Managing talent across national borders: the challenges faced by an international retail group

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Abstract
Purpose – The purpose of this paper is to explore the influence of national institutional contexts on a multinational’s project to develop a transnational talent management system.
Design/methodology/approach – The study combines a comparative analysis of British and French conceptions of management with qualitative empirical data drawn from interviews, observation and documents collected in France and the UK.
Findings – The concept of “talent management”, as understood by UK managers, could not simply be reproduced in the French setting where the idea of managing talent took on a different meaning. The attempt to do so through a UK-instituted programme ignored this difference and resulted in the complete failure of the headquarters’ project to develop a transnational talent management system.
Research limitations/implications – Theoretical implications include the importance of an institutionally sensitive approach to the study of talent management within multinationals. A limitation of the study is that it is based on a single case study.
Originality/value – The paper is a case study of a cross-national talent management programme from a comparative institutionalist perspective rather than that of mainstream international management. It highlights the conflicts and tensions involved in implementing management systems uniformly across national borders. The paper’s Anglo-French focus also contributes a comparative angle that is relatively rare in institutionalist studies of MNCs (multinational companies). Finally, the paper sheds light on the newly emerging and yet under-researched concept of “talent management”, connecting this idea with existing debates on multinationals and institutional change and reproduction.

Keywords Critical management, Globalization, Multinational companies, France, United Kingdom

Paper type Research paper

Introduction
It is widely reported in mainstream international management literature that nationality has become irrelevant to the way in which multinational companies (MNCs) are managed and organised. Already in the late 1960s, Perlmutter (1969) was arguing that the influence of national differences would diminish over time as MNCs progressed from an ethnocentric to a polycentric and finally towards a geocentric orientation. In the geocentric MNC, both the headquarters and the subsidiaries would adopt a “worldwide approach” to management in which allegiance to the requirements of the business would override managerial loyalty to either the home or the host countries. Whilst recognizing that various barriers would make this evolutionary process “tortuous”, Perlmutter argued that it was only a matter of time before MNCs
would become geocentrically oriented. Similarly, Bartlett and Ghoshal (1989) suggested that MNCs would gradually evolve through several stages from multinational to global to international before becoming transnational firms. The transnational would develop a common approach to problems of coordination and control and link subsidiaries to each other as well as to the headquarters by a frictionless flow of people and knowledge across borders, providing opportunities for cross-national learning and the capacity to transfer such knowledge between different areas of the MNC.

Recently, these evolutionary arguments have been challenged by a growing field of research (see Morgan and Whitley, 2003) that draws upon comparative institutionalism (e.g. Whitley, 1999) to argue that national differences within MNCs are not hangovers from the past but an inevitable part of the present. Two sets of arguments are embodied in this perspective. First, MNCs remain deeply rooted in their country of origin. A number of studies from Germany, Japan, the UK and the USA (Lane, 2001; Geppert et al., 2003; Morgan et al., 2003) have revealed that national origins affect the ways such firms operate in host countries across a number of crucial dimensions. In this sense, so-called “transnational” firms are in practice little more than “national firms with international operations” (Hu, 1992). Second, some scholars (e.g. Bélanger et al., 1999; Kristensen and Zeitlin, 2005) stress the importance of subsidiaries in the constitution of MNCs, demonstrating how they mobilise their own, institutionally embedded capabilities to advance their local interests. Whilst these two sets of arguments emphasise different parts of the MNC (i.e. headquarters versus subsidiaries), they share a conceptualisation of the MNC as a “transnational social space” (Morgan, 2001a/b) in which actors come into negotiation and conflict over the question of how the MNC should be managed and organised (Morgan, 2005). These internal processes have recently been framed in terms of “micro-politics” (Dörrenbächer and Geppert, 2006; Geppert et al., 2006).

In this paper, we employ this institutionalist framework to examine how an MNC’s headquarters attempted to deploy a common Talent Management (hereafter TM) system across British and French managers and how the two managerial groups responded to this initiative. In focusing on TM, we also provide insights into a relatively new concept within the field of human resource management. TM gained popularity following a study in 1997 and then a book in 2001 by the consulting firm McKinsey & Company which called to arms American companies to fight “the war for talent” (Michaels et al., 2001, p. 2). The study argued that in order to be successful, firms should, firstly, identify and select employees who demonstrate superior potential and, secondly, allocate resources such as training and coaching to these exceptional individuals in order to cultivate and nurture their talent. Although TM has long been seen as “a particular priority for the international firm” (Evans et al., 1989, p. 121), little comparative research has examined the extent to which it can be applied across national boundaries in such a context.

One can expect cross-national TM projects to be sites of conflict and tension. The reality is that approaches to managerial career and skills development have been shown to vary across countries. A rich body of comparative research in the field of HRM has highlighted significant national differences in educational systems, training methods, expected career paths and rewards (e.g. Lane, 1989; Bournois and Metcalfe, 1991; Sparrow, 1995; Ramirez and Mabey, 2005). These differences inevitably come
into play in the context of MNCs, working against the idea of “transnational” HRM systems (e.g. see Almond and Ferner, 2006). For instance, in their analysis of British, French, German, Japanese and US international acquisitions, Child et al. (2001) find strong home country influences on HRM practices in the acquired firms (see also Faulkner et al., 2002). Similarly, Butler et al. (2006) investigated “the management of managerial careers” in the British, Irish, German and Spanish subsidiaries of an American MNC and found that management development processes were strongly influenced by the MNC’s country of origin. In this sense, rather than being “transnational”, such processes were American. However, the authors also found that “headquarters did not have totally free hand . . . [T]he attempted diffusion of a distinctly Anglo-Saxon [approach] had met with resistance, notably in some German settings” (p. 194; see also Ferner et al., 2006). Thus, the application of common management development practices was a political and negotiated process.

To develop this theme further, we provide in the next section a comparative analysis of the ways in which managers are developed and promoted in Britain and France. From the perspective of the theories being discussed, this Anglo-French focus is also useful because comparative institutionalist studies concentrate mostly on Germany, Japan, the USA and, to a lesser extent, Britain, leaving France “on the fringes of international comparisons” (Cassis, 1995, p. 8). Whilst a few studies examine how differences between the British and French institutional contexts manifest themselves in practice within firms (e.g. Maurice et al., 1980; O’Reilly, 1992; Tregaskis, 1997; Winch et al., 2000) none of them look specifically at the impact these differences have on attempts to develop “transnational” management systems in the context of MNCs. Following this comparative analysis, we turn to our study, briefly describing the case study organization and our research design. Next, we present our empirical analysis, examining the perceptions of British and French managers towards the TM programme. We demonstrate that the idea of TM, as understood by British managers, was incompatible with the ways in which management is understood in France, resulting in the complete failure of the TM framework. In the concluding section, we link the more general relevance of these findings to current debates on the nature of MNCs.

Managerial talent in Britain and France
Institutional systems for the production of managerial talent in Britain and France vary markedly (Whitley et al., 1981; Handy, 1988; Locke, 1998; Lawrence and Edwards, 2000). In France, the grandes écoles of management or engineering, the top tier of the higher education system which runs parallel to and independently from traditional universities, have since the nineteenth century played a very significant role in the development of managers (Boltanski, 1982; Barsoux and Laurence, 1994; Bouffartigue, 2001). These schools act as a homogenising force, imbuing students with an elitist ethos and providing them with a distinctive shared identity and a strong sense of belonging to a higher, “nobler” class that is associated with intellectual ability, privilege and social status. Just the fact of preparing for the highly competitive concours (open entrance examinations) and obtaining the diplôme awards students with a form of distinction which, to a certain extent, is equivalent to a sign of nobility (Bourdieu, 1989).
Upon entering firms, grands écoliers become cadres, individuals who not only occupy functional, managerial positions within organizational hierarchies but who also identify with a self-referential homogeneous worldview centred on the perception that the grands écoliers constitute an elite with the right, the duty and the competence to run French organisations. Thus, the title “cadre” differs from the Anglo-American term “manager” in the sense that the former identifies a definite social status and the privileges of being in a higher social class. This title creates a vast “social distance” between those who are perceived to be exceptionally talented and the rest of the employees (Crozier, 1963; Maurice et al., 1980) and makes it extremely rare for non-cadres to advance to the highest positions in organizations (Poirson, 1993). Only a small minority are able to gain cadre status through promotion (Tregaskis and Dany, 1996). Although graduates from the university system may also establish themselves as cadres, they lack the status and authority of the grands écoliers, preventing them from rising to top managerial positions. Potential managerial talent is thus largely identified at the point of entry, with the diplôme playing a critical role in the process (Laurent, 1986; Fesser and Pellissier-Tanon, 2007). Career progress is subsequently based on a combination of factors, including seniority, international mobility, competitive tournaments and political manoeuvring (see Evans et al., 1989; Fesser and Pellissier-Tanon, 2007).

The network of the grandes écoles ensures that the tradition continues by making itself accessible to new entrants through the annuaire des anciens (alumni directory), in effect giving new grands écoliers favoured access to firms. Indeed, French companies continue to recruit almost exclusively from the grandes écoles (Le Journal du Management, 2004). Since the new cadres derive mostly from the same social origins as their predecessors (Bourdieu, 1989; Marceau, 1989; Le Monde, 2005) and share the same training, the conception of what constitutes managerial talent by most of the cadres does not change over time. The reality is that one becomes a cadre by attending the “right” schools and one retains this status forever. As Didier Defert, Director of Executive Education at ESSEC, puts it, “In France, your studies follow you your whole life” (L’Express, 2004). Dupuy (2005) argues that although this state of affairs is being increasingly threatened by the colonising impulse of the neo-liberal economic order and its associated obsession with individual job performance, cadres are not ready to sacrifice their “higher” order.

There are no counterparts to the grandes écoles in the UK where management has traditionally been perceived more as “an art learnt by long years of practical experience in the workplace rather than in the groves of academe” (Whitley et al., 1981, p. 31). Up until the 1950s, management education was limited in scope and status and, where it was provided, tended to be in low-prestige technical institutes. The establishment in 1947 of Henley College was an exception but this was by no means equivalent to formal management education in the sense that the college perpetuated the conception of management as an art. This was reflected in the college’s admission criteria (which favoured work experience above academic achievement), in its course contents (which emphasised social and practical skills), and in its certification (which awarded a symbolic green tie rather than a formal qualification) (Whitley et al., 1981, pp. 35, 40). The relationship between universities and management remained somewhat ambiguous and the general view was that “British managers, like British gentlemen, were born rather than made” (Whitley et al., 1981, p. 31).
As British firms became bigger, moving slowly from what Chandler labels “personal capitalism” through to “managerial capitalism” (Chandler, 1990), the number of managerial posts grew, partly absorbing people from the supervisory grades but also recruiting university graduates as a result of the significant expansion of higher education in the UK. However, these recruits tended to have studied the humanities and liberal arts rather than management, holding the belief that a liberal education was most appropriate to develop well-rounded managers (Tayeb, 1993). The emphasis was still on “character” rather than “cleverness” (Lessem and Neubauer, 1994, p. 77). As the managerial base began to grow, concern arose as to its competence and a number of reports (e.g. Handy and Constable, 1987) were published extolling the benefits of US business schools and the need for the UK to follow their lead. This led to the gradual acceptance of management studies in universities, although the “old” elite establishments of Oxford and Cambridge remained hostile towards them and, until the mid 1990s, resistant to the establishment of business schools (Wilson, 1996).

MBA programmes, in particular, grew rapidly from the 1980s onwards and opened up the possibility for more managers to be certified as competent professionals. However, whilst the French diplôme has been producing a “self-conscious managerial as well as a mathematically trained intellectual elite” (Locke, 1998, p. 88), the MBA cannot claim to have done the same for British managers, not least because of, firstly, the high diversity of providers of MBAs (both in terms of status and quality); secondly, the much larger number of students going through these courses compared to those undertaking diplômes; thirdly, the still ambiguous status of the MBA in the eyes of employers and students compared with “the well-tried and tested homogeneity of the grandes écoles diplomas” (Handy, 1988, p. 100); and, finally, the fact that not having an MBA is not necessarily considered a barrier to a managerial career. The MBA is in itself increasingly a “mass” education not an elite qualification. Any claims to its elite status are dependent on the position of the particular School or Faculty in world league tables (e.g. those produced by the Financial Times). For most managers, therefore, the MBA is one element in a broader career portfolio where performance and achievement in particular tasks are at least as important as educational qualifications. The reality is that British managers are “still believing in the virtues of the practical man” (Locke, 1998, p. xxii) and work experience is still considered more important than intellectualism, as demonstrated by a number of recent surveys (Thomson et al., 2001, p. 11; Newell, 2004, p. 10).

In this sense, the status of cadre has never existed in the UK (Jefferys, 2001). British managers come into the role from diverse backgrounds and this diversity is sustained by both the multiplicity of qualifications available and the range of different experiences that are accrued by any individual. This means that, in Britain, there is a less obvious continuity between the education system and management than in France and the managerial base is more heterogeneous and less dependent on academic achievements. Management is largely seen as a practical rather than an intellectual task and the divide between managers and non-managers is less rigid and personal than in France, being based more on establishing an appropriate career route and set of qualifications over time that takes the individual into the position of “manager”. Career progress within firms is based largely on individual experience and personal abilities. Potential managerial talent tends to be assessed within firms through assessment centres, for instance. Those identified as talented are then given opportunities to

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develop their potential further and progress up the corporate ladder through coaching, mentoring, training and job rotation programmes.

Thus, there are marked differences between Britain and France in the way managers are developed and promoted. On the basis of these differences, one can safely predict that the British and French managers under study will diverge in terms of their experiences and perceptions of the TM framework instituted by the MNC. In the rest of the paper, in line with confidentiality undertakings, the UK side of the MNC is referred to as B-firm, the French firm as F-firm and the combination of the two entities, following the acquisition, as B-group.

Background and research design
B-group was at the time of the research one of the largest home improvement retailers anywhere outside the USA, with leading positions in several Asian and European countries. In the 1990s, B-firm envisioned building a global home-improvement retail business to become a major player on the international scene. To achieve this aim, the company acquired a number of European companies. The acquisition of F-firm was the latest and most important of these acquisitions and aimed at developing the company into Europe’s market leader and establishing a presence right across the spectrum of the home-improvement retail market.

The merger began in 1998 when B-firm acquired a 55 per cent stake in F-firm. The relationship between the two companies, however, was not the case of a successful firm taking over an unsuccessful one but more of one big fish swallowing another big fish since the two companies were of comparable size. This led the senior managers of both firms into a “continuous struggle” with a “lot of frustration” caused on both sides regarding which new corporate strategy to adopt. B-firm was concerned about what it perceived to be the under-performance of the French business, whilst F-firm’s view was that B-firm was to blame for too much interference. At the beginning of 2001, the story reached a crucial turning point when B-firm decided to “sort out the acquisition of [F-firm]”. By the summer of that year, B-firm approached F-firm for what were designed to be friendly talks aimed at agreeing a bid for the minority shareholding stock. F-firm was not responsive, throwing up every obstruction as the talks continued for several months. B-firm’s CEO finally made the decision to “take full control” and embarked on a huge project to take over F-firm. A hostile bid was made for the minority stake, turning the conflict between the two firms into “a full scale war”. The bid was finally approved at the end of 2002, giving B-firm 99 per cent control of F-firm. In the summer of 2003, the 100 per cent acquisition was completed and the British took full management control.

During this period, B-group’s Personnel Director was mobilised to facilitate the human integration of the two firms. The integration of TM processes was viewed as a key priority. The aim was to manage the development of exceptionally talented British and French employees along the same lines. In particular, this would allow B-group to develop and retain an international pool of managers who would, firstly, build and maintain the MNC’s overall identity and strategies and, secondly, ensure that vacancies that arose in any of B-group’s subsidiaries would be easily filled. B-group’s headquarters based in the UK therefore sought to establish a common TM framework across British and French managers. This was to involve shared training programmes as well as shared systems of performance appraisal and career development.
From 1998 to 2003 the two firms continued to operate autonomously even after the formal merger. The HR directors in both firms were free to manage their operations as they wished, although B-firm felt it would be beneficial to align the TM systems across the two sites and made several attempts to reproduce its TM approach into F-firm. However, after the acquisition was completed in 2003, B-group’s Personnel Director decided that both firms had to align their TM approaches in order to manage British and French talent according to the same principles. At the time, B-firm’s HR function was split into an HR unit and an MD unit. The former dealt with traditional HR issues such as recruitment and career planning. The latter was seen as a more strategic part of HR focusing specifically on the management of talent. This MD part of B-firm’s HR function had no equivalent in F-firm’s organisational structure and so B-group felt it was natural to extend B-firm’s TM model to F-firm. B-firm’s Head of Management Development (hereafter MD) was entrusted with leading this integrative project.

Our fieldwork was conducted over two weeks in July 2003. The bulk of the data was collected through semi-structured interviews (Kvale, 1996) with line managers and HR staff. In total, we conducted 13 interviews: seven in Britain and six in France. The interviews lasted from 45 minutes to 1 hour and focused on interviewees’ experiences and perceptions of the TM framework. The interviews were taped and transcribed. Interviews in France were conducted in French and translated into English by one of the authors. In addition to these interviews, further primary data was collected during the informal conversations that occurred during breaks in the company’s cafeterias and elsewhere. Moreover, direct observation, through attending a number of meetings, made it possible to “get a feel” for the MNC and the processes at work between the British and French managers. We also recorded observations during a half-day in-house training course involving both British and French managers. This proved extremely revealing, presenting a strong example of the tensions that were expressed between the two firms. Finally, primary data was supplemented with various internal and external documents (e.g. websites, annual reports, documents related to the MNC’s organisational structure and TM framework, press cuttings on the merger, etc.).

Empirical analysis
At the time of the fieldwork, B-group was attempting to develop a common “European Talent Management Framework” to be deployed across B-firm and F-firm. The framework was also being applied to other European acquisitions in Germany, Holland, Italy and Poland. However, B-group’s most important operations were in France and the UK, which together accounted for 75 per cent of the MNC’s total revenues. In this sense, the effective implementation of the framework across these two countries was seen as particularly important to B-group’s success. The framework was based on B-firm’s TM approach. It consisted of two complementary mechanisms, High Potential Identification and High Potential Development, and operated as follows: initially, line managers who were involved in performance reviews were required to spot those young employees who demonstrated exceptional performance and who potentially could become future leaders. Once such employees were identified, they were put through an assessment centre and then, if they proved successful, placed in a special pool of “high potentials” whose career and professional development had to be carefully managed.
B-group was keen to make this approach work in F-firm, which, from B-firm's point of view, had no history of TM activities. B-Group wanted to identify French high potentials, place them into a common pool with their British counterparts and then oversee their career development on a global basis. As B-firm’s Head of MD explained:

We need to draw from a global pool if we are to get the best managers. We believe there are some excellent people in [F-firm] and we need to develop those guys. But before doing so, we need to create a common high potential approach.

MD managers from B-firm were regularly dispatched to F-firm to persuade French senior HR management to adopt their TM approach in order to ensure consistency and uniformity across the sites. The following sections describe the unintended consequences to which this plan led.

High potentials identification
B-firm’s efforts to persuade F-firm’s senior HR personnel proved to be fruitless. In particular, the question of “potential measurement” led to a heated debate between the two firms. British MD staff believed that measuring potential was essential in assessing whether or not future managers should be promoted; they viewed their French counterparts as being rather vague on this question. From the UK point of view, it was not clear at all how F-firm identified potential. F-firm was perceived to be very rigorous and detailed regarding individual performance management but its approach to potential identification remained a mystery. B-firm considered that both potential and performance were important in evaluating employees and that both had to be systematically measured. The reasoning was that it was necessary to evaluate individual performance but that such performance could not guarantee success over time and, hence, needed to be complemented by the measurement of potential. For this reason, B-firm’s Head of MD tended to be critical of the French approach. As he put it:

In France, potential is a surrogate for measuring performance. It’s easier to measure performance than potential. Surely, you can rate an employee’s ability to speak English but can I know whether this same person has potential for the future? The French seem to confuse performance with potential.

What the MD Head may not have considered is that in F-firm, “potential” took on a different meaning. F-firm explained that it was not so crucial to measure potential since this was something that was taken for granted in all those who were recruited for future managerial posts, i.e. graduates from the *grande écoles*. Thus, “potential” managers were not so much selected in the firm by means of particular measures but at the point of entry on the basis of their educational achievements. As F-firm’s HR Manager put it, “We don’t need to measure potential here. It is assumed. If one has gone through a *grande école*, one has potential, period.”

Although F-firm attached importance to potential, the company did not view it as something that could be “managed” in a systematic fashion. The whole idea of “potential measurement” seemed alien to F-firm and no specific practice appeared to be in place for that purpose. Indeed, managers provided very little information of the subject and were rather vague when prompted on the question. What seemed to matter first was the *diplôme*, preferably from the most prestigious *grandes écoles*, and then seniority.
This caused some angst for B-firm MD staff who sought to apply one standard TM approach across British and French managers. On multiple occasions, MD managers were dispatched to F-firm to introduce and promote their approach but they almost invariably returned home without accomplishing their mission. One of B-firm’s MD Managers described a business trip he made to F-firm as “a total disaster”. In the middle of a meeting in which he was presenting his ideas on TM, F-firm’s Personnel Director threw his handout in the air and shouted: “This is utter rubbish! We don’t need this stuff! We simply don’t operate in this way on this side of the Channel and your plans are simply meaningless to us!” The MD Manager seemed uncertain as to how to come to any kind of agreement with the French. Interestingly, he later found out that his job was “on the line” since his repeated efforts to “tame the French” had been unsuccessful.

It was startling to notice how “blind” B-firm was to French conceptions of management. For example, following a number of disagreements, the Head of MD concluded that “the French are simply not sharing their information on high potentials. . . It is pure resistance to the Group.” Similarly, B-group’s Personnel Director commented that:

F-firm is a closed system . . . There is a culture of secrecy surrounding the handling of high potentials and their promotion in F-firm . . . How French managers are identified and promoted remains totally unclear.

B-firm’s MD managers rationalized this lack of cooperation on the part of the French in terms of “business backwardness”, viewing the French as being “behind” in terms of TM. Equally, French cadres had little interest in learning about British TM methods. For cadres, the British approach was too concerned with measuring potential and tracking performance, encouraging a destructive “rat race” rather than an esprit de corps amongst managers. This lack of syncretism between the two groups prevented them from working together towards a common MD solution. Indeed, one of B-firm’s MD Managers described his regular meetings with F-firm’s Personnel Director as a “waste of time . . . he was extremely vague and I could never engage him in any kind of constructive discussion about potential.”

This conflict was exacerbated when B-group officially announced its plans to establish an international cadre of managers. Cadres expressed their discontent and felt threatened by the prospect of having to compete with British managers. These feelings were not produced by the fear of failure in the face having to compete with better UK managers. On the contrary, cadres perceived themselves to be better qualified and more competent than their British counterparts. The main problem was that cadres believed they had already proven themselves through intense and highly competitive studies at the grandes écoles and were therefore unwilling to compete with UK managers on the basis of “potential”, as defined by B-firm, in order be considered for managerial promotion. They argued that grouping them in the same pool under a common measurement system was inappropriate. With the right academic credentials, career progress was a matter of time and depended largely on building solid professional relationships with senior management. This led B-firm’s Head of MD to note that “[i]n France, managers seem to be promoted through patronage, not performance or ability.”
Under the new TM regime, cadres feared that their academic achievements were inevitably going to be devalued. Cadres seemed anxious about the new reality that was facing them. Indeed, this was reflected in the Head of MD's comment that the CVs of cadres over-emphasised their educational credentials. As he put it:

The first thing that you see on a French CV is what school one has gone to and what qualifications one has gained . . . What I want to see is experience. My question is “can you do the job?” not “where have you studied and how many diplomas have you collected?”

**High potential development**

As well as trying to persuade F-firm to adopt a systematic approach to the measurement of potential, B-firm encouraged F-firm to participate in joint training programmes aimed at developing the potential of those considered to be highly talented. Once again, this approach created a lot of conflict between the two managerial groups. One significant divergence was observed in the learning expectations of British and French managers. This was exemplified by the interaction of the two groups during an executive development programme conducted at ESSEC in Paris. Whilst the French expected to be challenged intellectually, the British looked for practical insights and tended to become quickly frustrated by what appeared to be abstract ideas and theories. As the Head of MD noted:

French managers were more academic, more theoretical in their approach. They expected an intellectual challenge. The British, on the other hand, were not interested in theory. As they often said, “I don’t want to know about theory. Give me utility”.

These opposite attitudes were reversed during “self-development” training programmes. Direct observation by one of the authors of a half-day in-house workshop in London made these differences apparent. The aim of the workshop was to help managers better understand themselves and unleash their leadership potential. The programme drew heavily on the increasingly popular discipline of **Neuro-Linguistic Programming**. It was led by an NLP “guru” and his team and involved brief discussions of, and group exercises on, various techniques designed to help managers build interpersonal rapport, set effective goals, and model and reproduce the behaviour of effective leaders. During the workshop, cadres appeared detached, little interested and even passive. British managers, on the other hand, seemed enthusiastic and indeed took full part in the exercises that were set. Moreover, the French proved to be much less comfortable with “opening up” and talking about themselves than their British counterparts. This difference was confirmed by B-firm’s HR director who commented that “the French never engage in our workshops . . . They seem to reject Anglo-Saxon methods.”

British and French participants were asked to voice their opinions on the value of the training. Whilst the British described it as “an enlightening experience”, “extremely useful”, “very practical”, the French felt unchallenged. They viewed it as “nothing more than pseudo-science”, an “utter waste of time”, “charlatanism”, “irrelevant to management”, “simplistic and naive”, etc. Not only were the French dissatisfied with the rather nebulous nature of the programme, they were cynical about its contents and underlying presuppositions.

These differences seemed to reflect the deeper divergence between the British bias for pragmatism and the French inclination towards intellectualism. The British, unlike
the French, clearly valued practical skills over abstract reflection. As B-firm’s Head of MD put it:

The French are very Cartesian in everything they do. They always want to map out a project completely, detailing all the interlocking elements before they start working on it. We Brits, on the other hand, adopt a much more pragmatic approach and we don’t necessarily spell out everything.

This tendency was also expressed by B-group’s Personnel Director: “French managers love to explain issues using their own theories. Things are either logique or pas logique, depending on whether one’s theory makes sense or not.” F-firm’s Personnel Director, on the other hand, commented that the British were too practice-oriented, being excessively concerned with “getting things done” at the cost of productive discussions. Notably, this divergence had a serious impact on cadres who felt that, because of the British eagerness to put things into practice, their ideas were not allowed to be fully developed. Nor was there sufficient analysis of the problems that they identified. Cadres felt that it was part of their job to discuss issues as fully as possible and to use their intellectual abilities and knowledge base, which the rest of the organization was relying upon.

In sum, a gap was found to exist between the two firms’ responses to the TM framework. Whilst B-firm viewed the framework as a way of creating a transnational pool of managerial talent, F-firm perceived it as an attempt to impose an Anglo-American model on its existing structures. Interestingly, the British themselves acknowledged the “ethnocentric” (Perlmutter, 1969) nature of the TM framework. As the Head of MD commented:

We are trying to develop a common approach but the truth is that power lies in London… our attitude is “colonialist” and the French know it… but this is not something that can be expressed between us.

Thus, rather than being “transnational” in orientation, the MNC was in fact driven purely by “national” interests, which inevitably led to a great degree of conflict and “micro-politics” (Dörrnächer and Geppert, 2006) between B-firm and F-firm. B-firm’s Head of MD described the relationship between the two groups as “a continuous struggle” whilst F-firm’s HR Director viewed it as “a failure”. Indeed, the various efforts to deploy B-firm’s TM framework into F-firm over a five-year period since the merger in 1998 seemed to have been anything but successful.

This lack of success had been so complete that by mid-2003, the time by which the research was completed, B-group had reached a virtual impasse in terms of cross-border co-operation on the “talent” front. This situation led the MNC to question its initial assumption that the establishment of a common TM model was the only conceivable way forward. The Head of MD voiced his concern that B-firm’s efforts had indeed made very little impact on F-Firm and explained that the entire senior management of F-firm was possibly going to be “scrapped” in order to assert absolute control and attempt to “sort out problems in [F-firm]”.

Discussion and conclusion

The empirical analysis reveals the strong resistance that cadres demonstrated towards B-group’s TM framework. We propose that an explanation to this resistance stems from the impossibility of treating the social categories of cadres in France and
managers in the UK along the same lines. As we explained, in each country, these categories are constructed within specific institutional contexts. B-group’s TM framework did not take these institutional differences into account. Instead, it put forward the view that, first, managerial “potential” can and should be measured by means of internally administered tests and that, secondly, such potential, once assessed, can be developed through coaching, training, etc. This model inherently assumes a sense of egalitarianism, i.e. that all managers start from the same point, and of meritocracy, i.e. that career progress is dependent on the assessment of potential and differential individual performance within the role that is thereby indicated. Whilst this model might be suited to the UK context, it remains largely incompatible with the French system of managerial elite production. In France, “talent” is not assessed from within the firm but from outside, through the grandes écoles system. New graduates enter firms having already developed and proved their potential through intense and highly competitive studies. Career progress is thereafter largely a matter of seniority and the amount of energy devoted to the political task of activating networks from the grandes écoles. In this sense, the measurement and development of potential, as understood in the UK, are not perceived as an appropriate way to “manage” talent in the French context.

The TM framework instituted by B-group was blind to this difference and essentially placed French “proven talent” with British “potential talent” in the same pool. B-group therefore indirectly proposed to extract the cadres from the institutional setting that constituted them in the first place and bring them under the mantle of the UK system. In this sense, rather than being a genuinely transnational coordination mechanism, the TM framework was simply the product of the MNC’s country of origin, a phenomenon that has been noted in previous research on MNCs (e.g. Lane, 2001; Geppert et al., 2003) and international acquisitions (e.g. Child et al., 2001; Faulkner et al., 2002). This proposed change meant that the status hierarchy would be undermined, an outcome which was clearly unacceptable to F-firm. Talent proved at the grandes écoles, rather than facile tests or appraisals conducted within the company by low status HR and MD managers, would determine the status hierarchy. F-firm therefore resisted B-firm’s home-centrism and the TM framework became a site of conflict and “micro-politics” (Dörrenbächer and Geppert, 2006), which, ultimately, resulted in the complete failure of the UK-instituted integrative effort. This negative outcome resonates with Sharpe’s (2006) findings in the context of a Japanese MNC where the resistance of two UK subsidiaries to headquarters significantly hampered the firm’s capacity to establish shared management practices and control systems across the two sites.

Thus, rather than being a cohesive, goal-directed rational entity with a “geocentric” (Perlmutter, 1969) or “transnational” (Bartlett and Ghoshal, 1989) orientation, the MNC under study resembled more a “structure of power” (Ferner and Edwards, 1995) in which conflict and political gamesmanship occurred (Kristensen and Zeitlin, 2005). In contrast to this interpretation, it might be argued that B-group, having only recently acquired F-firm, was in the early stages of its process of evolution towards a transnational form and, hence, it would only be a matter of time before the lack of syncretism between British and French managers gave way to “adaptation” or “hybridization” (e.g. Boyer et al., 1999). However, in the period 1998-2003, the two firms achieved a very low degree of integration. Five years after the initial merger, F-firm
was still rejecting B-firm’s TM proposals. In fact, it was reported that the managers at the British HQ switched away from the idea of developing a transnational managerial cadre and focused their attention on financial control as a means of disciplining their French subsidiary. This finding resonates with those of a number of previous studies (e.g. Harzing, 1999; Child et al., 2001; Geppert et al., 2003; Faulkner et al., 2002).

Finally, the paper emphasizes the importance of studying processes of talent management in terms of their institutional context. Classic comparative studies of organizations (e.g. Bartlett and Ghoshal, 1989) have revealed that the nature of authority in different societies emerges out of the struggle between various social groups in the transition to industrialism. The nature of management as a system of authority varies markedly across European societies. Reflecting this, the route into management and the nature of further development once in this position is similarly shaped by history and institutions. The paper shows that these comparative differences can be identified as active elements inside MNCs when they attempt to construct transnational managerial cadres. The analysis of TM in an international context could be significantly enhanced by a stronger awareness of how institutional differences remain significant.

In conclusion, the study reveals the concrete problems involved in developing “global” managerial groups which are supposedly at the heart of the competitive advantages of “transnational” firms. Admittedly, the French system, which we have considered here, remains one of Western Europe’s most self-enclosed systems for the reproduction of elites, as Bourdieu’s (1989) research has shown. The overt conflict that was identified in the case study might not be evident in all international TM schemes. Indeed, it would be naïve not to recognise that, in an era when common management knowledge is being increasingly publicised, certified and to a degree practised by managers who frequently have international experience and occasionally foreign educational qualifications, there are not substantial pressures to converge on the ideals of “soft capitalism” (see, e.g. Thrift, 1998). Such debates, however, only reinforce the importance of empirical studies such as the one described here as a way of understanding the different dynamics at work. It is clear that much more research into the nature of TM within different types of multinationals based on different national institutional systems is necessary. We therefore feel it is time that the study of TM is linked more closely to issues of multinationals and institutional change and reproduction.

References


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**Further reading**


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