Hot topics

TALENT DEVELOPMENT IN THE BRIC COUNTRIES

This short report addresses business issues that are crucial to understanding how HR contributes effectively in developing people globally and places specific emphasis on talent management. This research will help HR professionals operating globally to acquire a quick overview of the BRIC (Brazil, Russia, India and China) countries, the HR issues within and will offer some 'practice pointers' to help HR professionals operating within these environments.

INTRODUCTION

Managing people globally is an increasing challenge for HR. Research conducted by the CIPD in 2009 with 4,000 HR professionals indicates that 30% of respondents see themselves as having international responsibilities (CIPD 2009). Eighty-seven per cent said that 'keeping up with global developments' is important to them. This suggests that even if an individual's role is focused in one country, they cannot ignore the wider world of global HR.

The challenge for HR operating globally is to understand varied markets for both products and people. To assess this global talent challenge we need to understand the drivers of learning and talent development in all of the countries we seek to operate in and from. This has implications for firms competing globally, those with operations abroad and those seeking to exploit these alluring but difficult new markets. In addition, much of our domestic skills debate in the UK is fuelled by a preoccupation with the skills the UK needs to develop to compete with these emerging nations. Much of the hype about emerging economies omits the talent, culture and human capital dimension, which is crucial to really understanding how business operates.

One of the key aspects of working in BRIC countries is to understand that demand for products and services is markedly different from the West. People in Brazil want smaller, cheaper fridge-freezers; Indian consumers demand smaller, more 'spartan' cars. Emerging economy firms want to sell their goods and services everywhere, just like mature economy firms do. This drives the strategies of businesses everywhere and has ushered in an era of constant cross-border competition. In their book *Globality*, Sirkin et al (2008) describe the challenge for HR in adapting to these changed realities by focusing on the detailed strategies of firms. This short report is concerned with looking at the broader trends and bigger picture for developing talent within the emergent economies.

The report draws on several sources of information:

- An extensive global strategic HR project, Creating People Advantage (CPA), conducted by Boston Consulting Group (BCG) for the CIPD's global partner, the World Federation of People Management Associations (WFPMA) from now on referred to as (CPA 2008) the report looks forward to 2015 and is based upon a survey of senior HR and senior executives with around 4,000 global responses. It's a critical resource to understanding the global HR picture.
- Outputs from a summer 2009 CIPD special interest forum, 'Building Talent in the BRIC Countries', provide case studies and deep insight: we use insights in particular from Dr Paul Ballman, a business psychologist with extensive experience of BRIC

countries, and from Hay Group for rich country-based information on the reward-driven talent environment in India and China.
- General data and surveys on the BRIC countries and their talent and human capital challenges from international bodies such as the Organisation for Economic Co-operation and Development (OECD).
- Key books and readings on globalisation, talent management and BRIC countries (details in the appendices).

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The issues facing the BRIC countries of Brazil, Russia, India and China are representative of the challenge of managing talent globally. Each country faces a unique context in developing talent and HR professionals need to be aware of these problems and opportunities. At the outset, it is important to bear in mind that the BRIC concept is designed to help business and particularly investors to understand shifts in the economic balance of power. The countries are seen as emblematic of what are sometimes called the 'emergent' or 'challenger' nations (see Sirkin et al 2008). We should remember therefore that experience in a BRIC country can translate into the wider international arena. So, while one can argue that Russia is a challenger or emergent nation by its sheer size and its role in global commodity production, it's also important as a massive market and hugely influences Europe, especially the East. Brazil is much further advanced as a diversified economy and, with Mexico and Chile, sits at the centre of the greater South American economy. Just as Mexico and Chile are important to the South American context, Pakistan, Bangladesh, Sri Lanka and to an extent the Gulf region help drive the south Asian economies. China sits at the centre not only of its own vast landmass but influences Japan, Vietnam, Taiwan, the Philippines and Indonesia. The China region's magnetic pull increasingly attracts Asia-Pacific countries such as Australia and New Zealand, whose governments and business leaders enthusiastically align with their huge near neighbour. However, while these nations are representative, they can also be extreme examples. Russia for example typifies a commodity-dependent economy and China is an extreme example of a low-cost manufacturing-dependent economy. We need to bear these subtleties in mind when considering the BRIC countries and their context.

Brazil
In Brazil the key issues are managing talent through performance management, securing skilled and capable people and dealing with the deficiencies of the education system.

Russia
In Russia the legacy of communism and the dominance of the economy by mining and oil mean that organisations need to harness talent for the knowledge industries and to equip the decaying manufacturing sector with the skills needed to drive productivity.

India
Despite the popular notion of India being dominated by high-level IT skills, its talent pool is much patchier and there are major issues in developing the skills that expanding business requires. As a result, key talent is scarce and most HR activity is based on rapid recruitment. A talent-focused approach will help companies develop their business in the sub-continent.

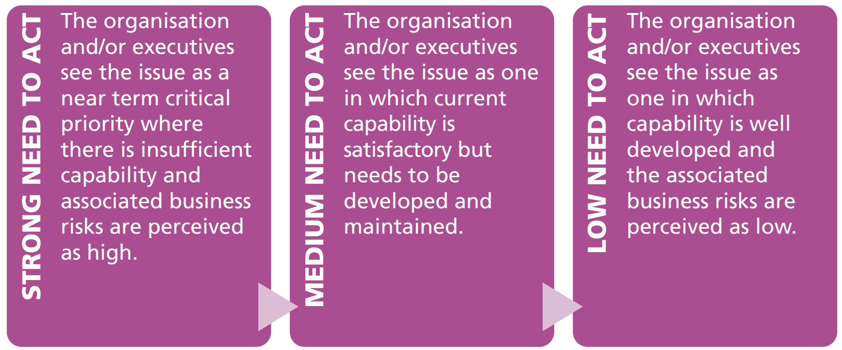
China
China faces a critical talent shortage. Like India, it has a high overall number of graduates but the number who are 'industry-ready' is small. Industry structure determines how people are managed and in some sectors of the economy the country is a long way from having skilled, capable people. Most of the potential future labour force, drawn from the rural areas, are poorly equipped with skills and many are illiterate.

Brazil, Russia, India and China were the global powerhouse economies identified in a famous 2003 report by Goldman Sachs (2003). At the time they were all high-growth economies that were expected to outperform the major Western economies in the near future. Some years on, those economies have sustained growth, especially China and India, which in terms of their growth rates have started to race ahead of the West, even in the face of global recession. China – with its massive manufacturing base, developing service economy and educated population – looks to dominate global trade in the coming decades. India – with its comparative advantage in lower-cost back-office IT, increasing middle class and growing role in global business ownership – is mounting a challenge to China and the mature economies.

Brazil and Russia have fared differently. Brazil has seen relatively high growth as world demand for its commodities grows apace and it develops its manufacturing and service sector. The nation has also been given an enormous boost as host of the 2016 Olympic Games. Yet when we look at Russia (the other member of the BRIC quadrant), there is much less optimism. As a global producer of oil and other minerals, Russia has faced a sharp slowdown in demand, with its economy contracting at 9%. Its economy is still dominated by powerful, politically connected elites and some business transactions are still beset by corruption and violence. Russia also faces a major challenge in providing the brainpower for its transformation to a knowledge economy as many of its brightest and best have fled.

The CIPD has been involved to some extent in all of these emerging economies, giving advice to HR professionals who are seeking to find their way and to ensure that the key people resource is harnessed. We now look in detail at some of the challenges and opportunities in managing talent within BRIC countries.

Figure 1: The WFPMA/BCG HR action categories



The categories of issues organisations perceive (based on the CPA survey (2008)) are listed in Figure 1. We will outline these for each BRIC country. Generally organisations and executives prioritise their critical action in terms of strong need to act and their lower priorities in terms of a low need to act. Priorities shift and change and should not be seen as static but are a good guide to what HR issues are on the radar screen of senior executive leaders.

Figure 2: HR issues in Brazil

STRONG NEED TO ACT
- Managing talent
- Improving performance management and rewards
- Managing work–life balance

MEDIUM NEED TO ACT
- Becoming a learning organisation
- Transforming HR into a strategic partner
- Improving leadership development

LOW NEED TO ACT
- Restructuring the organisation
- Enhancing employee commitment
- Delivering in recruitment and staffing

Source: Derived from Boston Consulting Group/WFPMA Creating People Advantage 2008

Brazil is probably best known for producing food commodities such as coffee and soya as well as mineral extraction. Since the late 1980s it has developed major manufacturing industries such as aerospace and is the production centre for many white goods and automobile manufacturers serving South, Central and often North America. Brazil also has a burgeoning consumer base whose tastes and preferences are driving the development of bespoke products and thriving commercial finance and tourism sectors. The latest triumph for Brazil's tourist sector is securing the 2016 Olympics.

The problem for Brazil is that it has lagged behind in the production of job-ready young people and many of its workers do not have the skills to fill the jobs that are being generated. Brazil's schooling system is in considerable disarray and, according to *The Economist*, teacher truancy is a big problem. While the country spends 5% of gross domestic product (GDP) on education, its pupils regularly rank at the bottom of international comparisons (OECD 2008). Brazil's further and higher education sector is not well developed, therefore problems of training and skills arise. This means employers often carry the burden of training and development. The cream of graduates with good qualifications are being rapidly used up.

According to the WFPMA report *Creating People Advantage* (CPA 2008), executives and those with operations in Brazil are seeking to move to other South American locations, such as Argentina and Chile, and to source talent globally. This trend is predicted to increase by 2015 by over half of respondents (CPA 2008). Part of the problem in the Brazilian workplace is that legal, regulatory and cultural barriers act against incentivising good performance. Hiring and firing is complex, with labour law frozen in the 1940s model and based on large-scale manufacturing. Consequently the legal framework is almost blind to the flexibility required of industries such as IT and services, exposing directors to group lawsuits. Yet firms are determined to press ahead. According to the CPA (2008) report, more than two-thirds of companies will introduce policies such as performance management and appraisal, the outcome of which can result in such legal action. Brazil is also beset by high employment taxes and costs imposed by the state as it seeks to redress poverty and by a number of regional differences that make doing business difficult (*The Economist*, 26 November 2009).

The wider question of HR transformation is also an issue for HR in Brazil. If talent is to be managed, developed, rewarded and incentivised in common with other emergent nations, HR in Brazil needs to develop its strategic capability. At the moment many firms are focusing purely on the transactional side, but increasingly companies are beginning to develop a strategic focus for HR as the talent developers and performance improvers of the business. Consequently, the more operational areas of payroll, compliance and resourcing are being outsourced on a service centre model.

Implications for HR

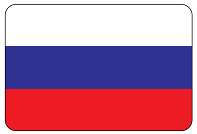
- The quality of Brazil's education system needs to be taken firmly into account. Secondary education lags well behind Western standards and deficiencies are widespread. This means that there isn't a large university talent pool to recruit from and leaves most workers lacking in basic skills, especially in technical and language skills.
- Brazil isn't one country; it's a federation of states, all with different legal and employment frameworks. HR needs to understand these differences and manage talent risks adequately.
- The tax burden on employment in Brazil is high and the complexity of tax compliance is a factor. HR and especially reward practitioners need to understand these issues and advise accordingly.
- Culturally, performance management is unpopular, although this is changing. Performance management and appraisal should be linked firmly to learning and development to equip employees with the skills they need to perform and to help business manage talent adequately.
- The rigidity of the labour law environment means that HR needs to play a very active role in developing and nurturing available talent and monitoring and risk-managing the legal situation.

RUSSIA: TIME TO START MINING THE PEOPLE RESOURCE?

Figure 3: Top HR issues in Russia

STRONG NEED TO ACT
- Managing talent
- Managing corporate responsibility

MEDIUM NEED TO ACT
- Transforming HR into a strategic partner
- Improving performance management and reward
- Managing demographics



LOW NEED TO ACT
- Delivering in recruitment and staffing
- Managing change and cultural transformation

Source: Derived from Boston Consulting Group/WFPMA Creating People Advantage 2008

Russia is currently suffering from a severe economic decline. Since 2008 its economy has shrunk by about 9% and its reliance on the fluctuating price of oil and gas and an attendant property boom has rendered its economic growth unstable. The huge nation has focused on extracting its mineral wealth. The power of the energy and mineral bosses, known as 'oligarchs', though waning slightly, is still deeply entrenched. This may explain why, according to the CPA report (2008), corporate social responsibility (CSR) is the biggest concern for executives, just behind managing talent.

Skills are determined by the supply of skilled people and the demand of employers for those skills. Arguably, a positive legacy of communist rule is a high level of educational attainment, especially in the engineering and scientific areas. Now the bias is firmly towards the mineral and extractive sectors driven by a pre-recession global commodities boom. While there is now an overdue focus on growing service industries, scant attention has been paid to the development of a sustainable manufacturing base. Russia had a large and in some aspects technically advanced aerospace industry that, with appropriate investment, could have rivalled the power of Boeing and Airbus. Yet increasingly the industry seems incapable of winning orders even for its highly regarded military aircraft. This has caused an exodus of scientists and engineers to countries such as Israel and the USA. Russia is seeking to use its considerable intellectual capital to develop knowledge-based industries. The potential for developing industries such as advertising, marketing and retailing is high, yet these businesses tend to be foreign-owned offshoots, with most Russian economic effort diverted into former state-owned industries. As a result, the Russian economy has generated only a fraction of the jobs generated in other BRIC countries. The nation also performs considerably below the average OECD level of job creation. Russia is belatedly concentrating on exploiting its people resource, which, with relatively lower labour costs, could compete with Europe with the benefit of its massive market for European consumer and capital goods. Russia has a vast reserve of technically proficient talent. Over a quarter of Russian graduates are in science and engineering. This level is comparable to Germany and dwarfs the 15% for the US graduate population. In terms of HR, Russia is at a crossroads. The CPA report (2008) indicates that there are other pressing issues. We also have the benefit that a subsequent report conducted by Boston Consulting Group for the European Association of People Management (EAPM) (CPA Europe 2009) which involved the CIPD, suggests constantly shifting priorities.

Implications for HR

- It's an indication of the fluidity of the situation that while the overarching issues of managing talent and CSR were pivotal concerns reported in CPA (2008), a subsequent report (CPA Europe 2009) suggests a focus on other issues: performance engagement and cost control.
- There is low focus on the issues of managing work–life balance and enhancing employee commitment.
- There is also less perceived 'need to act' on performance management. This means that organisations feel they have a good 'handle' on the issue but HR needs to ensure that this is aligned with other areas, such as learning and talent development.
- Issues of flexibility, engagement and performance are critical to success and there is a suggestion that Russian business is not paying sufficient attention to them.

It is instructive therefore that the latest survey by the EAPM and Boston Consulting Group (2009) suggests that recession-ravaged Russian organisations are taking stock of the need to develop people. Enhancing employee commitment and engagement, improving performance management and improving employer branding are all key issues where there is a perceived 'strong need to act'. The traditional issues of talent management and CSR have dropped lower down the agenda. This is interesting and shows that recession is leading to a rethink on priorities for HR in Russia.

TALENT DEVELOPMENT IN THE BRIC COUNTRIES

INDIA: LOOKING BEYOND BANGALORE

Figure 4: Top HR issues in India

STRONG NEED TO ACT
- Managing talent
- Improving leadership
- Managing work–life balance

MEDIUM NEED TO ACT
- Transforming HR into a strategic partner
- Delivering on recruiting and staffing
- Becoming a learning organisation

LOW NEED TO ACT
- Enhancing employee commitment
- Improving performance management and reward
- Restructuring HR processes

Source: Derived from Boston Consulting Group/WFPMA Creating People Advantage 2008

India has been one of the most dynamic high-growth economies. It's easy, however, for the recurring picture of high-tech back-office functions, staffed by high-tech graduates, to be seen as typical of India. In fact, high-tech employment accounts for a small overall proportion of the service sector, which itself counts for about a quarter of employment. The sector includes employment in all areas of the service economy, from high-tech, low-cost airlines to the grinding bureaucracy of the Indian railways. These industries occupy the most qualified layer of people. More typical of India is agricultural employment, which constitutes 60% of employment, while manufacturing accounts for less than 15% of the workforce. Most of India's 510 million labour force has poor levels of general education and there is widespread illiteracy. A minority of wealthy individuals have access to the best education at both secondary and university levels.

The rest of the 'tertiary' education sector has been assessed by the OECD as mediocre (OECD 2007). There is also a growing deficiency in soft/employability skills, with the focus on the technical skills India is renowned for in the public imagination. Most graduates have poor 'non-technical' skills, which impedes their effectiveness as workers and reduces their productivity (Rao and Varghese 2009). This also reduces the effectiveness of management, especially when coupled with some of the cultural issues

The persistence of informal employment is also a barrier to productivity and growth. Indeed, a recent OECD report indicates that employment in firms of ten or more employees accounts for less than 4% of total employment, while formal structured employment of the type necessary to developing employee commitment and skills accounts for only 15% of total employment.

According to Indian HR experts, India's problem is not a labour shortage but a talent shortage (Rao and Varghese 2009). This talent shortage effectively drives up wages and exacerbates shortages in growth sectors. That is why the issues of managing talent, improving leadership development and managing work–life balance top the HR agenda in India (CPA 2008).

Elite talent of the type turned out by the top universities is highly attractive and highly mobile, with Indian engineers and specialists beating a well-trodden path to better prospects in areas such as the Gulf countries, the USA and Europe. Indian companies look increasingly to the global talent market to source key people from abroad. The other main challenge in India that is linked to talent is leadership development. For Indian companies and those with operations in India, the challenge is for managers who depend too much on technical skills to acquire the critical people skills that will make them effective leaders.

Talent retention is a major issue in India because, as we discussed above, there are many opportunities for the cream of Indian employees to exploit. Therefore maintaining work–life balance is a key future focus for Indian executives. The use of sabbaticals, flexible work patterns and teleworking opportunities are all seen as key mechanisms to achieve this. By 2015 around 46% intend to offer sabbaticals and 56% teleworking opportunities (Rao and Varghese 2009).

Implications for HR

- Much of Indian HR is about recruitment, with a big focus on reducing the 'time to hire'. While competency-based recruiting is aspired to, HR needs to actively promote the value of integrated talent resourcing and development as a more sustainable approach.
- Most remaining HR activity is compensation and benefits based. This is often divorced from the associated integrated talent management and engagement activities which, if done well, can also feed retention. This encourages unsustainable yearly pay increases in the order of 15% (see Hay Group). This in turn means that the cost–productivity trade-off for Indian IT workers is reaching US and European levels.

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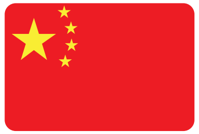
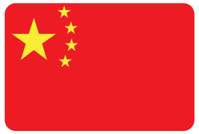
- This is exacerbated by poor management of career issues internally and by poorly developed talent management strategies. This steepens the experience curve at every turn and lowers productivity.
- An overenthusiastic adoption of management practices such as business process re-engineering, Six Sigma quality management and the like is often divorced from the organisational context and driven by qualitative measures that are easy to obtain and demonstrate. This drives a short-term focus. There is some evidence of the use of good HR practices by companies such as Infosys, WIPRO and Tata, which, given their global signature, may help counteract this pattern. HR needs to do more to put forward coherent models of managing human capital.
- Learning and talent development is often neglected, although organisations tend to dangle learning and development opportunities as a lure to attract candidates. Often when they join the firm, however, the opportunities fail to materialise. Yet this is the key to retention and sustainable talent development, so is a good focus for HR.
- HR itself needs to become less transactional and more strategic. For example, only about 20% of training expenditure can be classed as developing the 'strategic business partner' role (Rao and Varghese 2009). This could mean that in some specialisms the value to the business is not being prioritised.

Figure 5: Top HR issues in China

STRONG NEED TO ACT
- Managing talent
- Improving leadership development
- Transforming HR into a strategic partner



MEDIUM NEED TO ACT
- Managing change and cultural transformation
- Managing work–life balance
- Improving performance management and reward



LOW NEED TO ACT
- Delivering on recruiting and staffing
- Measuring HR and employee performance
- Mastering HR processes

Source: Derived from Boston Consulting Group/WFPMA Creating People Advantage 2008

China faces talent problems from top to bottom. First, it faces a huge and ever expanding rural population drawn in from subsistence agriculture, which needs to be re-skilled to enter the nation's factories. Many of these labourers are still put to work in primitive, low-productivity factories managed in a distinctly authoritarian manner. As a result, their skill and therefore productivity is impaired, and the value and quality of Chinese manufacturing suffers. As in India, labour costs are increasing because cheaper labour costs are offset by low productivity. Many of the workforce are not just unskilled but illiterate. This is set to continue as many more move from the rural interior to the industrial east.

In the middle of the labour market things are more positive but, like the cliché of Bangalore in India, not all Chinese industry is manufacturing high-tech games and 3G phones. Skilled technicians, managers and salespeople account for only 4% of the Chinese workforce, when the nation requires nearly a fifth to be equipped in these areas. Many Chinese people with technical skills, such as engineering, computing and the sciences, emigrate, and the country needs to import graduates in the key business skills such as accountancy, marketing and commerce. However, arguably, graduates are orientated too much towards the technical side of business and need to be grown and developed as managers and leaders (Yang and Wang 2009).

Expenditure on education and human capital is phenomenal at the level of individuals but is fairly tawdry in government terms (Yang and Wang 2009). Though families routinely spend the same on the education of their offspring as they do on a house purchase, government spends about 2.5% of gross domestic product (GDP) on education, which is about half that of other advancing nations (OECD 2009). Research shows a high correlation between investment in education and economic growth. Given the Government's power and influence, it is likely to put more pressure on employers to invest in and grow workplace skills, especially foreign-owned operations.

Management mindsets and the role of HR

All nations have what management specialists refer to as 'institutional factors' in how people are managed. In China these issues loom large. State-owned enterprises are still beset by the residual suspicion of enterprise and individualism. The standard Western view of people as the most important asset is portrayed as callous and instrumental.

Conversely, in the private business sector, especially the home-grown factories, the perceived indulgence and inefficiency of communism is turned on its head with workers quite literally 'sweated'. Many SMEs adopt a 'clan management' style, often using harsh supervision that leaves little room for engagement, involvement and strategic people management practices. To comply with international labour standards and highly restrictive state employment regulations, many entrepreneurs set up 'shadow' factories, with one operation for inspection and audit and another for production. Often these have separate workforces, which – though labour costs are low – is ultimately unsustainable (Harney 2008).

This drives a correspondingly low level of engagement and commitment from employees, who see themselves simply as hired hands. This means higher turnover, nearly 30% in some cases, and little loyalty. It also impacts product quality and many experts see this 'China price' as the nation's Achilles' heel (Harney 2008).

Implications for HR

- Many of the issues around China's future workforce are down to government expenditure on education. HR needs to act as a voice for business on these issues while helping to train and prepare vast number of workers for productive employment.
- HR needs to be the constant whistle-blower on skills and talent shortages, using integrated workforce and talent planning to predict capability needs in the future and encourage government and others to play their part.
- HR should champion the importance of the non-technical skills that will increasingly shape prosperity worldwide but that are not being prioritised by business within China.
- HR needs to understand and work with the issues that get in the way of good people management, both within the state and private sector, promoting good practice in both sectors. HR needs to champion the true costs and benefits of productivity and efficiency and position good people management as critical to China's productive future.

It used to be the case that cross-cultural competence was something that was expected only of diplomats, yet the best companies operating internationally have always been aware of the importance of difference and diversity in managing their international business. The truly capable international HR professional needs to understand cultural context more than ever. This goes from the usual acquaintance with local cultural and religious traditions all the way to 'mindfulness' about how one effectively operates in such cultures. It's also about how we relate to international talent and its context and ensure that we do not impose our world view. That might have been slightly academic even 20 years ago, but with the growth of the BRIC countries and the enormous political and economic power these nations wield, those who do not 'get' the cultural dimensions will fail.

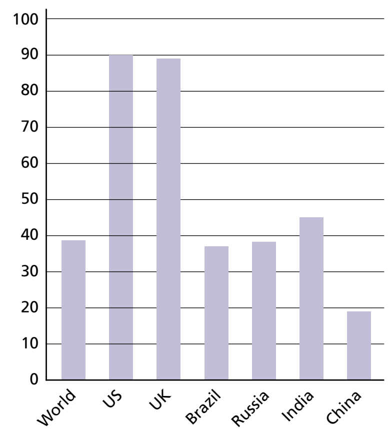
With increasingly multinational teams and individuals, we don't have to leave home to need to manage across cultures. These issues are addressed in a recent Roffey Park report, which showed that a third of managers are responsible for cross-cultural teams; one manager reported managing 22 different nationalities in a team of 60 people (Garrow and Stirling 2007).

Geert Hofstede, in his groundbreaking study of cultural and psychological differences in outlook and attitudes between countries, mapped he difference in these based on survey scores.

People tend to have a human instinct that 'deep inside' all people are the same – but they are not. Therefore, if we go into another country and make decisions based on how we operate in our own home country – the chances are we'll make some very bad decisions. (Hofstede and Hofstede 2004)

One example from Hofstede's work that is very revealing is the scale he developed around individualism. Individualism (IDV) focuses on the degree the society reinforces individual or collective achievement. High IDV countries emphasise individuality and tend to have people with looser ties. Low IDV countries are more collective; extended families and groups are more important.

Figure 6: Individualism index – comparison BRIC countries and the West



Source: Ballman, P. constructed from Hofstede, G.

The BRIC countries hover around the world norm and the US and UK seem more extreme. The rights of the individual will be defended strongly in UK/US cultures, but these cultures can be blind to the needs of the collective, to family and to society. Every part of UK/US business life is infused with this individualistic orientation. Nepotism is often abhorred in these cultures for lack of fairness and conflicting with our individualistic, meritocratic ideal. Ballman provokes us to think deeply about this:

But why should this perspective be morally superior to the person who puts the welfare of their family or community first instead. Of course, we can easily find reasons why our perspective is 'better for business', but it will always be hard for us to differentiate between doing something because it is best and doing it because it is just what we are used to.

This demonstrates the importance of the cross-cultural context. This awareness is a critical and required business skill and HR has a major role to play in ensuring that organisations are equipped with the capability to operate accordingly.

CONCLUSION AND PRACTICE POINTERS

There is a big world out there for HR and, as the global economy develops, HR needs to play an increasing role, particularly around the key business area of talent development. That is especially so in the BRIC countries, where the need to grow and develop talent is a key challenge. Without properly trained and developed people, these nations will not realise their potential and exploit the 'people advantage'. Companies operating on an increasingly global basis should understand the key talent challenges that they face within these markets. We offer some practice pointers based on this initial research.

Global talent management needs to take account of:

- **Country context:** don't just import thinking, but gather intelligence and really understand what's happening and how talent and learning can help. Research, especially, the labour market and the legal context that may affect your ability to manage talent effectively.
- **Ensure cross-cultural awareness:** understand the complexity, diversity and richness of these global markets. This is about more than having the correct bow or knowing how to say 'hello' in another language. It's about really understanding the country and its people.
- **Realise that the product and consumer markets in these countries are different:** this will drive talent decisions. Low- and middle-income countries use talent differently.
- **Recognise how globalisation is changing the nature of international talent:** international postings and assignments are a great way to equip high-potential managers with the skills and the best companies are doing this.
- **Recognise that effective HR should develop talent** and recognise the need for new types of skills, such as 'softer/tactical' skills and management and leadership.
- **Understand** at some levels the **cross-cultural issues** of working in other countries, including different perspectives on, for example, individualism, formality and humour.
- **Understand and communicate the institutional and regulatory obstacles** such as management style and government policies that can impact the business and shape attitudes to people management.

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