issue; the adoption of TM was a result of urgent requirements to adapt to the current market competition and keep and inspire current talents. This was also the case with companies C and D.

Hence, the empirical findings illustrate that companies had adopted TM mainly because they perceived a deteriorating situation in the external talent market (Carrington 2004). A panic about resourcing talents can be sensed; nearly all interviewees commented that the attraction and retention of talents was the key factor in adopting and implementing TM. The IT Support Manager from D claimed that ‘the concept of TM turns up under a particular supply-demand relationship of the market’.

Adoption of TM as a way of strengthening corporate and individual identity

The empirical findings do not support the view that companies adopt TM as a way of strengthening corporate identity; no case study companies believed that they imitated others, or were driven to do so by other competitors from the same industry. They saw their companies are pragmatic business organisations chasing profits as the end goal. Hence, those ‘superficial tricks’ (HR Manager from B) and ‘frivolous pursuits’ (English Tutor from D) could never act as driving forces for them to adopt TM (eg the HR Manager and the Managing Director from D).

Since all the case study companies are well established, prestigious and influential in their respective business sectors, they are likely to belong to a group of fashion setters in the ‘management fashion market’, as comments from the Public Relations Manager from C illustrate: ‘I feel that our company plays a leading role in the dissemination process of TM. There might be some followers during the overall process. It cannot be ruled out that there is such a possibility that some enterprises, especially small businesses imitate other companies. However, in consideration of the current situation, it is still a rare phenomenon’.

Reasons for adopting TM from the perspective of new institutional theory

Interviewees were asked about influence from company headquarters during the TM adoption process. They all said that, even though it was not significant, influence from the headquarters was there, and could not be totally ignored. For example, interviewees in company B noted that, although their headquarters would always take account of the characteristics of the subsidiaries in different regions and nations and give them plenty of autonomy to act on their own, B was after all a global company
and therefore its TM policy was influenced by headquarters. This was also the case with A, whose HR Manager commented,

‘Our company is a multinational corporation headquartered in the USA…its nature contributes to its global management mode…I mean that the management ideologies are always kept globally consistent. In this sense, our talent-related management should be promoted by the headquarters’.

Influence or even pressure from headquarters exists, but seems not a determinant in the implementation of TM. The Director of Consultancy in G claimed that their training institute, based in their US headquarters, had explored TM-related products and training materials earlier, and these had been gradually introduced to their global range of subsidiaries and offices. However, because there was normally a time gap for knowledge transfer from the USA to China, company G had tried to understand those training materials and fumble towards its own view, rather than passively accepting and selling those products. After China’s market became sufficiently mature, G officially started establishing its Leadership and Talent business line in China.

Influence from government was only mentioned during the interview with the Public Relations Manager from C, who claimed that the 2003 National Talent Working Meeting in Beijing was the first nationwide meeting organized by the central government of China, covering talent-related policies, rules and methods and symbolizing TM’s wide discussion in China. C entered the Chinese market in 2005, so influence from the Government at this early stage of development cannot be overlooked, but he did not consider this influence as a critical factor in motivating adoption of TM.

There was little empirical support also for the ‘normative’ argument; interviewees came from broad professional backgrounds: managerial, technical, sales, marketing, and so on. HR practitioners held degrees in a wide range of disciplines; for instance, the HR Manager from D graduated with a BA in geography. The argument that professional associations are influential is also not supported. In China, there is a shortage of nationwide HR professional associations. Most HR-related associations are regional or specific sector-focused organisations. One relatively influential organisation is the Human Resource Association in Foreign Enterprises (HRA), which is owned by Beijing Foreign Enterprise Human Resource Service Co., Ltd. (FESCO). Nearly all foreign enterprises in Beijing are clients of FESCO, including the case study organisations. However, the study found very limited documentary evidence that FESCO has been involved with advocating TM, and the case study company interviewees claimed that it only helped them process routine or administrative work, such as recruitment or social insurance. Therefore, their relationship with FESCO was not strategic, and did not involve TM issues. China’s central news agency, Xinhua Agency (2007) argues that China’s domestic human resources service organisations lag behind in technology, experience, and capital and talent-related tailor-made services.

Is TM a management fashion in China?

TM for the case companies seems a rational and progressive managerial technique; companies adopted TM to find effective ‘tools’ to facilitate improvements. TM can be
seen as a carrier of substantive meanings, and the HR manager from D and the senior consultant from E both expressed this view from different perspectives, observing:

‘The reason that a management theory could be proposed must be that it is useful for enterprises. Nowadays, enterprises are very typical pragmatists. One management theory can only take root in enterprises when it actually goes into effect’ (D)

The adoption of TM seemed motivated by ‘real’ organisational problems, an antidote to certain internal and external problems that organisations had encountered. TM also helped alleviate external pressures, through, for example, providing effective solutions to help the company survive and succeed in the ‘war for talent’.

The empirical findings show that there are no obvious ‘fashion setters’ during the TM propagation and adoption process. Almost all interviewees refuted the idea that consulting firms played a critical role in their adoption of TM. The Deputy General Manager from B observed, ‘we wouldn’t count on consulting firms’, whilst according to the Sales Manager from A, the term TM emerged from consulting firms’ conclusions based on widespread talent-related management activities in companies; the emergence of the term therefore followed management practices, and was not significantly correlated with influence from consulting firms.

The consultant interviewees also denied that they played the part of ‘fashion setters’, or that they were simply there to disseminate fashionable ideas or terminologies with a short-shelf life. The Senior Consultant from E argued that what consulting firms do is to first formalize and generalize operations and practices that occur inside enterprises, and then shape their understandings into applicable techniques and solutions for their clients; the creation of new concepts or theories was based on clients’ actual demands. The other two consultant interviewees held similar views; normal procedure was to evaluate client demands first, and then put forward corresponding solutions, set up relevant programmes and finally carry out plans and appraise results. In general, consultants stressed that the emergence of TM was due to increasing market demands; the initiative resided in companies, rather than consulting firms. Therefore, consulting firms did not take up ‘fashion setter’ roles in the diffusion process of TM; though consulting firms are now keen on TM business, they were not the real driving force in the diffusion of TM, but just trying to meet client demands. The empirical findings thus cast serious doubt on the extent to which consulting firms act as effective and dynamic ‘fashion setters’ in the adoption and dissemination process of TM, at least with respect to the present research.

Though the data cannot show whether other possible fashion setters, such as business schools, business press organisations, academic gurus, and hero managers, are involved in and play a role during the TM process, it seems that the case study organisations are by no means just ‘fashion followers’; they adopted TM to meet their own demands for further development in order to survive and succeed in the intensifying war for talent. All case study companies rejected the view that they accepted TM simply because they were blindly imitating or following others, and strongly disagreed with the view that they were just a group of psychologically vulnerable ‘fashion followers’.
The consultant interviewees were also against the idea that their client companies were fashion followers; clients adopted TM from their own needs, rather than from influence from external organisations. The Senior Consultant from E claimed,

‘I don’t think that our clients create the demands for TM, simply because they observe and copy the others. They can only create those demands spontaneously. They will not blindly follow the others’.

There also seems an absence of a ‘fashion-setting process’: case study organisations and consulting firms both stressed that accepting TM was rational business behaviour. For most, ‘the current enterprises are very typical pragmatists’ (English Tutor from D), with any business action essentially residing in genuine business goals rather than individual managers’ sentiments and attitudes. The HR Manager from D claimed ‘only the actual initiative demands could be the real driving force’, and interviewees repeatedly stressed that their behaviour was based on rational analysis and judgement; corporate identity in the eyes of other companies belongs to ‘frivolous pursuits’ (English Tutor from D), and can never work as a determinant in the decision making process. The following statements are illustrative:

‘Our own demands have not been fulfilled, so we could not possibly spare our limited vigour on keeping an eye on others’ (Managing Director from D).

‘We do not pay close attention to the other companies. As I said, we decide to accept and exert TM mainly due to our own demands’ (Sales Manager from A).

Although interviewees were unanimously against the idea that the adoption of TM was a fashion diffusion process, they were reluctant to declare a stand on whether TM will become a management fashion in the future. A widespread view was that managerial terms are just some ‘gaudy stuff’, there are always various labels or names emerging. For instance, the HR Manager from B claimed that ‘each term is just transitory; however, the connotations will always be kept intact’.

One English Tutor from D stated,

‘TM shows a strong tendency for further development in our company, because our company concerns the talent-related issues. There might be alternations of names; however, that is what management theorists and consultancy firms care about. I firmly believe that the substantial contents of TM will carry on’.

The Senior Support Engineer from B observed: ‘there might be another label to replace the term of TM; however, its particular management practices will definitely stay’.

Overall, interviewees tended to believe that though TM could not avoid the fate of being replaced by another name in the future, the substantial principles under the term would continue. However, though interviewees recognize that TM as a fresh managerial term might be replaced in the future, they nonetheless believed that a talent mindset had taken root inside their organisations; the essential components of TM would always be there, rather than having a short shelf life. For example, as the Associate HR Generalist from B noted:
‘TM reflects a kind of differentiation management in some aspects of HRM…Generally speaking, TM is a new management ideology. However, it is by no means a substitute for HRM; it should not be isolated from HRM, either…Management theories cannot stop developing and evolving. Therefore, new terms will unremittingly turn up. In the future, the term TM might disappear, but the ideology of highlighting talents in HR practices will stay. No matter what guises the current TM will be in, it is just another wording issue, and it is not strategic’.

The IT Support Manager from D observed:

‘HRM came into being by making use of different social science theories for reference, such as labour economics theories, social psychology theories and organisational behaviour theories. Likewise, TM will also draw in some other social science theories in order to enrich itself’

Conclusions

The data collected in this study do not support Abrahamson’s (1996a) management fashion theory (with regard to TM. First of all, both case study companies and consulting firms denied that they were taking fashion-setting/ following roles during the adoption process of TM. Secondly, the adoption of TM was fundamentally a form of business behaviour based on managers’ analysis and judgement, rather than individual psychological needs or macro-economical and political influences. Overall, the emergence and development of TM amongst MNCs in Beijing cannot be wholly explained by management fashion theory; it did not accord with the dissemination process of fashionable management rhetorics, and TM in China does not seem just another management fad or fashion.

TM shows certain characteristics of management fashion (for example, TM appears both rational and progressive in each of the case study companies), but the descriptions of TM by the interviewees do not comply with the critical management-fashion-setting process depicted. The adoption and implementation of TM in the case study companies does not involve the necessary actors, such as fashion setters and users in the management fashion market as suggested in Abrahamson’s model. Furthermore, another of Abrahamson’s (1996a) assumptions---that managerial practitioners are psychologically vulnerable to management fashion---has also been seriously questioned by the findings. Companies not only tended to refute the idea of imitation between organisations sharing the same context, but also the idea that consulting firms, normally regarded as active ‘management fashion setters’ by a host of academics, played a critical role in the adoption of TM. Adoption of TM in these MNCs was not a fashion dissemination process; for SOEs, private enterprises, and joint-venture enterprises, other conclusions might be drawn, because different types of businesses do not necessarily fall into the same trajectory of management. Whether MNCs will act in due course as dynamic ‘fashion setters’ for other types of businesses, as Gill and Whittle (1993) once predicted, remains to be seen in terms of a further expansion of TM ideology.
The empirical findings give support to the argument that companies in China accepted TM mainly because it can satisfy companies’ demands for survival and success in the intensifying talent war, and that TM can counteract traditional HRM’s defects by stressing differentiation management. It can provide tailored services and focus for different segments of employees, and set up different career paths for different groups. The attraction and retention of talented individuals was the issue of most concern to the case study companies, partly due to demographic shifts in the current labour market. Most interviewees saw this as their biggest challenge, and the immediate reason for adopting TM. It seemed to encapsulate some novel techniques and offer some effective solutions for both internal and external problems. This also explains why the interviewees held an optimistic view about the future of TM. For instance, the Deputy General Manager claimed: ‘TM won’t disappear as long as the divergence among people exists’.

This conclusion is backed up by CIPD (2007b), which similarly suggests that the forces driving the increased interest in talent and TM are a mix of external supply issues and internal organisational demands. The pursuit of symbolic or socially institutionalized meanings was not a major impetus for the case study companies to adopt TM.

It should be noted however that the emphasis on substantive rather than symbolic understandings of TM does not mean that TM is immune from symbolic meanings; interviewees held the view that symbolic meanings were attached to the adoption and implementation of TM, even though they did not act as the driving force. Other studies have come to a similar conclusion; for instance, CIPD (2007b) found that a focus on TM can bring many potential benefits, such as enhancing an organisation’s image, and adding value to the ‘employer of choice’ and branding agenda in the labour market. Williams (2000) also argues that enhanced public image and reputation are one of the potential outcomes for the organisation as a result of effective TM.

**Implications of this research, limitations and future research agenda**

This study inevitably has its own particular limitations. First of all, the Chinese labour-market system is currently in a state of transition (Warner, 1997; Gamble 2003, Shen, 2007); there is no homogeneous set of people management means and methods shared by the vast variety of Chinese businesses. Each type of enterprise shows characteristics that might be distinct from each other. Therefore, it is important to reiterate that the empirical material gathered here has come exclusively from well-established MNCs with offices in Beijing. Other types of enterprises, such as state-owned, private and joint-venture enterprises may display different features in relation to TM and HRM, and hence further investigation is urgently required into the TM policies and practices in such organisations.

Moreover, since the mid-1990s TM initiatives have been introduced by a growing number of MNCs in response to the growing problem of shortages of international talents, increasingly regarded as a major constraint on the implementation of international strategies (Scullion and Collings, 2006). However, Scullion and Starkey (2000) argue that TM approaches vary significantly across different types of international firm. TM can differ in three distinctive groups of companies: centralised
HR companies, decentralised HR companies and transition HR companies. This study takes well established and recognized MNCs as a whole without paying close attention to possible sub-groups. Thus, it is expected that future studies regarding MNCs will explore such differences in more detail. Because TM is a fairly new concept, there are many gaps and omissions left for further attention.

In addition, since the data were collected economic growth in China has slowed, with rising unemployment especially in the export sector and cut-backs on graduate recruitment. Recently some cities in China such as Shanghai have removed restrictions on the securing of ‘hukou’ or residence permits, in part to retain key talent. Early evidence from the CIPD (2009) shows British companies remaining interested in TM (to strengthen their position in a recovery and to attract those made redundant, for example) but were under pressure from reduced training budgets and needs to find more cost-effective solutions. Whether TM will remain a priority in China as growth slows is another issue for empirical research.

REFERENCES


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