An Exploration of the Global Development of Emerging Country Multinationals: A Study of Strategic Ambitions and Talent Management in China and India

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DECLARATION

To the best of my knowledge and belief this thesis contains no material previously published by any other person except where due acknowledgment has been made.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.

Signature: …Yi Liu………………………
Date: …30/07/2012…………
ABSTRACT

Since Jim O’Neill, the Goldman Sachs economist, coined the acronym of the BRIC countries in 2001 the concept has attracted an infectious logic. The growth of the four BRIC countries, Brazil, Russia, India, and China, is evidenced by their emergence as the most rapidly industrialising countries. These BRIC countries represent a building block for powerful annual events, the first conducted on the sidelines of the United Nations in 2006, then in 2010, and then most recently in New Delhi in March, 2012. In broad terms, Brazil has been considered as the world farm, Russia as an enormous gas station, India as the back office, and China as the factory floor. Collectively, the group represents a quarter of the world’s GDP, almost one half of the gold reserves, nearly 30 per cent of the total land mass, and over 40 per cent of the international population. During the past 10 years their combined growth has been favourably comparable to the world economy including the modern Japan and Germany. Estimates are that by 2050 the combined values of the real, rouble, rupee, and renminbi are expected to eclipse that of today’s richest countries. The heightened importance of China and India are the focus of the investigation reported in this Dissertation.

The remarkable economic growth of China and India has drawn a considerable amount of attention. The trajectory of their internationalisation process along with the unique strategic management approaches has effectively facilitated the global economic integration of these two nations. Despite extensive investigations of emerging country multinationals (ECMs) from China and India a lack of attention has been given to the accumulated legacies of managerial mindsets, and cultural priorities, that impact the competitive dynamics of these two nations. As these ECMs hold prominent economic positions in the global arena it is surprising there has not been more rigorous and systematic investigation to establish if specifically Western talent management systems are being incorporated into the traditional nuances of the ECMs. Consequently, this study was undertaken to identify how Chinese and Indian ECMs strategically integrate resources at the international level to attain global business success. The findings of this research have potential to contribute to the generation of theoretical and empirical paradigms that will assist the understanding
of the processes of fusion between Western and Eastern theories, and especially the Chinese and Indian contexts.

This research employed a mixed method, which incorporated both the quantitative assessment (e.g., questionnaire) and the qualitative technique (e.g., interviews). Several scholars have convincingly argued that culturally related investigations are likely to be enhanced when employing both quantitative and qualitative assessments. Several pilot studies were undertaken with Chinese and Indian respondents in an endeavour to establish the literal meaning of the survey instrument, which was developed by employing the back translation procedure. A feature of the quantitative dimension of this study was the use of an extensive questionnaire, which enabled the collection of data to establish the foundations for evaluating the constructs of talent management, the global business system development as well as the global ambition vision and the connections of these variables in a research model that incorporated the investigation of mediating influences. The research targeted owners or executive managers of ECMs in China and India, who were business executives, selected for their overall successful business and managerial careers in their respective organisations as well as their contribution in strategic decision making for facilitating the global ambition of their firms. A total of 50 Chinese and 51 Indian managers completed a complex questionnaire, and the demographic and organisational attributes of these respondents was also captured in the questionnaire. To complement the quantitative technique and to gain a more comprehensive understanding of the quantitative findings, interviews (21 participants from each country) were undertaken with representatives of the senior managers or owners of ECMS in China and India, who completed the questionnaire. The exceedingly rich and extensive information provided by these respondents was recorded and evaluated with Nvivo software and presented in diagrammatic formats and elucidated with accompanying text.

Several statistical analyses were employed to evaluate the quantitative data. For instance, exploratory factor analysis and reliability assessments were conducted to assess the psychometric properties of the instruments, and the results revealed the instruments had robust validities and reliabilities. To test the numerous relationships of the study research model, that was generated from the relevant literature, several
bivariate relationship assessments such as correlation, regression, mediated regression as well as path analyses were performed. These analyses provided two broad patterns of results. One outcome was the generation of a number of creditable instruments, while a second achievement was the detection of relationships with task acquisition practices and institutional global business systems, particularly in the Chinese data. Nevertheless, the fuller results demonstrated a large number of the hypothesised connections were not significantly substantiated, and this observation provided a fruitful platform for further investigation with the qualitative assessments to better understand alternative frameworks to the predicted connections between the constructs.

Independent interviews were undertaken with 21 Chinese and 21 Indian senior executives of the ECMs. A salient observation was both the Chinese and the Indian managers highlighted the significant importance of acquiring and maintaining highly skilled and experienced talents in their ECMs, but the challenge of retaining these managerial personnel was escalating and to minimise the implications of talent shortages compelled the ECMs to install a wide range of relevant human resource management practices and mechanisms. One important dimension of the analysis of the qualitative responses was both the Chinese and Indian managers perceived that the strategic ambition of their company was driven by a wide range of external and internal forces. The external forces gave ‘push’ and ‘pull’ market and monetary influences, while local regulations obliged ECMs to operate within compliance and regulatory local frameworks to be aligned with the prominent aspects of government policies. Furthermore, the qualitative analytic results revealed that the rich and dynamic Chinese and Indian cultures significantly influenced how the ECMs develop their global business systems to become global players. Collectively, these factors when coupled with personal differences in values, expectations and belief systems lead to the development of institutional architectures flavoured with crossvergence approaches for the managing of global operations. In short, the Chinese and Indian ECMs are adapting in the pursuit of global business sustainability. Evidence generated from the Chinese and Indian respondents is shown as results in Chapter Four to demonstrate a number of key similarities and differences in the formulation of internationalisation strategies to achieve global ambitions. Elucidation of the comprehensive set of results is systematically undertaken in Chapter Five to provide
a greater appreciation of the relativity between the study findings and the research questions.

The implications of this study can be founded on theoretical and empirical grounds. The first contribution of this study is advancement to the existing theories and models for internationalisation that were outlined in Chapter Two. The evidence obtained by undertaking this study is that the theoretical conceptions will benefit by a greater inclusion of the national country nuances more as mainline central dimensions of the model rather than as mediating influences. A second theoretical contribution of the study was to evaluate the credibility of Western assumptions in non Western contexts, and while these Western theories provided useful foundation their translation in explaining business philosophies in a non Western economies notions of abstraction will require greater development to focus on elements of cultural relativity. Furthermore, this research can potentially make a third contribution in providing valuable information for gaining a more comprehensive and systematic understanding of business concepts in the Eastern business environments, especially the Chinese and Indian contexts. In addition to these theoretical contributions empirical benefits were acquired.

Undertaking this study had three practical achievements. The first empirical contribution is the generation of sound inaugural seven point Likert scales, constructed especially for this study from the relevant literature, that can be used in Chinese and Indian institutions. A second empirical contribution is the revelation Western management strategies and approaches did not readily translate into operational practices in a non Western business environment of the ECMs. It was suggested by the respondents (of the qualitative study design feature) the differences in patterns of operations in their countries were substantially influenced by political restrictions and regulations that allowed institutions to embark on business destinies. A third practical contribution is to provide a greater, more complete and dynamic picture of how firms in emerging countries develop their strategies for pursuing global ambitions, and especially the Chinese and Indian ECMs. This research provides additional insights by examining managerial viewpoints of whether their organisations’ global business system development has an impact on achieving global ambitions.
Three prominent concluding features have emerged from this research. Firstly, the concepts and constructs being developed and tested in the Western literature might be used in the Eastern contexts, but considerable attention should be paid to the cultural nuances and the institutional forces. More specifically, the national culture underpins the management philosophies of a particular firm, and in turn these business practices were determined by the political frameworks in which the organisations are operating. Arguably, the importance of culture and institutional architectures are deemed as cornerstones for facilitating the pursuit of global ambitions. Secondly, the results of this study suggest that the employed Western developed terminologies in the study questionnaire did not fully address the business ideology of the Chinese and Indian ECMs. One possible explanation is that the literal meaning of the words and phrases might not have been entirely transmitted and conceptualised when the questionnaire was administrated to capture the Chinese and Indian responses, and such an observation maybe linked to the cultural differences as well as the background of the individual participants. Finally, the combination of both quantitative and qualitative approach in cross cultural setting studies is likely to yield a more insightful understanding of the study findings. Consequently, the study findings suggested that the qualitative assessment is an essential technique to capture information that was not attainable through the more confined quantitative approach, and cross cultural studies can be better facilitated when a mix method design is employed.
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Chapter One

INTRODUCTION

The rapid economic growth and transformation of the emerging economies in recent years has made a significant impact on the development of the global economy. While this renaissance has accelerated a shift in economic power from Western economies, the emerging economies of Asia and Central America have also signalled a need in changing managerial operations and behaviours as practiced at organisational levels in the emerging country economic and business context. The prediction is the combined gross domestic product (GDP) of the emerging countries including Brazil, Russia, India, and China are likely to overtake the USA, Japan, Germany, France, the UK, Italy, and Canada by 2040 (Cooper, 2006; Fan, 2008; Goldman, 2001; Gupta, Ranganathan, Sarin & Shah, 2006). These predictions have been corroborated with more recent estimates (Dadush & Stancil, 2010; Hawksworth & Tiwari, 2011) projecting China will overtake the USA as early as 2018 and India having one of the fastest growing world economies is likely to have a GDP larger than the USA by 2050. The increasing strength of this phenomenon is evidenced in the rise of a new group of multinationals from these countries (i.e., Brazil, Russia, India and China or BRIC), which can be called ‘emerging country multinationals’ (ECMs). This movement is evident as the number of ECMs in the Fortune Global 500 has increased from 20 in 1995 to 70 in 2007 (Fan, 2008). More specifically, China had a total of 29 firms in the Fortune Global 500 in 2008, and the increasing importance of India was evidenced with seven of the Indian based firms listed on the Fortune Global 500 in 2008 (Jonsson, 2008). By April 2010 within the world’s top 2000 companies, a total of 113 Chinese and 56 Indian companies have been listed by the Forbes magazine (DeCarlo, 2010). Notable is that several sudden acquisitions demonstrate the phenomenon of ECMs from China, such as Lenovo's acquisition of IBM PC in 2004 (Ackerly & Larsson, 2005). Another noticeable case is the Chinese electronic appliance manufacturer TCL, and this company has acquired France’s Thomson Electronics in year 2004 (Deng, 2007). In the case of India, Tata Consultancy Services, being the largest Indian software firm, has successfully expanded into Latin American countries including Uruguay, Brazil and Chile. Other highly recognised ECMs in India are Infosys, Wipro Technology and Dr. Reddy’s
pharmaceutical Company; these corporations are considered to be India’s leading internationalisers (Fortanier & Tulder, 2009). The significant economic reformation of the identified emerging economies is compelling institutions in the ECMs to reassess their architectural identities in terms of managerial practices and the forging of linkages in cross cultural landscapes. Hence, understanding management strategies and cultural priorities in ECMs is beginning to attract serious attention.

The outward investments of MNCs from Brazil, Russia, India and China, the so-called BRIC countries, have attracted the attention of observers, policymakers as well as scholars. In the case of Brazil, a significant amount of outward foreign direct investment (FDI) value is in resource activities, such as energy and mining (Campanario, Stal & da Silva, 2012). Brazilian firms are also heavily involved in services related industries, such as transport services as well as offshore financial centres in the Caribbean (Gammeltoft, 2008), and in terms of manufacturing, the emerging prominence of firms like Brazil’s Embraer, which is the second largest aircraft manufacturer in the world demonstrates entry to the global arena. In the resource based sectors of Russia, the oil, gas and metal industries received the most active outward foreign investments (Sauvant, 2005). A report conducted by the Economist Intelligence Unit (2006) reveals Russian MNCs such as energy giants Lukoil and Gazprom as well as the steel maker Severstal “… are building on their successful acquisition sprees, at home and abroad, to stake a claim for global market leadership.” (p. 3). In contrast, Indian firms investing abroad are more inclined to such knowledge intensive industries as pharmaceuticals and drugs, IT, software, agricultural inputs and broadcasting (Ahmad, Vig & Dhinga, 2012; Pradhan, 2005). One example of this approach is provided by Ranbaxy a successful Indian pharmaceutical company that engaged in outward investment (Bruche, 2011; Nayak, 2011). Another example is that of India’s Tata Consultancy Services, which has established a dominant place in a wide variety of overseas industries and markets (Guillé & García-Canal, 2009). In China’s case, major foreign investment in other nations is characterised by an emphasis on manufacturing, natural resources (i.e., gas, oil and minerals), trade and services, and Information Technology (IT) related industries (Salidjanova, 2011). The overseas expansion of Huawei Technologies in electronics has been widely recognised as a successful Chinese IT enterprise on a global scale (Pietrobelli, Rabellotti & Sanfilippo, 2010; Zhang, 2009). Hence, it is
reasonable to assume that when BRIC companies invest overseas, they tend to employ a very different strategic approach.

Although the triad economies of Japan, North America and Western Europe have largely dominated the world investment flows, the investment made by emerging BRICs companies has increased significantly in recent years (Gammeltoft, 2008), especially the Chinese and the Indian ECMs. For example, Wilson, Purushothaman and Themistokolis (2004) indicated that the BRICs are becoming increasingly important economic players, which are likely to transform the world economy. Indeed, companies of these countries have become important sources of outward FDI as they have not only invested in developed economies, but also heavily engaged in other emerging markets (Sauvant, 2005). More importantly, these nations have embarked on a quest for economic development through the involvement (exports, management contracts) of many of their industries. While the significance of the four BRICs nations has been discussed in numerous studies, both research and reports have also acknowledged that within this group, China and India may stand out in years and decades to come. Sethi (2009) has documented that a survey conducted by McKinsey indicated “… by 2050 China and India will account for nearly half of the world’s GDP.” (p. 358). Such a forecast appears to be quite likely, as these two nations continue to strive for economic excellence. In fact, the remarkable features of outward FDI made through mergers and acquisitions by Chinese and Indian ECMs have made a visible contribution to their dominant economic power in the global economy (Athreye & Kapur, 2009). Despite the rapid growth of these nations, relatively limited empirical studies have been conducted to systematically and comprehensively compare and contrast the internationalisation strategies (i.e., development of business systems) of Chinese and Indian ECMs, which encourages further research (Pradhan, 2011).

Recently, the phenomenon of overseas investment from Chinese and Indian ECMs has gained a significant interest at an international level (Rajan, 2009). The number of Chinese manufacturers has expanded rapidly around the world to become increasingly important competitors in the global marketplace (Ge & Ding, 2008). Furthermore, Chinese ECMs have not only entered the global market as exporters, but also as foreign investors. For example, Chinese ECMs have invested in several
industries ranging from mining and oil to chemicals and steel (Guillé & García-Canal, 2009). Chinese ECMs, such as Haier, Lenovo and TCL as well as Gree and Galanz are also becoming dominant, developing their brands in the global markets with large volumes of electrical appliances (e.g., air conditioners, micro wave ovens) and electronics (Salidjanova, 2011). Interestingly, these Chinese ECMs did not exist 20 years ago, but today they are challenging some of their competitors nationwide and have gained a reputation in overseas markets. As a major global player with a long history, Indian ECMs have shown their capabilities in developing business activities overseas; in this regard the Tata group has set an example. This company has acquired the United Kingdom (UK) based tea company, Tetley in 2000, while Tata Steel bought the Anglo Dutch steel maker Corus for US$12 billion (Rajan, 2009). In addition to other Indian ECMs, IT and outsourcing services firms such as Infosys, TCS, and Wipro are among the largest internationalisers in the global markets. Further, Indian ECMs have increasingly ‘spread their wings’ in several industries such as automobiles, and pharmaceuticals (Guillé & García-Canal, 2009). Although Chinese and Indian ECMs are increasingly engaging in a wide range of industries across the globe, an issue requiring investigation is how these ECMs develop their global business systems to achieve global ambition.

While the rise of these ECMs from China and India is beginning to attract worldwide attention this emergence is occurring against a backdrop of the widely recognised multinational corporations (MNCs). The well developed literature about MNCs, which has been rooted in the developed countries of USA, Europe and Japan (Fan, 2008; Pudelko & Harzing, 2008), was generated during the development of emerging economies of the ECMs (Nyambegera, Sparrow & Daniels, 2000). As a result, there has been limited focus on ECMs knowledge about their strategic ambition. For example, Zhang (2008) explains Chinese executives have a different mindset to Western business executives, and even to other international Asian investors. Such difference is likely to lead to dissimilar institutional strategies. Similarly, Buckley, Forsen and Mungal (2009) contend that the trajectory of internationalisation pursued by Indian ECMs, is not only substantially different to Chinese ECMs, but also to other national business systems, which can result in distinctive corporate architectures and pathways toward strategic ambition. Despite their strategic importance, these concepts have been neglected by the business literature. As a result,
there is limited understanding of the strategising frameworks for global ambition by the Chinese and Indian ECMs, and, therefore, the in-depth examination of these concepts is warranted.

Investigating the internationalisation processes enjoyed by Chinese and Indian firms lies in understanding the impetus for diversification forces. Currently, the workforces in China and India are four times larger than those in the West, and expected to be five times larger in 2020, which will require an expansion in personnel as companies move from cyclic, stagnant domestic markets to the global arena (Accenture, 2008). This accelerated outburst of the Chinese and Indian ECMs is without precedence, being substantially different to the relatively, slower incremental and organic growth of the South Korean and Japanese multinationals of the 1970s and the 1980s (Ranjan, Tan & Yabuno, 2009). The diversification in assets in terms of managerial capacity, business acumen competencies, knowledge networks and financial resources obliges a different type of human resources (HR) to effectively leverage the transformation processes (Martin & Hetrick, 2006). Indeed, China and India have embarked on a wide range of industries, which will require diversity of managerial talents substantially different to those of the past (Bhatnagar, 2007; Iles, Chuai & Preece, 2010). Consequently, the emerging Chinese and Indian ECMs are in a transforming landscape requiring a very different type of managerial talent, which is a significant break from the past. This study is designed in part to evaluate how Chinese and Indian ECMs are undertaking the major dislocation of the capabilities of managerial talent.

This study has four major objectives. The pursuit of these objectives will be with a study that comprehensively examines, compares, and contrasts the internationalisation processes employed by ECMs from China and India with a particular reference to their talent management philosophies, policies and practices. Specifically, the four research objectives that addressed in this study are listed.

1. To gather evidence for the preferences of Chinese and Indian multinationals in their approaches to ‘global ambition’;

2. To consider how these ECMs approach knowledge transfer between global nodes;
3. To examine the strengths and weaknesses of the respective countries ECMs specifically, in approaches to talent management concepts and practices; and
4. To undertake a comprehensive assessment about how the principles of convergence, divergence or crossvergence are employed by ECMs as pathways for developing talent management.

Findings of this proposed study have potential to add value to understanding the processes of fusion between Western and Eastern theories of internationalisation, and in particular of the Chinese and Indian frameworks.

**TRIGGERS OF INTERNATIONALISATION**

While there are some common triggers of internationalisation between Chinese and Indian ECMs, differences also exist at the same time. Indeed, both China and India have opened their economies for investors to conduct business in their home markets, and such initiatives have helped these countries reach a strong economic growth. In return the two countries have accumulated a large amount of corporate savings, enabling them to mobilise their foreign investment operations (Hechet & Ruet, 2009; Pradhan, 2011; Voss, 2011). For example, a number of State owned Chinese companies, particularly those involved in the energy, raw materials and telecommunications sectors, with a few of them privately owned have accumulated considerable capitals, which provide a solid foundation for them to reach their global ambitions (Child & Rodrigues, 2005; Ding, Akoorie & Pavlovich, 2009; Hechet & Ruet, 2009; Voss, 2011). In the case of India, the financial resource generation appears to be different from China. Most Indian companies may have benefited from the Indian stock market in relation to the steady economic growth. Kale (2007), and Hechet and Ruet (2009) indicate that the monetary reserves are much lower in India along with a trade deficit, therefore, many Indian companies rely on the stock market to raise capital to pursue their international expansion. Consequently, the financial structures in China and India provide alternative platforms for ECMs to engage in the international market.

**The Internationalisation of the Chinese ECMs**

The impact of the government to the internationalisation process of Chinese firms is evident. In fact, Alon, Child, Li and McIntyre (2011), Cheng and Ma (2008), and
Child and Rodrigues (2005) as well as Warner, Ng and Xu (2004) suggest the internationalisation process of Chinese firms is largely affected by the Chinese government. According to Cheng and Ma (2008), the Chinese government promotes "... national firms during official visits by government officials and state leaders, to incorporating business negotiations into intergovernmental cooperation frameworks, to building databases on investment environment and opportunities in specific host countries, to providing consultancy services to Chinese firms that consider investing overseas." (p.8).

This notion is further supported by Ge and Ding (2008), who also indicated the Chinese government plays a key role in MNCs’ involvement in business activities outside their home market. In 2001, policy was proposed to encourage Chinese MNCs to ‘go overseas’, the outward FDI approval process was loosened by the Chinese government, and financial incentives were given to MNCs in target industries and countries (Cheng & Ma, 2008). The Chinese government has created a supportive policy environment, that provides a platform for encouraging MNCs to ‘go out’ (Ge & Ding, 2008) to seek for strategic assets in order to reinforce their competitive position in the domestic and global markets (Parmentola, 2011).

A number of other motives facilitate the internationalisation process of the Chinese MNCs. Due to local trade liberalisation overseas inwards investments can be viewed as a motive to intensify the domestic competition among firms in the Chinese market (Goldstein, 2007). For example, Chinese firms that are involved in mobile phones, electronics and ‘white goods’ industries have to face fierce domestic and international competition from their counterparts (Child & Rodrigue, 2005). Such competition and over capacity may result in a lower profit margin for many Chinese firms, forcing domestic firms to seek opportunities overseas. Another potential motive is the level of government interference in China. Several researchers (Huang, 2003; Meyer & Lu, 2004; Nolan, 2001) have stated that domestic mergers and acquisitions were tightly controlled by the central authorities. These authors explain that this type of institutional restriction poses uncertainties and complexity of the Chinese legal system, potentially contributing to the internationalisation of Chinese firms. In fact, Child and Rodrigues (2005) suggest that one possible motive contributing to the internationalisation of Chinese firms is to escape institutional
restrictions. Although these motives have contributed to the internationalisation of Chinese ECMs, the facilitation of the Chinese diaspora cannot be ignored.

The Chinese diaspora has been considered as an important factor that has contributed to the integration of China into the world economy (Buckley, Clegg, Cross, Liu & Zhang, 2007). Since 1979 the level of inwards FDI to the Chinese marketplace from Singapore, Taiwan and Hong Kong has had a positive influence on outward FDI from China to the rest of the world (Henley, Kirkpatrick & Wilde, 1999; Ng & Tuan, 2002; Sikorski & Menkhoff, 2000; Yeung, 1999). Furthermore, Luo (1997), Standifird and Marshall (2000) as well as Tong (2003) suggest that the well linked economic and financial connections among overseas Chinese and the importance of guanxi in Chinese business dealings may facilitate a number of ECMs to engage in the global arena. A number of researchers point out the ethnic and family guanxi or networks represents a firm specific advantage for Chinese MNEs because these features provide a platform for reduction in the levels of risk and transaction costs (Braeutigam, 2003; Erdener & Shapiro, 2005; Sung, 1996), that are associated with identifying global business opportunities overseas (Zhan, 1995). Consequently, such strong economic connections and networks gathered from the overseas Chinese have potential to promote the internationalisation activities of the Chinese ECMs.

The Internationalisation of the Indian ECMs

The Indian governmental policy plays a key role in the internationalisation of Indian ECMs. In the early 1990s, the Indian government established several policy reforms. For example, Kale (2007) documented the Indian government proposed liberalised foreign policies in removing restrictions on trade including FDI policies and regulations. A more opened Indian market was formed from the beginning of the 1990s, which led to the emergence of many Indian MNCs expanding overseas. In fact, Rajan (2009) suggests the internationalisation of Indian MNCs has been facilitated by the Indian government’s policy reforms, which include liberalisation in foreign exchange policies “…for foreign ownership ceilings, access to international capital markets, and other rules and regulations…” (p.10). These reform policies in foreign investment liberalisation not only ‘pushed’ the MNCs to pursue market opportunities overseas, but also secured economic growth in India (Pradhan, 2009). During the last decade the growth of Indian’s overseas investment has been primarily
generated from service sectors, where most of the investments have been made in
developed countries. To date the USA is the most popular destination for receiving
inwards FDI from India, which accounted for 19 per cent of India’s total cumulative
outflows during the period from 1996 to 2003 (Kale, 2007). More recently, Pradhan
(2011) reported that the outward FDI made by Indian organisations has expanded by

The slow growing pace within the domestic market further drives Indian firms to
look for alternatives to grow while maintain their market position within the country.
Gupta (2006) explains that Indian firms prefer to secure their domestic market
positions, while perusing new opportunities outside their home boundaries in both
developing and developed economies. For instance, the expansion of the State Bank
of India’s forays into counties such as Mauritius, Indonesia and Kenya demonstrates
that Indian companies prefer to consolidate their existing markets and in the
meantime seek out new ones (Rajan, 2009). This action is likely to be caused by the
steadily deregulated Indian banking sector, as both domestic and international
competition has been intensified. And “… the desire to gain access to large
developed-economy markets is likely to result in increasing investment activity by
Indian firms to finance further and larger acquisitions abroad.” (Rajan, 2009, p.7).
Thus, the primary motivation for engaging in international business by Indian MNCs
is to either consolidate domestic market due to slow growing pace or to seek out new
business opportunities.

There is a general consensus that the strength of traditional entrepreneurship and
large business houses with dominance in many industries have contributed to the
internationalisation process of Indian ECMs (Ramachandran, et al., 2004; Todd &
Javalgi, 2007). Unlike the case of outward FDI from China, where a large number of
outward FDI is state owned or state controlled (Athukuoralia, 2009; Li & Liang,
2012), Indian outward FDI is predominantly privately managed enterprises (De
Beule, 2010; Kumar & Chadha, 2009). For instance, in studying the
internationalisation strategies of Indian pharmaceutical firms, Kale (2007) found the
top 10 firms within the pharmaceutical industry are privately owned business with
family ownership. Given that a large number of Indian ECMs not only private owned
firms, but also characterised as large and diversified business houses (Athreye &
Kapur, 2009), it can be posited that Indian private sector ECMs have led the drive to internationalisation.

GLOBALISATION APPROACHES

The internationalisation strategy taken by many Chinese ECMs could be summarised in three main levels (Child & Rodrigues, 2005). The first level, exporting has been considered as the main component of a strategy in China’s outward economic expansion. Exporting strategy does not necessarily involve any forms of direct investment or active organisational presence overseas. For the second level, a number of Chinese ECMs have engaged in the international market through the route of original equipment manufacture, and joint venture partnerships. Deng (2004) indicated the internationalisation of Chinese firms is largely driven by seeking natural resources, advanced technology, markets and strategic assets, which are not available in the domestic market. Due to the shortage of domestic resources Chinese ECMs prefer to build linkages through strategic alliances or forming joint ventures with foreign companies to enter the international markets. According to Cui and Jiang (2012), a joint ownership structure is deemed as an efficient and effective way of obtaining natural, financial and technological resources from overseas markets. In addition, acquisition, such as in the case of Lenovo acquiring IBM is another internationalisation strategy that provides a fast expansion route to many Chinese ECMs. The physical and organisational expansion to an overseas market has formed the third level of internationalisation strategy for the Chinese ECMs. This route of internationalisation involves the greenfield establishment of subsidiaries and facilities within targeted markets.

Unlike their counterparts (i.e., Chinese ECMs) Indian ECMs often seek different entry strategies when engaging the international markets. Prior to 1991, Indian companies tended to focus on other developing countries in Africa and Asia, and most of their expansion was made through greenfield establishment (Pradhan, 2008). After India underwent a significant liberalisation in economic policies, contemporary foreign investments made by Indian firms have been primarily focused on developed countries (Pradhan, 2005; 2007). In fact, during the period of 2001 and 2005, Indian companies tended to favour the United States, Australia, the UK and Singapore as their investment destinations (Rajan, 2009). Thus, overseas acquisitions have been
the dominant foreign entry mode for Indian ECMs as opposed to the traditional greenfield establishments (De Beule, 2010; Rajan, 2009). These overseas investments have shown a clear shift in Indian ECMs’ internationalisation strategy. In this regard, Jonsson (2008) argues that many Asian companies from Japan, Korea and China have “… a strong home based cost advantage in manufacturing industries on which firms initially globalize then later upgrade to a technological advantage through nationwide investments in human resource and R&D.” [Research and Development] (p.5). However, the competitive advantage of Indian ECMs is difficult to categorise into either strictly technology or low cost based, especially because a large number of ECMs from India are services based, and primarily IT enabled services. Therefore, the internationalisation strategy of Indian ECMs may have been different to their Chinese ECMs.

**CONVERGENCE, DIVERGENCE AND CROSSVERGENCE CONCEPTS**

There is continuing debate how convergence, divergence and crossvergence impacts the HR and talent management (TM) strategies of Chinese and Indian ECMs. The convergence (Kerr, Dunlop, Harbison & Myers, 1964) perspective proposed that the cultural values were driven by economic ideology. Economic ideology has been commonly referred as workplace philosophy, which encompasses the business environment of a country (Ralston, Gustafson, Cheung & Terpsta, 1993). Such workplace philosophy is likely to be shaped by the exposure to Western ways of engaging in business. As a result, industrial nations will have homogenous management systems in relation to economic activities and work related behaviours (England & Lee, 1974; Pearson & Entrikin, 1996). For example, the HR policies, practices as well as TM strategies within organisations or across national borders may be pressured by globalisation, international trade, the demands of industrialisation, and the spread of advanced technology (Chow, 2004). As a result, these forces may drive the value systems of a nation to the universality of sound management practices (Kerr, Dunlop, Harbison & Myers, 1973); subsequently, the divergence perspective occurs.
Conversely, the concept of divergence posits that individuals will retain their diverse and culturally determined values regardless of the economic ideology (Cole, 1973; Evans, 1970). In other words, the proponents of the divergence approach believe that organisations throughout the world tend to employ strikingly distinctive ways to achieve goals even if they are similar in size, or from the same industry (Dore, 1973; Maurice, et al., 1980). The divergence perspective is consistent with the dominant view of some cross cultural theorists (e.g., Hofstede, 1980), who argued that all management practices are in large part culturally determined. For example, Chow (2004) indicates that HR practices within a country are likely to be bounded to their legal requirements, a set of different regulations as well as the attitudes toward management. More specifically, local customs, operational practices of institutions and labour law are likely to push the levels of divergence in approaches to HR in organisations of various nationalities (Rowley & Benson, 2002). The HR practices and TM strategies within a certain country would be impacted by these institutional influences. Therefore, it could be argued that national cultures have the potential to influence the hiring practices used by different organisations, and in turn affect the degrees of global convergence (Yuen & Kee, 1993).

Despite companies across national borders shaping their HR processes to be standardised, individual behaviours within these companies are maintaining elements of their own cultural specificity. Accordingly, in developing the crossvergence approach, Ralston, et al. (1993) argued a hybridisation of management systems would occur when two cultures meet. Indeed, this hybrid condition would result when individuals incorporate economic ideology influences synergistically and national culture, forming a value system that significantly differs “… from the value set supported by either national culture or economic ideology.” (Ralston, Holt, Terpstra & Yu, 1997, p.183). Furthermore, there is an emerging trend toward crossvergence in HR policies and practices in the contemporary organisations as convergence and divergence HR are complementary, especially when they operate at different organisations across national borders (Rowley & Benson, 2002). This notion was shared by Child (1981), who has indicated that convergence studies tended to pay attention to macro level variables (e.g., structure, technology), whereas divergence studies have emphasised on micro level variables (i.e., behaviour of people in organisation). Consequently, to understand the concept of crossvergence,
both the convergence and divergence perspectives need to be taken into account, particularly concerning organisational practices and acquisition of managerial talents.

**Talent Management**

While the debate regarding convergence, divergence and crossvergence concepts remains unresolved, the research on talent management (TM) emerges an interesting topic among researchers worldwide. Initially, the concept of TM was designed “…to improve the process for recruiting and developing people with the required skills and aptitude to meet current organizational needs.” (Bhatnagar, 2006, p.641). According to Stahl, et al. (2007) TM is commonly referred as an organisation’s actions to identify, develop and redeploy key talented employees. Arguably, TM is vital to the success of MNCs’ international operations. Collings and Mellahi (2009); Lewis and Heckman (2006); and Saini (2006) as well as Hartman, Feisel and Schober (2010) claim organisations throughout the world have realised one major source of competitive advantage is created through their talent employees’ knowledge, skills and abilities. Often, internationally competent managers have been identified as a key component of an organisation’s global business success (Becker, Fineman, & Freedman, 2004; Black & Gregersen, 1999; McDonnell, Lamare, Gunnigle & Lavelle, 2010; Scullion, 1994; 2001; Shen & Darby, 2006; Stroh & Galigurim, 1998). Despite the importance of TM, managerial talent shortages remain as a high priority issue for many MNCs (Chuai, Preece & Iles, 2008; Mäkelä, Björkman & Ehrnrooth, 2010). Indeed, the increasing difficulties in locating and retaining suitable managerial talents to manage an international operation appear to be more evident for contemporary organisations (Gregersen, Morrison & Black, 1998; Scullion, 1994; Scullion & Collings, 2006; Sloan, Hazucha & Van Katwyk, 2003; Suutari, 2002).

The demands for managerial talent are further increasing in many emerging countries (Collings, Scullion & Morley, 2007; Powell, 2012; Scullion, Collings & Gunnigle, 2007), and this notion is particularly evident in China and India. Indeed, Gupta and Wang (2009) have indicated “… China and India suffer from an acute shortage of professional staff, such as seasoned managers and people with specialized skills (accountants in China and software developers in India)…” (p.35). This knowledge was explained by Hechet and Ruet (2009), who suggested that Chinese ECMs suffers from a lack of managerial talents, especially internationally trained managers with
sufficient knowledge about the European and American legal and administrative frameworks. Similarly, Hutchings, et al. (2009) indicated there is a critical shortage of well trained technicians, especially in the high technology industries in China. Moreover, Lou and Tung (2007) point out that Chinese ECMs not only suffer from a lack of global experience, but also lack managerial competence and professional expertise. For Indian ECMs, it could be argued that a current shortage of talent presents some key challenges in their global operations. Although India has a large talent pools, “… not all are “industry-ready” or equipped with the necessary skill sets to become useful to companies.” (Bhatnagar, 2006, p.644). Further, the oversupply of the entry level positions has reflected the huge gaps in the middle management and senior management levels. In fact, a number of Indian ECMs are facing difficulty in finding replacement managers (Jonsson, 2008). This phenomenon is particularly obvious as Indian IT firms have to turn their recruitment to other places, including Russia and the Philippines. Arguably, MNCs are facing the biggest HR challenge because there is a shortage of talented employees (Burke & Ng, 2006; Cappelli, 2008; Iles, et al., 2010; Ready & Conger, 2007). In fact, a shortage of personnel talent is one of the greatest barriers preventing the growth of an organisation (Ma & Trigo, 2008; Taylor, 2007). Consequently, these arguments provide a rationale for a comprehensive examination of how Chinese and Indian ECMs approach TM strategies.

Knowledge Transfer

The capacity of knowledge transfer worldwide has become an important support in building competitive advantage for MNCs. Barlett and Ghoshal (1987) argued knowledge management can be recognised as “… the ability to learn, to transfer knowledge and expertise from one part of the organisation to others worldwide – became more important in building durable competitive advantage.” (p.37). In addition, knowledge flows across subsidiaries nationwide has become ‘significant’ in knowledge management (Gupta & Govindarajan, 1991). According to Grant (1996), Meso and Smith (2000), and Adams and Lamont (2003), knowledge is difficult to imitate and adopt in comparison to other resources, such as products and technologies. These elements, in turn leverage the knowledge transfer ability of MNCs and subsidiaries to build a more reliable and sustainable sources of competitive advantage.
While Chinese and Indian companies are increasingly engaging in the international markets, their approach to knowledge transfer between global nodes remains a neglected topic. Research on knowledge management has largely focused on MNCs from developed economies, that have been commonly referred as triad counties (e.g., Japan, North America and Western Europe) (Hsu, 2008). Contemporary research has sought to gain an understanding of the knowledge management in firms from the Asia Pacific region (Hsu, 2008; Pradhan & Singh, 2009). However, the dearth knowledge transfer in different contexts, including Chinese and Indian ECMs is evident. Consequently, a need to consult the existing literature of knowledge transfer, that was developed based on MNCs from developed economies, to further strengthen the understanding of knowledge transfer approaches used in the Chinese and the Indian ECMs is warranted. This notion is particularly evident as the Chinese and the Indian ECMs may employ different strategies in managing their knowledge transfer to facilitate corporate global ambitions.

Global Ambition

Despite research efforts on examining the internationalisation of Chinese and Indian ECMs relatively limited attention has been given to the notion of global ambition. Lasserre (2007) defines global ambition as a company’s future role in its distribution of sales and assets in the key markets of North America, Europe, Asia and the rest of the world. In theory, a company can play a number of roles, such as those of global and regional player, global exporter as well as global sourcer, and such specification contributes to the formation of global ambition. The pursuit of global ambition made by Chinese and Indian ECMs has shaped their countries’ historical trajectories, from inward looking economies only to outbound orientated international market players (Athreye & Kapur, 2009). Following their internationalisation path, the ‘leapfrogging’ strategies adapted by Chinese and Indian ECMs feature some differences (Niosi & Tschang, 2009). Such differences may lead to different outcomes in reaching their global ambitions, thus illustrating the existence of divergence. Although the inevitable rise of China and India as economic powers has been considered, there is scant literature that comprehensively and empirically examines the development of their ECMs’ global ambitions. In view of the existing dearth of knowledge, this study aims at gaining an alternative and specific view of how Chinese and Indian ECMs develop their internationalisation strategies as pathways to reach global ambitions.
RESEARCH METHOD

Subjects and Site
This research will target owners or executive managers of ECMs in China and India. The expectation is to conduct a survey with a nominal 51 Indian respondents and 50 Chinese respondents. In the first instance, extensive questionnaires will be completed by each group. From the analysis of these quantitative data, five dominant fields of investigation will be identified for comprehensive qualitative investigation with information from interviews with independent ECM representatives of the two nations. The benefits for selecting these people lie in the fact that they are involved in strategy formulation and implementation processes. In other words these individuals not only possess vast company management knowledge, but also are engaged in decision making processes as well as internationalisation strategies and global investment directions.

Procedure
A mixed method design (Johnson, Onwuegbuzie & Turner, 2007) is employed to examine the research model. The study design consists of quantitative assessments and a qualitative dimension in the form of interviews. This supplementary approach could help the researcher to gain first hand information, which deepens and complements the understandings gathered from the quantitative findings. Previous studies (Birkinshaw, Brannen & Tung, 2011; Doz, 2011; Pearson & Chatterjee, 2004; Teagarder, et al., 1995) suggested that culturally related investigations are enhanced by blending quantitative and qualitative design features. Indeed, a further study conducted by Yeo and Ananthram (2008, p. 121) reported “As the research proposed to adopt Western designed and tested instruments in an Eastern setting there was a belief that benefits could be afforded by employing a quantitative qualitative design.” These data will be used to measure the study research framework shown as Figure 1.1, which was formulated after a comprehensive examination of the relevant literature.
There are five main stages in the study design. First, a questionnaire from Western sources will be created and then a Mandarin version will be obtained by the back translation procedure. Second, a pilot study will be conducted prior to the main administration of the questionnaire. Conducting a pilot study has two objectives: 1) to determine if the questionnaire items are clearly understood by the respondents; and 2) to build a network (or guanxi) of respondents to subsequently undertake the qualitative element of the research. According to Chatterjee and Pearson (2002), and Ananthram (2008) data collections from Eastern business contexts would be greatly assisted when networks or guanxi (i.e., in the Chinese context) is involved. The comments and confirmation obtained from the pilot study will be used to refine the proposed questionnaire so that a representative and suitable questionnaire could be developed. Third, the refined questionnaires will be personally delivered to the companies studied in China and India along with a letter introducing the researcher and explaining the purpose of the study (see Appendix One and Appendix Two). In addition, ethical considerations for conducting this research, including informing potential respondents that participation is voluntary, and that their anonymity will be carefully addressed in the invitation letter. Fourth, qualitative interviews will be conducted with independent respondents, who agreed to provide qualitative feedback on several research questions. A useful interview sample size would be the order of 20 executive managers from Chinese and Indian ECMs with mixed gender. Selection of the respondents will be by invitation and determined by the Chinese and Indian institutions, that are sponsoring the research project. The interviewees will be mutually exclusive from the respondents who completed the quantitative questionnaire. These interviews will be conducted to explore some prominent issues observed from the analyses of the quantitative findings. The two independent data
sets gathered from the interviews with the Chinese and the Indian business managers will be recorded electronically. The final and fifth phase of this study will be the evaluation of the database to explore the level of the alignment with the research model.

**Measures**

**Quantitative**

Two types of quantitative data will be obtained. The demographic dimensions, that include personal attributes and affiliation attributes, will be collected with ordinal and nominal data. For example, personal attributes in terms of age, gender, and qualification will be examined. In addition to assess affiliation attributes such information as organisation size, managerial level as well as international involvement will be obtained. Moreover, open ended questions will be used to gain first hand information to further enrich the quality of the data. Interval data including global ambition, societal values in the work setting, HR practices, global strategic dimension as well as knowledge transfer will be gathered with seven point Likert scales. Such information would provide valuable insights for extending the knowledge about the global performance of the Asian organisations in general, and the Chinese and Indian ECMs in particular.

**Qualitative**

Five main research questions are derived based on the existing relevant literature and following an assessment of the quantitative responses from an extensive questionnaire. The five research questions are determined to allow the researcher to gain a more comprehensive understanding of the quantitative findings as explored with senior managers or owners of ECMs in China and India. The five questions are:

1. What were the decision parameters that underpinned the strategies for your organisation to become an international corporation?
2. What forms of talent management (i.e., selection & recruitment, pools of talents, talent pools, and pivotal talents) are employed to develop the global business system of your organisation?
3. How do the major generic component activities (i.e., innovation, production, and customer relationships) of the global business system of your organisation contribute to the global strategic ambition?
4. What systems are employed in your organisation to operate, and evaluate the management and transference of knowledge to facilitate global ambition?

5. How do cultural priorities or institutional operational forces influence the systems employed by your organisation in the pursuit of global ambition.

**Analysis**

The quantitative data captured with the questionnaire survey will be examined with several statistical tests. First, the responses generated through the questionnaire survey are examined for outliers. This process enables the researcher to ensure that no data entries exceed their interval range. Second, exploratory factor analysis employing the Varimax option will be performed so that the interval validity can be evaluated. Third, reliability assessments will be conducted to further determine the consistency of the variables. Fourth, a general interpretation of the hypothesised relationships will be assessed with correlation analysis, and the fifth type of analysis will be undertaken with more powerful regression and mediated regression procedures to ascertain the strength of the predicted bivariate relationships. The last quantitative assessment will be undertaken when the research model is examined in its entirety with Analysis of Moment Structures (AMOS) software (Arbuckle, 2005). These statistical procedures will be conducted with SPSS software (SPSS, 20).

The qualitative data, in the forms of interviews from China and India will be content analysed. Responses to these questions from the Chinese and Indian participants will be recorded verbatim with an electronic recorder, and then inputted to Nvivo, which is a computer software package, that can be used to analyse qualitative data. This programme facilitates the storage, management and analysis of data to provide patterns of nodes to assist in the interpretation component of the records. The procedure has two main stages. First, frequencies of unique word usage will be obtained to indicate the salient features of the responses to each of the five research questions. Second, latent or emerged ‘messages’ will be ascertained by clustering themes in the responses. The latent information provided by the respondents has potential to enhance the richness of the study sample.
SIGNIFICANCE OF THE STUDY

The significance of this study can be founded on theoretical and empirical grounds. From a theoretical perspective, this study has the potential to facilitate the understanding by academics and practitioners in frameworks that have emerged from the internationalisation activities of ECMs from Asian countries in general, and from China and India in particular. Moreover, from an empirical viewpoint, the findings of this study can have significant implications for international firms, and particularly, those in China and India. For instance, the observations of this research have potential for not only recording the frameworks of TM policies and practices in the two populist nations, but for generating paradigms so managers can acquire a better understanding of the management of personal interactions in cross border engagements. A detailed discussion of the theoretical and the empirical implications of this study are elaborated in the following section.

Theoretical

This study may add to the world knowledge with three potential theoretical contributions. First, based on existing theories and models, this study aims at determining how well parts of the models or theories explain the internationalisation process of Asian firms in general, and the Chinese and Indian ECMs in particular. For instance, based on the linkage, leveraging and learning framework, that was developed by Matthews (2002), this study will investigate whether this theory can be utilised to explain the internationalisation activities conducted by Chinese and Indian ECMs. Furthermore, the study may add to existing knowledge in clarifying the understanding of talent management concepts.

Second, this study seeks to gain a more comprehensive appreciation of the credibility of Western assumptions such as theories and practices were employed in explaining business behaviours in non-Western economies. Although a great deal of effort has been put into the understanding of the internationalisation process of Chinese and Indian ECMs, to date available knowledge on area such as foreign investment flows, knowledge management, talent management were largely Western based with emphasis on triad countries such as Japan, North America, and Western Europe (Gammeltoft, 2008; Hsu, 2008). Accordingly, theories, concepts or assumptions, such as, Uppsala model of internationalisation (Johanson & Vahlne, 1977), eclectic
paradigm (Dunning, 1988) as well as resource based theory (Ekeledo & Sivakumar, 2004) have been developed in Western environments. This study intends to make a contribution by examining these Western assumptions with a sample of respondents who are located in Asian environments (Chinese and Indian respondents).

Third, this research may provide valuable information for gaining a more indepth understanding of a non Western business environment. For example, on a broad scale, knowledge can be gained by those with a pecuniary stake in the management of people who are embedded in the organisational settings of those economic reforms that have been installed in China and India within the past decade. In a narrower focus, this study may be particularly useful for international managers or owners, as it may offer useful insights to advance understandings on issues, such as talent management that are related to conducting business both internationally and domestically.

**Empirical**

Apart from the theoretical contributions, there are three empirical implications for the present study. First, this study provides an opportunity for academics to empirically test the credibility of Western based measure instruments in explaining challenges and difficulties in the Chinese and the Indian ECMs. This research intends to contribute by empirically evaluating the credibility of Western based instruments with data from non Western or quasi Western respondents. For instance, the concept of talent management was formulated in a Western environment, and this research provides an opportunity to examine how Chinese and Indian ECMs approach the concept of talent management in their organisations. Most research in examining this concept focused on case studies, and relative limited studies have been undertaken to measure talent management. Hence, the development of instrument in measuring talent management may provide a wider opportunity to minimise or even close the knowledge gap.

Second, this research is intended to determine how well Western management strategies and approaches have been translated into practice in a non Western business environment. A number of researchers (Farh, Tsui, Xin & Cheng, 2000; Neelankavil, Mathur & Zhang, 2000) have argued traditional management practices
are entrenched in Asian social values, which are more likely to lead to difference of business behaviours and then translated into diversity in managerial organisation. It could be argued that implementation of the Western based strategies and approaches in a non Western environment may be different. McDermott and O’Dell (2001) indicated that the behaviours and a system of beliefs of any organisations and people are deeply affected by its culture. An indepth and comprehensive understanding of the diverse range of management practices in a non Western business environment is essential, and consequently this study aims at determining how well the Western concept of knowledge management has been translated into practices in a non Western environment.

Third, the present study intends to investigate managerial perspectives on their internationalisation approaches. As relatively few empirical studies employing primary data have been conducted to examine the development of the internationalisation strategies of ECMs from China and India a salient contribution of this study is the potential to provide a better understanding by managers how firms in emerging countries develop their strategies for global ambitions. This research aims at providing additional insights by examining managerial viewpoints of whether their organisations’ global business system development have an impact on reaching global ambitions. It does not only consider the determining factors for developing global business systems, it also takes into account the potential influencing factors of industry type, knowledge transfer as well as cultural priority that may affect Chinese and Indian ECMs in reaching global ambitions.

**ETHICS**

This study did not proceed until it had been given approval by Human Research Ethics Committee at Curtin University. The ethical approval number is: School of Management 11/10. This study is at all times guided by the guidelines provided by the Committee. Ethical considerations for conducting this study are clearly explained in the letter accompanying the questionnaire to respondents as well as when conducting interviews with owners or managers. The second aim for using the letter is to introduce the researcher and explain the purpose of the study. Other ethical issues, such as voluntary participation, and permission to record conversations
gained before interviews and confidentiality for conducting this research are confirmed in the attached letter.

CONCLUSION

Chapter One has summarised the context and background that relate to this study. In short, there is a need to have a more comprehensive understanding of the internationalisation processes employed by ECMs from China and India as pathways to reach global ambition. Specifically, from managerial perspectives to evaluate the talent management philosophies, policies and practices of their organisations are warranted. The focus of the literature for the present study was examined, including globalisation approaches, knowledge transfer, talent management concepts and practices, and principles of convergence, divergence and crossvergence in relation to the Chinese and the Indian ECMs’ global ambitions. This Chapter has also highlighted the methodology for conducting this study. In addition, the significance of the study was delineated. Finally, gaining approval from Human Research Ethics Committee before preceding this study was reported. Chapter Two synthesises existing literature that relates to this research.
Chapter Two

UNDERPINNING THEMES

The primary purpose of this Chapter is to present a paradigm for testing the processes of internationalisation in contemporary Chinese and Indian ECMs. More specifically, the focus of this Chapter is to generate a framework revealing the linear connections of the key architectural elements for global organisations of leading corporations in these two countries that are engaging with internationalisation. This paradigm has been developed from the literature that incorporates the theories of internationalisation, which are currently undertaking a renaissance in the turbulent, competitive global marketplace. Consequently, hallmarks of the developing literature are 1) the emergence of a number of evolving theoretical contentions, and 2) the absence of empirical evidence to demonstrate their sustainability. A feature of this Chapter is to present a number of hypotheses linking these salient constructs, that have been identified as having a dominant role in the internationalisation processes.

The Chapter is presented in five sections. In the first section theories, which provided underpinning for the process of internationalisation in the 1970s and 1980s are initially presented as a point of departure on which to build the emerging literature. This first section closes with the transition from the first and second waves of internationalisation and provides a pathway to the recent contributions of the internationalisation process literature. In the second section constructs, which are being identified as important components in the developing literature concerning internationalisation processes, are specified and described in an investigative model as a prelude to presenting the knowledge of how these constructs are likely to be linked, which is the third section of the Chapter. The fourth section of the Chapter succinctly presents these relationships as hypotheses in the research model. The final section of this Chapter provides a link to the next Chapter and also lists all the hypotheses in a tabular format. An important component of the first section is to consider the theories that relate to this study.
THEORETICAL BACKGROUND

Numerous academic contributions have focused on the understanding of the theory of internationalisation. These theoretical developments have been a product of technological advances and competitive business practices that have enabled progressive corporations to exercise a position in the international sphere. A further dimension set to the internationalisation processes has been the importance of cultural priorities, availability of resources, and global business opportunity. The assembly of these features is reflected in the theoretical paradigms that have been presented over the last four decades. A succinct review of the chronological development of the key theories of 1) Uppsala model of internationalisation (Johanson & Vahlne, 1977), 2) internalisation theory (Rugman, 1980), 3) the eclectic paradigm (Dunning, 1988), 4) resource based theory (Ekeledo & Sivakumar, 2004), 5) the network approach (Johanson & Mattsson, 1986; Turnbull, 1987), and 6) linkage, leverage, and learning framework (Mathews, 2002a), is presented.

Uppsala Model of Internationalisation

Developed in the 1970s the Uppsala model of internationalisation (UMI) was a product of the technical regime of the period. A central plank of this model was that firms engaged in the international arena incrementally, over time accumulated knowledge and experiences, which enabled them to move offshore. The relatively slow evolution of the creation of international corporations was a reflection of the available communication systems, which at that time were devoid of the current electronic information mechanisms such as the Internet, mobile phones and personal computers. The substantive barriers to expansion encouraged the concept of ‘psychic distance’ (Johanston & Vahlne, 1977), which was exhibited as the extension of company activities to home based markets (that were physically close) and later to overseas destinations often with similar cultural contexts. The engagement with more distance markets occurred with the development and accumulation of operational knowledge, and this action displays that the UMI was indeed a stage model.

Earlier contributions provided the foundation for UMI. For instance, Vernon (1966) addressed the question as why firms internationalise and a decade later Hymer (1976) suggested firms chose FDI as a preferred internationalisation strategy compared to
other inter firm modalities of trade and license agreements, while Buckley and Casson (1976) focused on the internationalisation of assets to reduce operating costs abroad. Collectively, these contentions reveal how disparate approaches were in fact focusing on cultural priorities, availability of resources, and global business opportunity. About this time Johanson and Wiedersheim-Paul (1975) had the foresight to propose the international process had four stages. When these social scientists identified the internationalisation process had dominant dimensions of 1) no regular export activities, 2) export via independent representatives, 3) establishment of an overseas sales subsidiary, and 4) foreign production/manufacturing they were unknowingly providing critical element of the UMI. For example, a basic assumption of their model was that the lack of knowledge and absence of appropriate resources were barriers to the development of an organisation’s international operations. Also managerial learning and commitment are determining factors of an organisation’s international expansion (Bianchi, 2002). This proposition highlights the importance of talent management and the integration of the contributions of organisational members for the efficacious operation of the corporation’s global business system. Furthermore, it was suggested that obstacles to these features could be reduced through incremental decision making and knowledge acquisition of the operations of foreign markets (Borghoff, 2004), and their business exigencies, which identifies the importance of talent management and how this resource is incorporated into the central architecture of the organisation.

In spite of considerable scholarly contributions the UMI has attracted a variety of critical assessments. A major criticism has been the feature of determinism engrained in the UMI, which advances the notion that all organisations will pursue fixed patterns of development as the sequential stages are engaged in the internationalisation process. The attracted attention of a landscape of developing MNCs has led to observations that the locations and choices of investments do not always have a linear evolution. For instance, Goldstein (2007) indicated many firms engage the global marketplace at a later stage entry point rather than following the sequential development from earlier stages of UMI as organisations expand across country boundaries. An example is provided by Chinese and Indian organisations that have shown a preference for mergers and acquisitions as the entry mode for undertaking foreign investment, rather than the earlier stage of export (Gubbi, et al.,
2010; Kedron & Bagchi-Sen, 2012; Rajan, 2009; Rui & Yip, 2008). The linear plank of the UMI has been questioned from evidence that technological breakthroughs have enabled companies to be specified as ‘born global’ firms without transitioning the stages of development (Gabrielsson, et al., 2008; Knight & Cavusgil, 1996; Oviatt & McDougall, 2005; Sandberg, 2009). In addition, Bianchi (2002) argued that the role of time or firm specific competitive advantage dimensions, that play an important role in the development of internationalisation, are ignored in the UMI. These prominent criticisms have encouraged enhancements to the UMI that enable considerations to be given to the incorporation and integration of corporate resources and assets prior to embarking on an internationalisation strategy.

**Internalisation Theory**

Over the past four decades internalisation theory has been a dominant topic in explaining the global ambition strategies of MNCs. The emphasis of internalisation theory is the acknowledgement of market imperfections, which are likely to affect an organisation’s efficiency in international trade and investment (Buckley & Casson, 1976; Casson, 1983; Hennart, 1982). The exogenous variables such as externalities in the goods or market factors have potential to contribute to market imperfections, that may occur due to a lack of information or knowledge, and as a result lead to market failure (natural externalities) (Kalfadellis & Gray, 2002). Consequently, the importance of talent management, which can be a source of competitive advantage to address these barriers to current and future growth, is highlighted (Hartmann, Feisel & Schober, 2010). Externalities of government induced regulations and controls compel MNCs to internalise their operations in order to establish a sustainable competitive position in the world key markets. For example, the operational activities such as mergers and acquisitions were tightly controlled by the Chinese authorities (Huang, 2003; Meyer & Lu, 2004; Nolan, 2001), which posed uncertainties and complexity, and subsequently, many Chinese firms internationalised their operations overseas to escape such restrictions or barriers to the development of their global business systems. Furthermore, some scholars (Anderson & Gatignon, 1986; Axinn & MatthysSENS, 2002; Erramilli & Rao, 1993) have indicated that internalisation theory shares some roots with transaction cost theory. The evidence reveals that MNCs tend to set up a manufacturing facility or a wholly owned subsidiary in a foreign country (market) instead of using licensing in order to avoid transaction costs.
associated with negotiating and monitoring (Buckley & Casson, 1976; Ekeldeo & Sivakumar, 1998; Hollensen, 2004). But Mathews (2006) indicated that the synthesis of internalisation and transaction costs theories has not provided a sustainable paradigm for the explanation of the internationalisation activities of the Chinese and Indian ECMs. Hence, it is reasonable to assume as China and India forged a place for themselves in the global economy with unique processes of globalisation there is a need to further gain appreciation on how ECMs from these two countries invent their internationalisation strategies to achieve corporate strategic ambitions.

Although the internalisation theory provides an explanation in determining the rationale of MNCs, it has received some criticisms. For instance, Rugman (1986) pointed out the internalisation theory, which explains the boundaries of organisations, and in particular application to MNCs, ignored the joint venture activity, which is likely to be a preferred entry mode for many MNCs. Indeed, a number of Chinese ECMs expanded their international activities through joint venture partnerships (Child & Rodrigues, 2005). Furthermore, Buckley and Casson (2009) argued that “When greenfield expansion is uneconomic, firms can gain strategic advantage by being the first to acquire a target facility.” (p.1574). In fact, some organisations that are interested in rationalising existing capacity rather than building new capacity favour mergers and acquisitions from FDI as an entry mode to engage in the international markets (Buckley & Casson, 2009), and this is the particular case for Chinese and Indian ECMs. Consequently, it could be argued that organisations need to change their global business systems in order to achieve their preferred strategic global ambitions. In addition, some exogenous changes, including relaxation of border controls, promoted migration (Buckley & Casson, 2009), which in turn may affect organisational practices such as talent management and the development of an organisation’s global business systems may be impacted, simultaneously. Arguably, the development of internalisation theory appeared to be restricted in explaining these exogenous changes. Nevertheless, Dunning (1988, 2000) proposed that internalisation theory appears to be incomplete and it does not clearly state why firms may wish to get involved in value added activities outside their home market. It is generally agreed that the internalisation theory has boundary conditions, as it does not explain why two identical firms choose different entry modes. Therefore, the ‘orthodox’ internalisation theory offers “… little guidelines as to know how best a
firm may organize its activities to create future assets rather than optimize the use of its existing assets.” (Dunning, 2000, p.180), and, therefore, a more coherent theory of internationalisation should be pursued.

**The Eclectic Paradigm**

Dunning (2000) developed an eclectic paradigm, also known as the OLI paradigm of FDI in order to overcome the limitations of the internalisation theory. He suggests that as a group, the theories of ownership, location and internalisation (OLI) may offer a more comprehensive explanation of a MNCs’ rationale. Some contribution was given by Scott-Kennel and Enderwick (2004) when they indicated that “… a MNE’s competitiveness is based on its ability to exploit and organize internalised, ownership-specific resources across national borders, taking advantage of location specific advantages in foreign localities.” (p. 427). The theory of ownership may be considered as an indication for firms to identify their competitive advantages in terms of exploring core competencies in production differentiation or entrepreneurial and managerial capacity so that costs associated with operation in an overseas market could be minimised (Goldstein, 2007). Furthermore, the theory of location may provide more opportunities for firms to become familiar with some advantages, such as the availability of skilled labour, and the use of these people more effectively and efficiently, which identifies problems for MNCs entering the Chinese and Indian markets, annually, where there is a discernible lack of talented managers (Hartmann et al., 2010; Jonsson, 2008). In addition, the theory of internalisation may be referred to as the benefits of retained assets and skills within firms, and often firms internalise these advantages through wholly owned subsidiaries to minimise the risk of imitation in an overseas market (Bianchi, 2002; Kedron & Bagchi-Sen, 2012). Overall, Dunning (2000) does not only emphasise the weaknesses of internalisation theory, but also does so regarding some advantages of ‘O’ and ‘L’ theories. By doing so, he makes a point that OLI theories are complementary rather than alternative to each other. This notion suggests that Rugman’s ‘single’ theory may not demonstrate the rationale of MNCs.

The eclectic paradigm or OLI model, however, suffers from two main critiques in explaining the internationalisation process of ECMs (Goldstein, 2007). Firstly, the chances for companies from emerging economies to possess a significant amount of
monopolistic advantages are small. Arguably, the basis of ‘O’ that determines firms’ internationalisation process and the degree of ‘I’ in their overseas operations appear to be different. Indeed, Tolentino (2008) proposed that the possibility for firms from emerging countries to hold ownership advantage is rare. According to Dunning (1995) the possession of firm specific advantages such as propriety technology, products and brands were factors that determine a firm’s international expansion patterns within the frameworks of their global business systems. However, for many Chinese and Indian ECMs, most of their international expansion is developed to exploit location specific advantages, including gaining access to new markets, seeking intangible assets and natural resources rather than firm specific advantages (Balasubramanyam & Forsans, 2010; Deng, 2004; Fan, 2008; Kaartemo, 2007; Pradhan, 2008). In other words, a firm’s location strategy, and ultimately the global ambition, is likely to be determined by the types of advantages, and, therefore, affect the development of their global business systems. Secondly, the OLI model has been considered as a static paradigm (Amighini, Sanfilippo & Rabellotti, 2009) as it is indicated in the model that companies seek to explore the important factors or advantages pre existing to the entry mode decisions. Nevertheless, several strategic factors were neglected. For instance, Goldstein (2007) stated that “… the characteristics of the decision makers, situational contingencies (including competition) surrounding the decision making process,” (p.81) have been ignored, which are likely to have an impact on making investment decisions. Hence, the development of network theory in the process of internationalisation has complemented the criticisms of the OLI paradigm.

**Network Approach**

The network theory development was based on theories of social exchange and resource dependency. Put succinctly, network theory emphasises firm behaviours with regard to inter organisational and interpersonal relationships (Bianchi, 2002). Moreover, it is argued within the network approach the incremental knowledge of a firm is derived through cooperating with existing frameworks and extended business partners in relevant industries. This contention was advanced by Johanson and Mattsson (1988), who noted that the network approach to internationalisation focuses on the interconnected exchange of relationships between firms, with increased mutual knowledge and trust leading to greater commitment between international
market actors. Indeed, it could be argued that “… concepts like commitment, knowledge, or current activities have to be studied inside the firm itself, but also in connection with its cooperation other firms.” (Borghoff, 2004, p.27). Other studies (Barnir & Smith, 2002; Burt, 1992) have concluded that networking provides the means for identifying opportunities and for facilitating the utilisation of other resources, such as managerial talents, in the value chain of the global business system of the company, to achieve competitive advantage. The findings of these studies (Barnir & Smith, 2002; Burt, 1992) also suggest that networking can serve as a tool for companies to get involved in FDI. In fact, firms (i.e., Haier and Tata) from emerging markets often use networks such as strategic partnerships and acquisitions as important sources of tapping into the world marketplace (Sumati, 2008), and such action has enabled these companies to grow and successfully achieve their global ambition (Duysters, Jacob, Lemmens & Jintian, 2009).

A central caveat of the network theory states that the influence of formal and informal social relationships is likely to have a significant impact on the internationalisation process. For example, in the textile industry of Taiwan it was found “… networking has enhanced the competitive determinants of flexibility, delivery and cost.” (Chen, 1999, p.46). Luo (2001) and Zhang (2006) also concluded that building social networks with governments may help MNCs to internalise existing activities and engage in new arrangements thereby, seeking potential internalising benefits, such as reduction on taxation of exchange transactions in a market. For instance, Chinese and Indian ECMs have established a strong connection with their governments, and such initiatives have contributed significantly to their internationalisation processes (Athreye & Kapur, 2009; Buckley, et al., 2007; Child & Rodrigues, 2005; Ramamurti, 2008; Tan & Meyer, 2007). Additionally, the importance of social networks, driven by talented managers, has provided principles to access resources (Ernst, 2000). Part of the argument of BarNir and Smith (2002) is that the scope and diversity of information provided to executive managers by network members appears to be a reflection of the characteristics of the network of the global business systems and the quality of member talents. The emotional and tangible support is the result of interaction, and, therefore, networking may lead to the development of a normative context, helping create a governance mechanism thereby, rendering members’ behaviour more reliable and predictable (BarNir &
Smith, 2002). A number of studies (Ernst, 2000; Lou & Tung, 2007; Yang & Lee, 2002) have led to conclusions that networking is one of the essentials aspects, which may aid to firms’ success in their international operations in the pursuit of global ambition. This strategic ambition was also complemented by the resource based theory in explaining the globalisation efforts of the Chinese and Indian ECMs.

**Resource Based Theory**

While recognising the important role that network theory plays in pursuing the global ambition of Chinese and Indian ECMs, the essential aspects of resource based theory may also need to be acknowledged. The main emphasis of the resource based theory is that

“... if a firm is to achieve a state of sustainable competitive advantage, it must acquire and control valuable, rare, inimitable, and nonsubstitutable resources and capabilities, plus have the organization in place that can absorb and apply them.”

(Kraaijenbrink, Spender & Groen, 2010, p.350).

A central plank of a firm’s competitive advantage resides in resources such as assets and capabilities (Barney, 1991; Capron & Hulland, 1999; Peteraf, 1993; Teece, Pisano & Shuen, 1997), which act as critical determining factors in achieving global ambitions. According to Penrose (1959), Barney (1991), and Grant (1991) resources can be classified into three main categories including physical resources (e.g., plant, natural resources and raw materials), human resources (i.e., technical and managerial workers) as well as organisational resources (that are formed to facilitate and coordinate the human and physical resources in a productive way). In addition, Penrose (1959), and Mahoney and Pandian (1992) defined capabilities as the services, activities or functions, played by the physical, human and organisational resources. In other words, capabilities can be regarded as a firm’s ability to deploy, coordinate as well as integrate their resources for productive activities to achieve competitive advantages (Barney, 2001; Coombs & Bierley, 2006; Grant, 1991; Teece, et al., 1997). Furthermore, managerial talents play a major role in ensuring the effective use of an organisation’s resources and assets to achieve sustainable competitive advantages. One type of competitive advantages is often created through knowledge, skills as well as abilities of the managerial talents (Collings & Mellah, 2009; Hartman, et al., 2010; Lewis & Heckman, 2006). Arguably, the strategic utilisation of resources and coordination capabilities of managerial talents are likely to
contribute to the development of organisations’ global business systems, and in turn affect their internationalisation process.

In explaining the internationalisation process of ECMs, the use of resource based theory has contributed significantly to the understanding of the linkages between stakeholders and firm resources. According to Peng (2001) the resource based theory promoted the deployment of resources in new markets, and at the same time this theory offered insights to internationalisation strategies in terms of foreign entry modes, subsidiary capability development as well as international alliances. The fundamental assumption of the resources based internationalisation approach is that FDI is assumed to be the default entry mode, but in reality ECMs in possession of capabilities such as product development, process know how as well as managerial expertise tend to engage strategic acquisition by alternative pathways to speed up the acquiring process (Pradhan & Singh, 2009). This point is partially presented by Clulow, Barry and Gerstman (2007) when they wrote “The resource based theory contends that key resources exhibiting particular characteristics enable the firm to implement strategies which meet the needs of customers, thereby enhancing the firm’s ability to secure a sustained competitive advantage.” (p.19). Clearly, there are other stratagem like establishing production subsidiaries or exporting capacities, which are activities that sit nicely within the framework of resource based theory, that is available to ECMs when engaging in the global marketplace. These advanced propositions demonstrate how the integration of resources and abilities have potential to facilitate the satisfaction of customer needs, relationships and expectations in the process of developing global business systems in the pursuit of organisational global ambition.

While the positive implications of the resource based theory has been determined, this theory has also received some criticisms. For example, Goldstein (2007) documented that “… for its extension to ECMS, the resource based view finds its limitations in the emphasis it places on first mover advantages, endogenous barriers to entry, and the definition of resources as rate, non imitable and non transferable.” (p.85). In addition, the criticism raised by Foss, Foss and Klevin (2007); Foss and Foss (2008); and Mahoney (1995) indicated that resource based theory failed to address the relevance of individual judgements or mental models of entrepreneurs.
and managers. Nevertheless, Kraaijenbrink, Spender and Groen (2010) argued that “... to create sustainable competitive advantage a firm needs both a bundle of resources and the managerial capabilities to recognize and exploit the productive opportunities to implicit in them.” (p.356). It could be argued that entrepreneurs and managers are likely to determine the deployment of a firm’s resources in their international expansion, and, therefore, have the potential to affect the development of global business systems. Indeed, many Indian ECMS are privately owned (De Beule, 2010; Kale, 2007; Kumar & Chadha, 2009), and the driving forces of development of the global business system of these organisations are determined by the individual entrepreneur or manager. Hence, a need to advance the theoretical understanding of internationalisation is warranted a point made by Mathews (2002a) proposed the linkage, leveraging and learning framework to complement the limitations of the resource based theory.

**Linkage, Leverage and Learning Framework**

In Mathew’s view (2002a), the linkage, leverage and learning (LLL) framework can be seen as an alternative approach to complement the existing theories in internationalisation. According to Mathews (2002b), many MNCs from emerging economies do not possess great amount of assets, which can be developed in an overseas market, a feature that encourages internationalisation. And the opportunities for expansion are higher in the global market when compare to the domestic home market (Bongalia, Goldsetin & Mathews, 2006; Buckley, et al., 2007; Mathews, 2006). This global outlook promotes latecomer ECMs to acquire advantages in terms of resources and complementary assets externally rather than focusing on its own advantages. Arguably, to achieve such global ambition organisations need to specifically understand the notion of talent management as managerial talents are likely to facilitate the internationalisation processes and affect the development of global business systems. The linkages, in the form of joint ventures or other types of collaborations, or partnerships with foreign companies can be a part of the development of a company’s global business system. These connections can assist ‘latecomer’ ECMs to minimise their lack of accessibly to new resources, such as assets and knowledge, and in turn prompt the process of internationalisation (Amighini, Sanfilippo & Rabellotti, 2009). Once the links have been established with partners, ECMs can use their global linkages to leverage the resources, and their
potential advantage to gain international competitiveness (Child & Yan, 2001; Guthrie, 2005; Mathews, 2006). The accessibility to resources in relation to imitatibility, transferability or substitutability is the major concern in the notion of linkage and leverage (Mathews, 2006). This view is distinctly different from the conventional views of the resource based view of the firm. From the conventional viewpoints, “... the object of analysis is the barriers to diffusion, seen from the perspective of the incumbent looking to delay the entry by competitors,” and the focus is to gain sustainable incumbent competitive advantages, whereas in the views of the newcomers and latecomers, “… the object of analysis is how such barriers may be overcome.” (Mathews, 2006, p. 29). In addition, a repetition to the process of linkage and leverage has the potential to assist firms to learn how to operate more effectively, and, therefore, provide platform for firms to operate internationally.

Although the framework provided by the Mathews (2002a) is a foundation for scholars to gain an appreciation of the internationalisation process of ECMs, criticisms still exist in the literature. For example, Narula (2006) argues that the development of the Mathews’ framework was mainly an emphasis on the rapidly growing economies within the Asia pacific region, and this theory failed to address the important trading roles of China and India. Furthermore, the notable internationalisation of firms from the two fast growing nations of China and India have shown a greater participation in international trades (Athreye & Kapur, 2009), and are ignored in the development of Mathews’s LLL framework. The rapid growth of OFDI flows from China and India in a variety of industries further indicated the importance of their ECMS as they “... are coming into being a new global player in a number of world industries as suppliers of goods and services.” (Pardhan, 2009, p.21). Consequently, a need for a more comprehensive examination of the theories of internationalisation to incorporate the framework being proposed by Mathews in explaining the internationalisation strategies of Chinese and Indian ECMs is warranted. In addition, Li (2007) suggested that the distinctions between linkage, leverage and learning are ambiguous. In fact, Mathews identified that linkage and leverage are interlinked and they are the strategic end of learning, which is regarded as an outcome of repetition of linkage and leverage. Hence, a more complementary model is required to not only addresses the internationalisation of MNCs from
developed countries, but also incorporates the strategic international engagement of both Chinese and Indian ECMs.

These several paradigms that have been presented at the beginning of the Chapter, delineate MNCs have across time employed a distinctive combination of resources and assets as well as different forms of foreign market entry in the pursuit of corporate global ambition (Kedron & Begchi-Sen, 2012; Niosi & Tschang, 2009; Sun, Peng, Ren & Yan, 2010). A prominent feature of the presented literature is these arrangements have been undertaken in both manufacturing and service contexts within a number of countries that have different cultural priorities. The efforts of these firms to become leading enterprises have led to the development of different global business systems, that have evolved with the availability of technological advances, to enable firms to create processes for knowledge transfer. Throughout the formulations of these networks and operational frameworks the dominant importance of talent management has been identified. Accordingly, the acquisition of skilled managerial talents had been accompanied with a plethora of selection and recruitment practices to obtain, from internal and external sources, talented individuals, who may also occupy positions in talented managerial pools. Often the development of a firm’s global business system could be affected by both internal and external factors.

A holistic framework of two distinct contextual categories, namely the external and internal settings, has been conceptualised from the existing literature. The external features can be broadly categorised as industry type (e.g., service or manufacturing), knowledge transfer as well as cultural nuances, and it is advanced these features impact the internal dimensions of the organisation. These internal elements of talent management, global business system development and global ambition have symbiotic relationships. For instance, it is widely recognised talent management is essential for the development of effective business systems, which in turn provide a pathway to obtain the global ambition of the firm. The importance of these relationships is demonstrated by historical evidence. For example, in the 1970s and 1980s the emerging manufacturing and electronic industries of Japan and South Korea were associated with slow, incremental and organic growth for the acquisition of talent managers, but the accelerated global expansion of the 21st century (that has
been prominent in a variety of Chinese and Indian industries) has urgently transformed notions of how to strengthen practices for attracting valuable human resources.

Currently, the problem of attracting valuable human resource is exposed by the challenging shortage of managerial talents in China and India. Recently, Hechet and Ruet (2009) stated that Chinese ECMs often suffer from a limited number of trained international managers, while Lou and Tung (2007) indicated Chinese ECMs not only suffer from a lack of global experience, but also a lack of managerial competence and professional expertises. Moreover, a number of Indian ECMs are facing difficulty in finding replacement managers (Jonsson, 2008), a phenomenon of a particular crisis in Indian IT firms. Arguably, the lack of managerial talents in these two nations will have a negative impact on their development of global business systems, which in turn will influence corporate global ambitions. Accordingly, to test these assumptions a research model has been developed from the advanced literature and this is presented as Figure 2.1.

**RESEARCH MODEL UNDERPINNING**

The study research model, which is presented as Figure 2.1, was derived from a review, interpretation and integration of the presented relevant literature. Figure 2.1 contains four main sets of variables. These are shown at a lower level in Figure 2.1 from left to right as the variables of talent management, global business system development and global ambition. It is presented in Figure 2.1 these variables are mediated by a cluster of mediating variables that are illustrated at the top of the model, which is the fourth main set of variables. Within these four sets of variables there are a number of constructs, which are identified by bullets (●). It is forecasted in Figure 2.1 that talent management is likely to have an impact on the global business system development of ECMs from China and India. In turn, the global business system development of a corporation has potential to affect the global ambitions of the organisations in these two nations. The research model also contains a cluster of mediating variables, including industry type, knowledge transfer and cultural priority.
A feature of the research model is the presentation of three main sets of hypotheses, and each one is shown in Figure 2.1 as arrow headed lines. Each set of the arrow headed lines encapsulates a number of hypotheses. It is predicted in Figure 2.1 the arrow headed lines between talent management, global business system development and global ambition are mediated by industry type, knowledge transfer as well as cultural priority. The arrow headed line between talent management and global business system development contains 12 main hypotheses. It is predicted selection and recruitment is associated with 1) innovative activities, 2) productive activities, and 3) customer relationship activities. Also pools of talents are linked with 1) innovative activities, 2) productive activities, and 3) customer relationship activities. As there are four main constructs of the variable of talent management, that are predicted to have relationships with the three main constructs of the global business system development the arrow headed line on the left side of Figure 2.1 represents 12 hypotheses, while the right hand arrow headed line of Figure 2.1 predicts a further 12 different hypotheses. For instance, it is forecasted in Figure 2.1 that innovative activities are correlated with the construct of global player, regional player, global exporter, and global sourcer. And the productive activities are predicted to be associated with the constructs of global player, regional player, global exporter, and global sourcer. The mediating variables of industry type, knowledge transfer, and
cultural priority are hypothesised to mediate the 24 main hypotheses, which are presented as two horizontal arrow headed lines in Figure 2.1. Thus, overall Figure 2.1 contains 72 hypotheses (i.e., 24 main × 3 mediating). At the close of the Chapter, a summary of the study hypotheses is presented as Table 1. Specification of the variables and their contained constructs follows.

Variables
A detailed explanation of the study variables is presented in sequence. This study employs three main types of variables, including talent management, global business system development as well as global ambition. In addition, this study also employs a set of mediating variables, including industry type, knowledge transfer as well as cultural priority. The research model variables were identified from reviewing and integrating the relevant literature. This study intends to examine whether talent management philosophies and practices affect global business system development, and in turn the extent these global business systems impact on the global ambition of the studied Chinese and Indian ECMs. Furthermore, the relationships among talent management, global business system development and global ambition are predicted to be influenced by the mediating variables and these influences will be examined. For the purpose of brevity, the study variables are discussed in the follow sections, and talent management is delineated first.

Talent Management
The notion of talent management (TM) has been defined in four discrete streams. Reviews of the relevant literature by a number of social scientists (Byham, 2001; Chowanec & Newstrom, 1991; Heinen & O’Neill, 2004; Hilton, 2000; Mercer, 2005; Olsen, 2000) revealed TM was practiced as a collection of typical human resource department practices, functions, and specialist areas such as recruiting, selection, and career succession management. Understandably, these activities were built on the core functions of earlier human relations departments, which was prior to understanding the importance of integrating human resource capacity with the core functions of the organisations. Drawing together these several contributions Lewis and Heckman (2006) added to this knowledge when they identified three distinct streams of TM as 1) a collection of typical HRM practices, 2) a general classification of employees into different talent groups, and 3) a concept of internal talent pools.
Support for the notion of different talent groups of managers and employees was provided by Tarique and Schuler (2010), and others (Michaels, Handfield-Jones & Axelrod, 2001; Smart, 2005), who viewed managers and employees as high potential assets, and sought after human resources, irrespective of the organisational needs. The third stream of TM as a concept of internal talent pools, high performing and high potential talent or the mobilisation of talent in general, found support from a number of prominent scholars (Barlow, 2006; Groves, 2007; Jackson & Schuler, 1990). This third stream identifies the importance of succession planning for the personnel flow of the talented employees or managers (Boudreau & Ramstad, 2005; Bryan, Joyce & Weiss, 2006). More recently, a fourth emerging research stream has been advanced by Collings and Mellahi (2009), who suggested that TM may be considered as the identification of pivotal positions within an organisation, as these positions are likely to have a significant impact on the competitive advantage of the company.

Despite these considerable efforts the examination of the concept of TM is in an embryonic stage. The notion is not well grounded in research, and in fact considerable knowledge about TM has been based on anecdotal evidence (Lewis & Heckman, 2006). Moreover, a large number of studies have not clearly differentiated the concept of TM from traditional HR practices or disciplines, and there have been calls for a comprehensive and empirical examination of TM in relation to its process (Burbach & Royle, 2010). Presented in Table 2.1 is a summary of the central pillars of the literature, that elucidates the four research streams by reference to a number of key articles revealing the milestones of the development of the TM relevant research contributions.
Table 2.1
Overview of the Four Research Streams Concerning TM

<table>
<thead>
<tr>
<th>Research Streams</th>
<th>Authors</th>
<th>Definitions</th>
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| TM as a collection of typical HRM practices           | Byham (2001)  
Olsen (2000)  
McCauley & Wakefield (2006, p.4)  
Bhatnagar (2007, p.641) | TM has been commonly referred as a collection of HRM functions and practices, including recruitment, selection, development and succession planning. Talent management processes include workforce planning, talent gap analysis, recruiting, staffing, education and development, retention, talent reviews, succession planning, and evaluation. The various aspects of talent management are recruitment, selection, onboarding, mentoring, performance management, career development, leadership development, replacement planning, career planning, recognition and reward. |
| TM as internal pools of talent & succession planning  | Jackson & Schuler (1990)  
Bryan, Joyce & Weiss (2006, p.99)  
Gandz (2006, p.1) | Refer TM as an architecture where a set of processes are designed to ensure there are an adequate number of employees for jobs within an organisation. Effective resource allocation means unleashing the value of talent by mobilising talented people for the best opportunities. Talent development requires more than engaging in traditional succession planning. Talent rich organisations [. . .] look at cadres of talent at different levels in the organisation. From this group they will select a few people to be organisational leaders. |
| TM as a categorisation of talent                      | Michaels, Handfield-Jones & Axelord (2001, p.126) | Differentiation means assessing the performance and potential of your people and then giving them [. . .] promotion, compensation, and development opportunities. It means investing in the A players, affirming B players, and acting decisively on C players.                                                                                                                                 |
| TM as the identification of pivotal talent positions  | Collings & Mellahi (2009, p.305) | Strategic talent management are the activities and processes that involve the systematic identification of key positions which differentially contribute to the organisation’s sustainable competitive advantage, the development of a talent pool of high potential and high incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organisation. |

Selection and recruitment
The importance of selection and recruitment has intensified with obligations to ensure an adequate flow of talented personnel in contemporary competitive organisation. In earlier eras the activities of selection and recruitment were often
conducted in face to face contexts with paper systems, whereas today TM is being acknowledged as a trendy term or euphemism of HRM within frameworks involving modern technology (i.e., computer, software, and internet), that have transformed how these important HRM functions are practiced. Furthermore, Sweem (2008) suggested that “Many companies consider TM as an overarching recruitment tool that utilises technology to assist in identifying the correct resources.” (p.5). The evolution of these new systems is linked with their purpose, which has been succinctly stated by Blackman and Kennedy (2008), and Sechweyer (2004), who have argued that TM is different from traditional HRM practices as it is more strategic orientated with a future focus that specifically aligns with a company’s overall strategic goals. Selection and recruitment practices have become dominant in corporate operations (Hsiao, 2009), as they have the potential to facilitate the identification of the better and more appropriate individuals for an organisational position (Lawler, 2002). This contention was recently reported by Wu (2008), who wrote “An appropriate selection mechanism strategically supports business activities by developing a group of managerial staff and setting a high company recruitment standard, which consequently, gain a good reputation.” (p.173). Given Chinese and Indian ECMs are in highly competitive business environments, and would have a strong interest in acquiring talented employees, it is reasonable to assume that selection and recruitment procedures play a significant role in the development of TM within the investigated Chinese and Indian ECMs in this study.

Pools of talent

Pools of talent, identified by Lewis and Heckman (2006) as talent groups, enable organisations to ensure an adequate flow of suitable employees throughout the life of the organisation (Kesler, 2002; Pascal, 2004). For example, an organisation might require a number of accountants, a set of scientists, or a group of teachers in order to operate their global business system development in the pursuit of the global ambition of the company. Undertaking this important task, traditionally referred to as manpower or workforce planning (Mellahi & Collings, 2010), places emphasis on activities such as predicting, modelling as well as supporting an adequate HR flow throughout the organisation (Burbach & Royle, 2010). These activities incorporate recruitment, selection and succession/career planning when addressing projected resources for corporate ambitions “... and managing the progression of employees
through organisational positions.” (Lewis & Heckman, 2006, p.140). A feature of these TM processes is a focus on internal pools of talent of an organisation instead of the external labour market (Boudreau & Ramstad, 2005; Bryan, et al., 2006; Hartmann, et al., 2010). The identification of these internal pools of talent is important for managers so that they can gain a comprehensive understanding of the internal workforce when developing TM, and mobilising these resources for achieving global ambitions (Schweye, 2004).

Talented pools
While the notion of talented pools is appealing implementation of the concept has practical boundaries. On the one hand, identification of employee talent and providing relevant opportunities for implementation can be theoretically justified (Stahl, et al., 2007). On the other hand, there are many impersonal types of work setting, which are mutually exclusive of personal competencies, and these barriers prevent competent performance (Gladwell, 2002). And although Michaels, Handfield-Jones, and Axelrod (2001) as well as Smart (2005) argued that TM can be viewed as classifying managers or employees into top, middle and lower performers, and often top performers are the focus of an organisation in undertaking further developmental activities, this position ignores the importance of organisational attributes. Moreover, Collings and Mellahi (2009) demonstrated that organisations should pay attention to high potential and high performing employees, as this approach is likely to facilitate a more effective and efficient use of organisational resources, a contention which fails to acknowledge significant changes to business processes and reconfiguration of core practices. The more popular configurations of talented pools is the notion these groups are highly competent performers with different skills, who are sought, hired, and differentially rewarded regardless of their specific role, and are managed as talented pools rather than succession pools (pools of talent) for specific jobs (Lewis & Heckman, 2006). A talented pool of employees, which collectively has all the requisite skills and competences to complete a project, can be a powerful organisational instrument for gaining international competitiveness.

Pivotal talents
In examining the concept of TM, a number of researchers (Boudreau & Ramstad, 2005; van Dijk, 2008) have demonstrated the importance of pivotal position creation
within an organisation. For instance, during periods of institutional reorganisation or reframing the pivotal managers, who are generally referred to change masters, can be most useful when identifying and exploiting a myriad of opportunities to focus on core business activities during the transition. The identification of pivotal positions is likely to have a substantial implication on the competitive advantage of the firm (Boudreau & Ramstad, 2005; Huselid, Beatty & Becker, 2005). According to Collings and Mellahi (2009) the use of ‘pivotal’ is adapted to express “… the marginal impact of resources, activities and decision on value to the organization.” (p.4). Arguably, the identification of key positions may act as a priority activity of TM, and subsequently, talented managers or employees will be identified and developed to take the previously nominated pivotal talent positions within an organisation (Hartmann, et al., 2010). Although a considerable amount of attention is devoted to the understanding of TM, relatively limited studies has been reported of firms that do use TM in an effective manner (Cappelli, 2008; Cohn, Khurana & Reeves, 2005; Mäkelä, et al., 2010; Scullion & Collings, 2006; Sparrow, Brewster & Harris, 2004). Therefore, a more strategic and broad based analysis of TM is required (McCauley & Wakefiled, 2006), and the decision was made to include the four perspectives of TM so that a comprehensive understanding of TM in relation to global business system development within the Chinese and the Indian ECMs (that were studied) can be gained.

**Global Business System Development**

The development of a global business system requires organisations to comprehensively examine their value chain. According to Lasserre (2007), a global business system can be referred as a company’s effort in dividing its value chain into elements that are spread and integrated both domestically and internationally. Often the development of a global business system involves building and developing capabilities to optimise a company’s synergies in order to compete successfully on a global scale. In other words, an organisation’s global business system refers to investments made in resources, assets as well as competencies to create a global value chain, and global capabilities through partnership such as alliances and acquisition (Humphrey, 2004; Lasserre, 2007). When explaining the notion of a global business system it is often linked to an organisation’s value chain. Though the value chain is different across industries, companies often adopt three main generic
components/activities of a value chain, such as 1) innovative activities, 2) productive activities, and 3) customer relationship activities (Lasserre, 2007). Along a value chain, these activities are employed by a company in order to design, produce and deliver the value added products or services to the customers and often companies deploy resources, assets as well as competencies to facilitate these activities (Gereffi & Fernandez-Stark, 2011; Morrison, Pietrobelli & Pietrobelli, 2006).

Innovative activities

Innovative activities of firms can take many forms, and as a business strategy innovation has the potential to improve organisational flexibility, competitive position as well as performance (Jiménez-Jiménez & Sanz-Valle, 2008; Nooteboom, 1999; Roberts, 1998; Tanner, 1998; Utterback, 1994; Van de Ven, 1986; Wolfe, 1994). From a broad perspective, Hovgaard and Hansen (2004) suggested that innovative activities are products (e.g., new product development), processes (e.g., adoption of new or improved processing technologies) as well as business systems such as management and marketing. Further contribution is given by Jiménez-Jiménez and Sanz-Valle (2005), who stated innovative activities, can be achieved in a number of ways including product/service quality and price, brand and product image, and customer service. Also an organisation’s innovative activities may take place in the form of distribution channels, firm productivity, staff qualifications, technology as well as product innovation (Dess & Davis, 1984; Segev, 1989). More narrowly focused is the perspective offered by Lasserre (2007), who suggested that the classification of innovative activities is determined by R&D, knowledge, creation as well as design. The importance of innovative activities in the development of a global business system has been further advanced by referring to the global competitiveness of an organisation. This point was made by Porter (1998) over a decade ago when he reported innovation is often referred to as an important source of competitiveness when companies can enhance market opportunity to gain advantages such as new customers, better organising and conducting value adding activities in novel ways. Overall, the implementation of innovative activities has an impact on a firm’s global business systems development. Focus for this contention has been given by Chesbrough and Rosenbloom (2002), who suggested firms need to define and assess their value proposition so that a comprehensive global business system can be created within the competitive environments.
Productive activities
To compete successfully in today’s global marketplace companies not only need to effectively manage their innovative activities, but also pay attention to their productive activities. “A productive activity is viewed as a chain of many parts ranging from design to use by the final customer.” (Bradley & O’Reágáin, 2001, p.23). According to Lasserre (2007), productive activities include procurement, manufacturing, back office, operations and logistics, and these activities as parts of the value chain can have a significant impact on the competitiveness of a company. For example, a number of researchers in the 1980s have indicated the strategic importance of procurement towards an organisation’s competitiveness (Kraljic, 1983, Porter, 1985; Speckman, 1981). In addition, Thomas and Griffin (1996) demonstrated that companies throughout the world would need to consider several key areas that relate to productive activities, such as management of materials or more commonly referred to as procurement, in order to sustain their competitiveness. Moreover, Stock, Greis and Kasarda (1996) indicated that productive activities such as logistics are often considered as a high strategic priority of enterprises, because logistics have been regarded as a mechanism that integrates geographically dispersed elements of the enterprise. Arguably, the development of a global business system is likely to be impacted by the productive activities of a company. However, the driving forces, such as advanced technology, may have shaped organisations’ global business systems in the practices of procurement techniques. Furthermore, Jain and Benyoucef (2008) suggested that organisations worldwide have been pressured by the global competition and the demands from customers, and consequently, these enterprises may need to think of alternative operational ways so they can compete simultaneously on product/services prices and quality. Such actions may have a potential impact on the productive activities, and in turn may influence the global business system development of these companies.

Customer relationship activities
Understanding and managing customer relationships has become an important activity within organisations throughout the world. Indeed, more firms have realised customer relationship activities contribute to different economic value to the companies (Anvari & Amin, 2010). For example, Zhang, Wang, Dong and Yao (2005) have demonstrated “… managing customers by leveraging effective customer
relationship management activities has been a sustainable source for competitive advantages in hypercompetitive environments.”(p.126). More specifically, organisations that build customer relationships are likely to increase the level of customer satisfaction, and subsequently, establish long term beneficial relationships (Berry & Parasuarman, 1991; Czepiel, 1990). To undertake customer relationship activities employees play a significant role, because customer relationships are more likely to be formed with individuals, who represent the organisations rather than with goods (Berry, 1995). Often organisations would invest a considerable amount of resources in attempting to understand their own talents’ or employees’ needs and aspirations so that the expectations of the customers could be met, and in turn form customer relationships. Customer relationships are the most important component of any business endeavour, which requires organisations to conduct extensive research to gather information to satisfy the needs, expectations as well as perceptions of their present and prospective customers (Kandampully, 2007). Indeed, Lasserre (2007) suggested information regarding both employees and customers may be collected through customer relationship activities in marketing, sales, distribution, and customer services. It could be argued that this information may have a significant impact on the development of a firm’s global business systems, and in turn affect their global ambitions.

Global Ambition

Forces of globalisation have influenced the global ambition processes of Chinese and Indian ECMs. In an earlier investigation Liu and Li (2002) identified traditional Chinese companies internationalise their operations mainly through horizontal foreign investment when some production processes were outsourced overseas. Overtime, external driving forces, such as large consumer markets and lower transportation costs, have encouraged Chinese ECMs to predominately shift investment into backward and forward vertical FDI (Protsenko, 2003) with few examples of horizontal expansion abroad (Kumar & Chandha, 2009). For example, in the Chinese steel industry the supply of inputs (iron ore) from external markets to the parent company in China is backward FDI, while overseas consumption of the home market production of steel, motorcars and house appliances is forward FDI. Conversely, Indian ECMs have intensified their investments in a broad range of overseas production and service sectors (e.g., steel, pharmaceuticals, and IT) when
engaging in horizontal venturing (Athreye & Kapur, 2009) in the development of their global ambitions. Defining the concept of global ambition was coined by Lasserre (2007) when he wrote “… the role a company wants to play in the world marketplace and how it views the future distribution of its sales and assets in the key regional cluster of the world.” (p.37). He further delineated this notion of company global ambition by the Global Revenue Index (GRI) and the Global Capability Index (GCI). In practice, an organisation’s GRI is determined by sales distribution of 30 per cent in each of the three regional marketplaces (North America, Europe and Asia), and 10 per cent in the rest of the world to the industry’s distribution of demand in the same regions. Similarly, the GCI represents a company’s assets or personnel distribution and is assessed by the same parameters. Further specifying the construct of organisational global ambition has led to how the company can distribute sales and assets in key regional clusters of the world in terms of global player, regional player, global exporter as well as global sourcer. A detailed discussion of each of these roles that contribute to global ambition is presented in the following section.

Global player

Global players have been identified as companies operating in their home countries, but with a large part of their income from international markets. Nevertheless, while the term of global player has been widely used in the business and economic literature the definition has yet to be more clearly defined. According to a report in the reputable Financial Times (1997) global players or global companies have been generally regarded as organisations that either operate, or actively desire to operate on a global scale, and their ambition is to establish a global market position rather than just local or regional penetration. Greater delineation was subsequently given by Siehler (1999), who indicated that “A global player is one who is skilful and practised in his business and regards the whole world as his playing field.” (p.2). Further advancement was provided by Lasserre (2007) when he contented companies that want to become a global player often seek to establish a sustainable competitive position in the key markets of North America, Europe, Asia and the rest of the world and in the meantime to build an integrated global business system to operate within those key markets. Recently, Rugman and Verbeke (2008) claimed a global player is regarded as a firm that has less than 50 per cent of sales in the home triad region (America or Europe or Asia-Pacific), and at least 20 per cent in each of the two other
Regional player
Organisations that have prominence in one of the four global arenas have been identified as a regional player. Indeed, Rugman and Verbeke (2004) categorised regional based players as home region oriented, bi regional, and host region oriented. For these authors, the home regional firms are those that have greater than 50 per cent of sales in the home region, bi regional firms have been referred as companies that have less than 50 per cent of sales in the home region, and greater than 20 per cent in another region of the triad. Independently, Rugman (2005) classified host region oriented firms as a special form of a bi regional firm. A caveat of this classification is that a host region oriented firm has more than 50 per cent of sales in a triad market of America, or Europe or the Asia-Pacific (Rugman, 2005) other than their home region. This perspective contributes to an earlier suggestion by Ohmae (1985), who did not anticipate the extension of the core triad (e.g., US, EU and Japan) (Rugman, 2000) to the broad triad of NAFTA, the expanded EU and Asia. Clearly, capturing the essence of a non home triad market is warranted. The integration of these concepts is embellished by Lasserre (2007), who advances a regional player can be referred to as a company that has ambition to capture a strong competitive advantage in one of the key regions of North America, or Europe or Asia or the rest of the world.

Global exporter
One of the vital components that represent a country’s economic growth is the international exporting activities. Indeed, exports have been a central feature of the economic growth of both China and India. Exports have contributed significantly to the growth of the Chinese economy, and more recently, India’s economic growth has also been influenced by their exporting activities (Athreye & Kapur, 2009). For example, Finfacts (2005), and Williams (2005) have indicated during the first half of 2005 China has become the world’s third largest exporting country after Germany and the United States when the exports reached a record of US$342 billion. In December 2009, the state media has reported that China’s export rose 17.7 per cent, and according to the BBC News (2010), China has surpassed Germany and become

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the second largest exporting nation in the world. Arguably, the strategic ambitions of many Chinese ECMs, which engaged in labour intensive industries, are exporting oriented. Exporting diversification was not an option for many Indian ECMs as a large number of the ECMs from India are involved in capital and skill intensive industries (Athukoralia, 2009). For many Indian ECMs, they have built the services sector for exports (Chhibber, 2008). It, therefore, can be argued that many ECMs from China and India would consider their strategic ambition as global exporters, but with a different industry focus. Overall, global exporters define their roles as to sell home products or services across the four key international markets of North America, Europe, Asia and the rest of the world (Lasserre, 2007).

Global sourcers
While for some ECMs their ambitions are to become global exporters, others would argue their strategic ambition is to become global sourcers. According to Lasserre (2007), global sourcers consider themselves as companies that acquire a large proportion of product components in an overseas market, and concentrate sales in their domestic markets. A similar definition was proposed by Westhead, Wright, Ucbasaran and Martin (2001), who identified global sourcers as glocal firms, that sell their products or services in their home markets, but acquire all or some of their supplies from foreign markets. Arguably, some Chinese ECMs are motivated to seek natural resources and raw materials from abroad to secure long term supply contracts with the local demand (Athreye & Kapur, 2009). For example, most investments made by Chinese ECMs in Africa and Latin America were to secure energy resources for domestic supply in China (Nicolas & Thomsen, 2008). More specifically, Kumar and Chadha (2009) indicated the overseas investment of Chinese steel enterprises is motivated by securing domestic supply of raw materials for expanding production of steel within China. Accordingly, these firms may perceive their strategic ambition is to obtain supplies overseas, and focus sales on the domestic markets. Although Indian ECMs were initially driven by securing energy resources, the more recent intention was to search for strategic assets of new technological skills and brands (Huchet & Ruet, 2008). To a large extent many Indian ECMs may not perceive their strategic ambitions as to be global sourcers. However, to valid the assumption this study intends to comprehensively examine how Chinese and Indian ECMs determine their global ambitions.
Mediating Variables

The rapid growth and remarkable internationalisation pursued by the Chinese and Indian ECMs is likely to be affected by industry type, knowledge transfer as well as cultural priority. Jonsson (2008) demonstrated that Indian ECMs are often service oriented firms and their internationalisation strategies may be different compare to the manufacturing oriented Chinese firms. In addition, the international expansion is often facilitated by the notion of knowledge management, as Arogte and Ingram (2000) proposed that knowledge is a critical organisational resource, which is likely to assist organisations to gain competitive advantage. Indeed, Zaidman and Brock (2009) argued that rapid internationalisation requires MNCs to gain more comprehensive understanding of knowledge management in general, and knowledge transfer in particular. Furthermore, the influences of national culture on an organisation’s global operation and management have been widely acknowledged (Chini, 2004, McDermott & O’Dell, 2001; Muhammad & Isa, 2009; Weir & Hutching, 2009). For instance, Weir and Hutching (2005) indicated that “All management behaviour takes place and all management attitudes are rooted in a specific cultural context.” (p.89), and often individual characteristics such as values, behaviours and attitudes are likely to be affected by national cultures (Gooderham, Nordhaug & Ringdal, 1999; Lytle, et al., 1995). Based on these arguments, this study has categorised the industry type, knowledge transfer, and cultural priority as the mediating variables. A more detailed discussion of the mediating variables is now presented.

Industry Type

Organisations operating in manufacturing and service industries are likely to choose different internationalisation strategies. For example, a large number of studies conducted in the 1990s have placed an emphasis on examining the exporting activities of manufacturing firms (Bagchi-Sen, 1999; Boter & Holmquist, 1996; Holmlund & Kock, 1998; Philp, 1998), and a particular focus was also devoted to those manufacturing technology based products (McDougall & Oviatt, 1996). In addition, by studying 140 Swedish firms in the service industry, Blomstermo, Sharma and Sallis (2006) found service firms are more likely to choose high control entry modes such as wholly owned subsidiary or majority owned subsidiary to enter a foreign market. A distinct feature of entry mode choices between manufacturing
firms and service firms may be determined by the unique characteristics of both products and services (Erramilli, 1990; Grönroos, 1999; Hill, 1977; Jiang 2009; Zeithaml, Parasurenman & Berry, 1985). For example, Lovelock (2001) indicated that “A service is an act or performance offered by one party to another, although the process may be tied to a physical product, the performance is essentially intangible and does not normally result in the ownership of any of the factors of production.” (p.3).

Several fundamental differences between services and tangible products have also been identified in the literature (Bateson, 1977; Edvardsson, 1993; Grönroos, 1999; Lovelock, 1996; Lovelock & Yip, 1996; Zeithaml, et al., 1985). For instance, intangibility, inseparability, heterogeneity, and perishability are four key characteristics that differentiate services from tangible products. Among these four characteristics, intangibility is the essential aspect in distinguishing the unique differences of the service sector from manufacturing industries (Bateson, 1977; Enderwick, 1992; Zeithaml, et al., 1985). Furthermore, inseparability has been identified as the main characteristic in determining the differences between services and goods. Investigation of these notions was undertaken in an empirical study conducted by Erramilli (1990), who has classified services into hard services and soft services. Hard services were considered to occur when production and consumption of a service can be fully decoupled from each other, such as software support or design. In contrast, when the production and consumption occur simultaneously, soft services emerged, such as advertising or fast food franchises. Due to the unique characteristics of services, the Chinese and the Indian ECMs in service related industry are likely to express different internationalisation approaches when developing global business systems to expand to the international markets.

Uncertainties regarding how well traditional theories of internationalisation apply to service companies remain as an interesting topic in the literature (Bouquet, Hébert & Delios, 2004; Lannti, McDougall & Baume, 2009). Some studies (Agarwal & Ramaswami, 1992; Terpstra & Yu, 1988; Weinstein, 1977) have demonstrated that existing FDI theories of internationalisation, that were developed based on manufacturing industries, could be utilised for explaining FDI activities of firms from services industries. However, due to the distinctive characteristics of services,
when applying the existing theories of internationalisation to MNCs from service industries caution is required. Others (Ekeledo & Sivakumar, 2004; Erramilli, 1990; Erramilli & Rao, 1990; 1993) have argued that a substantial modification is required when applying the theories of internationalisation, that have been developed based on manufacturing firms to services firms as services firms can be divided into both hard and soft services. Another notable issue is despite a large number of studies being conducted to explore FDI flows and overseas mergers and acquisitions among MNCs in developed countries, including the USA, Japan, Germany and the UK (Carr & Garcia, 2003; Dick & Merrett, 2007; Larimo, 2003), there is absence of a comprehensive investigation in the rapidly growing markets of Asia, and particularly China and India. Hence, this study is likely to add to the existing knowledge of how industry type affects the Chinese and the Indian ECMs in developing their global business systems to reach global ambitions.

**Knowledge Transfer**

While the impacts of industry type to the pursuit of global ambitions of Chinese and Indian ECMS have been acknowledged, there is a lack of understanding on how knowledge is transferred between global nodes (Pradhan & Singh, 2009; Wang-Cowham, 2008). According to Hsu (2008), research on knowledge management has largely focused on MNCs from developed economies, that have been commonly referred as triad counties (e.g., Japan, North America and Western Europe). Although contemporary studies have tried to gain understanding of the knowledge management in firms from Asia Pacific region (Hsu, 2008; Pradhan & Singh, 2009), the shortage of literature on knowledge management (particularly in addressing the notion of knowledge transfer) is limited in the Chinese and Indian contexts. Consequently, a need to consult the existing literature of knowledge transfer developed among MNCs from developed economies to further strengthen the understanding of knowledge transfer approaches that were adapted by Chinese and Indian ECMs is emerged.

The concept of knowledge transfer has been widely examined. According to Polanyi (1966), knowledge can be objective/explicit and experiential/tactic. Objective/explicit knowledge can be best described as knowledge that can be expressed either verbally or in writing, and thus, can be transferred in the form of
data, such as mail and reports (Holtbrügge & Berg, 2004). Pedersen, Petersen and Sharma (2003) point out explicit knowledge is more likely to be transferred though written or electronic media as this approach can enable a large amount of information to be easily transmitted, whereas personal transfer mechanisms are costly due to travel expenses and foreign delegations. Holtbrügge and Berg (2004) also highlight that information stored in an electronic form allows “… permanent access irrespective of space, time and context.” (p.136). In contrast, experiential/tactile knowledge is implicit, and cannot be codified, this type of knowledge is likely to facilitate organisations to generate distinctive competitive positions in an overseas market (Gooderham, 2007). Furthermore, experiential/tactile knowledge is difficult to formalise and to communicate. Hedlund and Nonaka (1993), and Nonaka and Takeuchi (1995) indicated tactic knowledge is deeply rooted in individual experiences, which often engage personal beliefs, perspectives and value systems. Also, Holtbrüggeand and Berg (2004) documented that the transfer of experiential or tacit knowledge often requires face to face interaction, and hence, this type of knowledge is more likely to be transmitted through personal transfer mechanisms in the form of international transfer of managers.

Previous research acknowledges knowledge transfer across managers is an important feature that contributes to corporate competitive advantage. Consequently, organisations invest in activities such as managerial development programmes that are likely to provide solid bases for acquiring benefits and capabilities for knowledge value creation (Rick, Weber & Camerer, 2007). These programmes, that stress the importance of knowledge management, are undertaken on realisation the way information can be transferred may be based on rules or procedures (know how) that are often unconsciously held and difficult to articulate (Kogut & Zander, 1992). In contrast, knowledge based on retrievable facts (know what) is more easily consciously disseminated to influence the interaction between organisational structures and members (Rulke & Galaskiewicz, 2000). Therefore, the intention of this study is to specifically examine how the studied Chinese and Indian ECMs approach knowledge transfer between global nodes.
Cultural Priority

The importance of culture to an organisation’s operation and management has been acknowledged (Bond, 1991; Lo, 1997; McDermott & O’Dell, 2001; Muhammad & Isa, 2009; Pun, Chin & Lau, 2000; Su, Zhang & Hulpke, 1998; Watt, 1999). According to McDermott and O’Dell (2001) culture, which can be referred as a system of beliefs, are deeply rooted within a society, and are likely to be reflected in the behaviours of its organisations and people. There are two main perspectives in relation to the issue of culture (Cunnigham, Rowley & Poon, 2008). On the one hand, there is a viewpoint how organisations undertake to develop distinctive global business systems to reach global ambitions are likely to be caused by the characteristics of national and institutional systems (Hofstede, 2001). This notion has been commonly referred as the divergence viewpoint. The divergence perspective is consistent with the dominant view of some cross cultural theorists including Hofstede (1980, 1991) and Adler (2002), who propose that culture is deeply rooted, and all management practices are in large part culturally determined. On the other hand, companies may lose their national characteristics due to the forces of globalisation (Pauly & Reich, 1997), which may create a homogenised culture of business systems nationwide to affect the development of a business system as well as global ambitions. Often this phenomenon (Friendman, 2005; Sanyal & Guvenli, 2004) has been regarded as convergence perspective, and it could be caused by several economic phenomena such as the advent of the Internet, and relatively cheaper telecommunication costs. Nevertheless, researchers (Farh, et al, 2000) have demonstrated traditional management practices are entrenched in Asian social values. Indeed, Neelankavil, Mathur, and Zhang (2000) have presented arguments based on the historical background differences, such as management behaviours exist in Asian cultures, and such differences may lead to diversity in managerial orientations. Consequently, different philosophical perspectives and understandings may have different impacts on the development of a firm’s global business systems in achieving strategic orientations, and this study intends to examine whether culture facilitates or hinders Chinese and Indian ECMS to reach their global ambitions. Subsequently, it is reasonable to assume that a hybrid management system, namely the crossvergence perspective proposed by Ralston, et al. (1993) may provide a more balanced perspective in explaining global business systems within Chinese and Indian ECMs.
HYPOTHESES

Talent management underpins the implementation of integrated strategies or systems of a particular organisation, and in turn affect the development of global ambition. In fact, being a primary driver of organisational success, TM plays a critical role in a competitive marketplace (Lockwood, 2006). In addition, D’Annunzio-Green (2008) argued TM has the potential to not only strengthen organisational capacity, but also drive business priority. To deliver effective global business processes to reach global ambition TM can be seen as an organisational mechanism for facilitating a global business system development. Despite the contention TM shapes the competitive nature of an organisation there is a lack of understanding of the theoretical development of this concept, particularly in the global context (Farndale, Scullion & Sparrow, 2010). More specifically, it is necessary to examine and clarify the possible connections among the variables of TM, global business system development as well as global ambition. Further, a related issue is whether the predicted relationships will be impacted by a set of mediating variables, and this contention requires more attention. There is, therefore, considerable interest in the investigation of the hypothesised relationships among the study variables of the research model that is presented as Figure 2.1. In the following section, a more detailed delineation of each hypothesis is presented, and the relationship between TM and global business system development is documented first.

Talent Management and Global Business Systems Development

TM underpins the success of the global business system development of a MNC. The importance of TM to an organisation’s success has been widely recognised by researchers (Boudreau, 2005; Hartmann, et al., 2010), who contended TM plays an essential role in facilitating an organisation’s global business system development, in particular innovation activities. Indeed, executives across the globe have overwhelmingly realised TM is a key to innovation ability (Economist Intelligence Unit, 2009). A report authored by Knowledge Infusion (2006) has documented that TM is likely to lead to higher level of organisational performance such as increased innovation. One of the main objectives of this study is, therefore, to comprehensively investigate in what way if any TM can affect the global business system development of the studied Chinese and Indian ECMs.
Selection and Recruitment and Innovative Activities

A number of studies have indicated that human resource management is an important factor in building successful organisational innovation (Galbraith, 1984; Jiménez-Jiménez & Sanz-Valle, 2008; Seale & Ball, 2003; Selvarajan et al., 2007; Vrakking, 1990; Walsworth & Verma, 2007; Zanko, Badham, Counchman & Schubert, 2008). In fact, Vrakking (1990) stated that successful innovation is driven by competent human resources. Studies in the fields of the behavioural sciences (Katz & Kahn, 1978; Jackson & Schuler, 1995) and knowledge management (Darroch & McNaughton, 2002; Forrester, 2000; Hedlund, 1994; Leonard-Barton & Sensiper, 1998; Nonaka & Takeuchi, 1995) have addressed the importance of HRM for innovation. However, a large number of studies in the HRM literature, that addresses the relationship between HRM and innovation, were formulated on a contingent perspective (Jiménez-Jiménez & Sanz-Valle, 2008). Indeed, studies that specifically and empirically examine the relationship between HRM and innovation were lacking (Jiménez-Jiménez & Sanz-Valle, 2005; Laursen & Foss, 2003). Hence, a need to comprehensively examine the relationship between HRM and innovation has emerged, and a fundamental objective of this study is to investigate how HRM practices such as selection and recruitment affect innovation activities within organisations.

There is a general consensus that an innovation strategy could be achieved when HRM practices such as external sources of recruitment were utilised (Gómez-Mejía, Balkin & Cardy, 2004; Jackson, 1987; Miles & Snow, 1984; Olian & Rynes, 1984; Schuler & Sonnenfeld & Peiperl, 1988). According to Kanter (1989), Gupta and Singhal (1993) as well as Mumford (2000), innovation is created through the generation of new and creative ideas, and often managers and employees are the most vital resources to promote creativity and innovation within an organisation. This connotation is further tested by Jiménez-Jiménez and Sanz-Valle (2008), who used structural equations modelling, with data collected from 173 Spanish firms, and concluded there was a positive relationship between HRM and innovation. Furthermore, based on 106 Spanish industrial firms Perdomo-Ortiz, González-Benito and Galenda (2009) observed innovation was positively associated with HRM. More recently, Ling and Nasurdin (2010) studied firms that were located in six states of Peninsular Malaysia and found HRM practices contribute significantly to innovation.
This notion was also supported by Cooke and Saini (2011), who indicated HRM practices were deemed as an important element in providing supports to innovation oriented business strategies. More specifically, the selection of managers or employees based on their polyvalent skills is likely to have a positive contribution towards innovation (Gupta & Singhal, 1993; Jiménez-Jiménez & Sanz-Valle, 2008). Moreover, in a longitudinal study of 22 UK manufacturing firms Shipton, et al. (2005) demonstrated that recruitment exercises such as psychometric tests are likely to increase the possibility of recruiting employees or managers who have the appropriate knowledge and skills, and such action may foster creativity. Integrating the empirical findings of the past 17 years the Hypothesis one is forecasted. 

**H1: Selection and recruitment processes are likely to have a positive impact on the innovative activities of both Chinese and Indian ECMs.**

**Pools of Talent and Innovative Activities**

As part of the succession planning the use of pools of talent (Lewis & Heckman, 2006; Mellahi & Collings, 2010) may have a potential impact on innovation activities within organisations. Hills (2009) suggested that “Succession planning is a smart talent management strategy that can drive retention of talent throughout the organisation – and make sure that the organisation has the skills it needs in place,” (p.8), and such action may enable organisations respond quickly to uncertainties in the global marketplace. More specifically, succession planning can be viewed as an organisational tool, which assists managing the talent pipeline, and identifying the quantity and the quality of executive leaders (Barnett & Davis, 2008). Arguably, executives within organisations are identified as key facilitators in spearheading innovation (Skarzynski & Gibson, 2008). Indeed, Flood, et al. (1997) suggested a company’s commitment to innovation is directly affected by its top management. Furthermore, Fees and Taherizadeh (2009) stated that top managerial engagement and commitment play a critical role in successfully implementing innovation. Based on the literature, it could be contended that top management not only provides the function of supporting innovation activities, but also directly affects its implementing processes within organisations.

Efficacious innovation activities and an effective succession planning systems are symbiotic. Tapping into a globally diverse pool of talents may assist organisations to
realise the importance of succession planning. In other words, a globally diverse pool of talent is likely to provide organisations with more opportunities to not only upgrade their knowledge base, but to also enhance their innovation capabilities simultaneously (Baba, Gluesing, Ratner & Wagner, 2004; Earley & Gibson, 2002; Hitt, Dacin, Tyler & Park, 1997; Zahra, Ireland & Hitt, 2000). The underlying argument can be further advanced as the more diverse the pool of talents, the more MNCs are able to adapt to local needs, learn new skills and promote innovative activities in the global marketplace (Mellahi & Collings, 2010). According to Farazmand (2004), global managers and executives have been identified as the change agents of the future, and they are more likely to increase the possibility of engaging cross national organisational innovation activities. Arguably, succession planning of internal pool of talents (by focusing on the top management level) is critical in the development of an organisation’s global business system, in particular in activities of innovation. Based on considerable evidence presented by a wide spectrum of social scientists it is reasonable to predict that a pool of talents is likely to be associated with innovation activities, and consistent with this proposition Hypothesis two is advanced.

H2: A pool of talents is likely to have a positive impact on the innovative activities of both Chinese and Indian ECMs.

Talented Pools and Innovative Activities

Talented pools have potential to play a significant role in assisting MNCs implement innovation activities in the global marketplace. For example, when MNCs develop new products (Jørgensen, Becker & Matthews, 2009), and improve management processes (Fees & Taherizadeh, 2009), human capital in the form of talented pools play a critical role in producing creative ideas, developing innovative approaches, as well as exerting new opportunities (Scarborough, 2003). Furthermore, the knowledge embedded in groups (pools) of people with talents is likely to encourage firms to not only improve their distinctive competencies, but also to discover potential innovation opportunities (Grant, 1996; Hansen, 1999; Wright, McMahan, Snell & Gerhart, 2001). Accordingly, the recognised important skills and knowledge of talented pools may be considered as keys to successfully facilitate innovation activities of research and development (R&D). The emerging evidence provides foundation for substantiating a viewpoint firms that use HRM practices to acquire strategic
advantage in talent development are likely to enhance their capabilities of undertaking innovation activities.

A large number of MNCs have realised the importance of talent pools for future competitiveness (Mäkelä, et al., 2010). Encouraging advice has been given by Calo (2008), who claimed that the workforce has the potential to drive the knowledge economy ages as often employee knowledge is one of the most strategically significant types of organisational resource. Undoubtedly, organisations throughout the world need to “... proactively anticipate future needs and create an integrated HR architecture that enhances the motivation, commitment and development of those in the talent pool.” (Gandz, 2006; Hartmann, et al., 2010, p.71; van Dijk, 2008). Furthermore, a number of researchers have suggested that training is an important source of developing talent skills and knowledge, and grouping these competencies in teams provides a platform for MNCs to implement innovation activities (Ding & Akhtar, 2001; Galende & Suárez, 1999; Jiménez-Jiménez & Sanz-Valle, 2008; Laursen & Foss, 2003; Mark & Akhtar, 2003; Weisberg, 2006). For example, a great number of leading global corporations invest in departmentalising human resources and encouraging these units to generate new products and novel operating procedures to obtain a competitive advantage (Ling & Nasurdin, 2010). A feature of these organisations is the innovation activities are positively related to HRM practices to create procedures that “… constitute the building of employees’ knowledge and skills…” (Erdil & Günel, 2006, p.99), and in times of organisational exigencies these competencies can be amalgamated to form talented pools for challenging corporate tasks.

A number of social scientists have promoted the notion of HRM reward mechanisms as the foundation for building knowledge capital as an enabler of firm innovation (Abbey & Dickson, 1983; Eisenberger & Cameron, 1996; Lau & Ngo, 2004). Widely recognised is that those corporations with greater innovativeness will be more able to respond to environmental threats (Chen & Huang, 2009). But as innovativeness is dependent on employee competency and institutional bonding (Gupta & Singhal, 1993) firms are framing institutional architectures to encourage the formation of cells of talents (i.e., talented pools) to create new products and services as well as value creation processes (i.e., innovation). Rewards as a strategy
to encompass innovative performance was recognised by Amabile, et al. (1996), who concluded rewards given as a bonus and a confirmation of one’s competencies could potentially enhance creativity. There is scant literature regarding the pooling of knowledge management capacity and its relationship with innovation performance, nevertheless, based on the advancing literature it is postulated that the personnel development, organisational training, and rewarding talented pools are initiatives likely to enhance innovation activities, and thus, Hypothesis three is formulated.

**H3: Talented pools are likely to have a positive impact on the innovative activities of both Chinese and Indian ECMs.**

**Pivotal Talents and Innovative Activities**

The pivotal talents within the TM systems of an organisation play a critical role in facilitating the effective use of resources to develop innovation activities, and improve future performance of MNCs. According to Collings and Mellahi (2009), the emphasis of pivotal talents should be placed on high potential/high performing individuals or top performers that can be either employees or managers who operate in key roles rather than every employee across all levels within the organisation. This approach is likely to enable organisations to use their resources more efficaciously. Furthermore, Collings and Mellahi (2009), and Hartmann, et al. (2010) contended the systematic identification of key positions in relation to the identification of pivotal talents may enhance the possibility of reaching competitive advantage, which in turn may promote innovation activities of the organisation. For example, Morton (2004) referred high potential and high performing incumbents as those “… individuals who have the capability to make a significant difference to the current and future performance of the company.” (p.4). However, intensified competition for such high potential/high performing incumbents or top performers to facilitate the creation of new products and resources poses challenges for MNCs in general, and for the Chinese and the Indian ECMs in particular.

The existence of high potential incumbents or pivotal talents in the global markets is particularly valuable for the future growth of organisations (Iles, 2008). Indeed, Scullion and Collings (2006) and Scullion and Starkey (2000) demonstrated that the management of high potential incumbents, who have been determined as strategic human resources, play a critical role for the corporate HR function of global firms.
Fulmer, Stumpf and Bleak (2009) claimed the need for such high effective individuals or top performers is increasing as these incumbents can contribute significantly to the company’s strategic initiative such as innovation activities. This connotation is supported by Whelan, Collings and Donnellan (2009), and these scholars argued there are a minority of talented individuals, who can potentially contribute to an organisation’s success in innovation activities, but by segmenting pivotal talents organisations may strategically deploy their resources in innovative activities such as R&D. In other words, pivotal individuals play a significant role in assisting innovation activities of organisations. Accordingly, pivotal talent is expected to be positively related to innovation activities and this relationship is shown as Hypothesis four.

\[ H4: \text{Pivotal talents are likely to have a positive impact on the innovative activities of both Chinese and Indian ECMs.} \]

**Selection and Recruitment and Productive Activities**

Recognising the importance of productive activities, that can be treated as a part of an organisation’s global business system, has accentuated the value of TM functions of selection and recruitment. For example, Hughes and Rog (2008) indicated that an effective TM is likely to have an impact on a firm’s success of acquiring talents to facilitate the development of a global business system. Furthermore, the perspective held by Blackman and Kennedy (2008) that TM is a specific technique for attracting and retaining certain HRM practices to address the phenomenon of the global skills shortage is a way for the organisation to acquire knowledge and capabilities for the future. This initial function of selecting and recruiting talents is the beginning phase of an organisational process in the determination of how the global business system of a company is formulated. Further evidence to reveal the linkage between selection and recruitment with productive activities was demonstrated by Koch and McGrath (1996) in a study with 319 firms to emphasise the primary importance of selecting and recruiting the knowledge as a competitive advantage to attain corporate productivity. Accordingly, it is reasonable to assume that selection and recruitment activities are likely to affect productive activities of the organisation, and hence, in line with this rationale Hypothesis five is presented.

\[ H5: \text{Selection and recruitments are likely to have a positive impact on the productive activities of both Chinese and Indian ECMs.} \]
**Pools of Talent and Productive Activities**

HRM related activities such as human resource planning, and succession planning (Hughes & Rog, 2008) are considered as institutional TM vehicle, which are likely to encourage organisations to establish pools of talent. According to Rothwell (2010), “... succession planning occurs when an organization adapts specific procedures to in-sure the identification, development, and long-term retention of talented individuals.” (p.8). Often, TM has been recognised as both a philosophy and a practice within an organisation, and it is both a supporting and implementing commitment shared across all levels within the organisation. Arguably, international organisations need to build pools of talents in order to undertake productive activities such as marketing, but more importantly, the value created products or services need to be delivered by different pools of talents. Accordingly, pools of talent may be positively associated with productive activities within the organisations, and managers within the pools of talent have been regarded as facilitators to ensure productive activities, such as logistics, can be performed when delivering the value added products or services to customers. Based on this discussion, pools of talent are expected to be positively associated with productive activities, and subsequently Hypothesis six is developed.

**H6: Pools of talent are likely to have a positive impact on the productive activities of both Chinese and Indian ECMs.**

**Talented Pools and Productive Activities**

An organisation’s effort of developing and rewarding talented employees or managers is likely to increase their productive activities. Indeed, international organisations may need to integrate TM into their global business strategy as they are considered as the key assets of these organisations (Sweem, 2008). In addition, Guzzo, Jette and Katzell (1985) demonstrated that training of talented managers and employees has contributed significantly to the productive activities of the firms. Moreover, Koch and McGrath (1996) stated firms that systematically train and develop their workers are likely to benefit from more productive workforces. Arguably, when organisations effectively develop and reward their talented employees and managers, the productive activities of an organisation are likely to be stimulated. Furthermore, Collings and Mellahi (2009), Lewis and Heckman (2006), and Hartman, et al. (2010) claim global organisations have realised the knowledge,
skills and abilities of talented personnel are one major and important sources of competitive advantage. Often, internationally competent managers within the talented pools are identified as one of the key components of an organisation’s global business success (Becker, et al., 2004; Black & Gregersen, 1999; McDonnell, et al., 2010; Scullion 1994; 2001; Shen & Darby, 2006; Stroh & Galigiurim, 1998), which in turn have the potential to affect their productive activities. Consequently, the Hypothesis seven is postulated. 

*H7: Talented pools are likely to have a positive impact on the productive activities of both Chinese and Indian ECMs.*

**Pivotal Talents and Productive Activities**

Pivotal talent is a major source of institutional capability influencing productive activities. Recently, Aguirre, Post and Hewlett (2009) acknowledged pivotal individuals can be referred to as incumbents who have specialised skills, knowledge as well as abilities, and consequently these people become a most valuable group of individuals, who may contribute substantially to an organisation’s capability development in achieving corporate strategic objectives. Precedent for these notions was given by Becker, et al. (2004), who stated that future leaders need to not only have capable abilities to understand the complex operational patterns, but also to play key roles in aligning the energy, resources and infrastructure practices across the world when serving diverse global markets. Indeed, a global business system of an organisation focused on how talented managers combine different resources such as human capital into efficient systems of coordinated action within an organisation (Redding, 2002). Therefore, it is reasonable to assume that pivotal talents have a potential to affect the productive activities of the firm, and in turn have implications on the development of global business systems. These notions are promoted as Hypothesis eight.

*H8: Pivotal talents are likely to have a positive impact on the productive activities of both Chinese and Indian ECMs.*

**Selection and Recruitment and Customer Relationship Activities**

Selection and recruitment activities play an important role in corporate operations, and often these HR practices can have a considerable impact on customer relationship activities. An effective selection system has the potential to assist an
organisation in selecting and allocating a competent and qualified workforce to do the required tasks (Chen & Huang, 2009). More specifically, selection practices may enable organisations to choose individuals with appropriate skills and attitudes, and in turn, these individuals build alliances to integrate knowledge from diverse sources (Martinsons, 1995; Scarbrough 2003). Arguably, selection is one of the important practices in facilitating the development of global business systems, especially in the area of building knowledge management capacity (Chen & Huang, 2009). Subsequently, selecting the right incumbents for the right job enables organisations to effectively undertake customer relationship activities, which are important activities in marketing and sales. In addition, recruitment has been determined as an organisational function, which may influence individual job applicant’s attitudes and decision behaviours (Barber, 1998), and, therefore, effective recruitment practices are vital for attracting and hiring talents. This notion is particularly evident for Chinese enterprises (Han & Han, 2009). Often, talents are internal customers, who have strategic implications in delivering value added products or services to external customers. Ultimately, customer relationship activities are built based on the selection and recruitment of competent talents, and hence, Hypothesis nine is predicted.

H9: Selection and recruitment practices are likely to have a positive impact on the customer relationship activities of both Chinese and Indian ECMs.

**Pools of Talent and Customer Relationship Activities**

Understanding the relationship between the pools of talent and customer relationship activities is emerging. The focus on internal pools of talent of an organisation is closely linked with HRM practices of succession planning or human resource planning (Jackson & Schuler, 1990; Rothwell, 1994). In addition, pools of talent are created by organisations to feed particular job classifications, and often this approach places emphasis on individual skills, competencies, and behaviours (Chuai, 2008). This activity is undertaken to ensure a smooth continuity of talented employees into job positions throughout the organisation (Kesler, 2002; Pascal, 2004). When conducting succession planning or human resource planning, organisations are encouraged to include a customer employee linkage. According to Ulrich, Halbrook, Meder and Stuchlik (1991), there is a positive relationship between employee attitudes and customer attitudes. Employees have been referred as diagnosticians,
who can assist their organisations to establish required business policies, practices as well as procedures to meet particular needs and wants of their customers (Schneider, 1994). It is believed employees, who generate goods and services for their customers are likely to be crucial factors in achieving customer satisfaction (Mohr-Jackson, 1991). The use of pools of talent, who have the right competences of knowledge, skills and abilities, may facilitate organisations to not only complete the tasks with customers, but also perform the task more effectively. Therefore, pools of talent are likely to be associated with customer relationship activities, and such arguments provide foundation for Hypothesis 10.

*H10: Pools of talent are likely to have a positive impact on the customer relationship activities of both Chinese and Indian ECMs.*

**Talented Pools and Customer Relationship Activities**

Given the dynamism of customer relationships the strategic planning of talented pools is deemed as one of the priorities that many organisations need to address. This perception is supported by Lubitsh and Smith (2007), and Sandler (2006), who argued that business goals and organisation’s vision could be better achieved if a well designed and executed talent strategy is utilised. Organisations across the world have realised the importance of TM in facilitating their operations and management (Bhatnagar, 2008), and talented pools (as a key component of TM) have become an imperative strategy in promoting customer relationship activities. In fact, Chuai (2008) noted “… an organisation has the right people with the right skills and expertise available at the right time…” (p.26) may contribute to achieve organisational goals, such as building customer relationships. In other words, effective customer relationships are less likely to be built if a limited number of employees are committed to the process (Anvari & Amin, 2010). To create talented pools with committed employees to undertake customer relationship activities, the practice of training is likely to assist individual personnel to offer quality customer services, and in turn improve the overall marketing effectiveness of an organisation (Payne & Frow, 2005). Arguably, employees within the talented pools play a key role in driving customer relationship activities, and based on these arguments Hypothesis 11 is advanced.

*H11: Talented pools are likely to have a positive impact on the customer relationship activities of both Chinese and Indian ECMs.*
**Pivotal Talents and Customer Relationship Activities**

Securing valued customer relationships by recognising the part played by pivotal talents permeates many contemporary corporations. According to Gurău, Ranchhod and Hackney (2003) the main success factors for effectively building and managing customer relationships is bundled with the capabilities of key staff or high potential incumbents. Often the highly skilled individuals have been identified as key contributors when they create values for individual customers, and subsequently affect customer relationships. Indeed, a number of researchers (Cespedes, 1992; Heskett, et al., 1994; Little & Little, 2009; Mohamed, Stankosky & Murray, 2004; Moorman & Rust, 1999) have demonstrated expectations of the customers are likely to be fulfilled when internally coordinated and focused employees pay attention to services quality. In practice, these employees or talented individuals with outstanding competencies and abilities may be seen as a company competitive advantage that has the potential to drive organisations forward (Chuai, 2008). Furthermore, by realising the importance of talented individuals (Jørgensen, et al., 2009), organisations are more likely to effectively formulate and implement the strategic needs of the firm (Deery, Iverson & Erwin, 1994; Guest, 1987; Huselid, Jackson & Schuler, 1997; Iles, Mabey & Roberson, 1990; Meyer & Allen, 1997), and in turn encourage customer relationship activities. These notions, therefore, provide foundation for predicting the following Hypothesis 12.

\[ \text{H12: Pivotal talents are likely to have a positive impact on the customer relationship activities of both Chinese and Indian ECMs.} \]

**Global Business System Development and Global Ambition**

Chinese and Indian ECMs develop global business systems as mechanisms to create pathways for the pursuit of global ambition. Developing the global business system compels organisations to considerably invest in a variety of resources and assets with a great deal of them being deployed to create a global value chain (Lasserre, 2007). A value chain is a set of processes undertaken in a company to give capacity to design, produce and deliver customer expectations (Humphrey, 2004), which requires the adoption of operational procedures to facilitate actions to become 1) innovative, 2) productive, and 3) install customer relationship activities. Managing and organising these activities of the global business system are central pillars for
achieving global ambition (e.g., global player, regional player, global exporter as well as global sourcer) of Chinese and Indian ECMs. Delineating the predicted relationships between global business system development and global ambition are presented.

**Innovative Activities and Global Ambition**

A great deal of research investment has shown international engagement is facilitated by innovative activities. Support for this observation has been documented in several empirical studies (Aw, Roberts & Winston, 2005; Barrios, Grog & Strobl, 2003; Basile, 2001; Castellani & Zanfei, 2006; 2007; Fors & Svensson, 2002) demonstrating innovative activity plays a significant role in the process of international engagement. For instance, by studying 201 Swedish MNCs in manufacturing industry Fors and Svensson (2002) revealed a positive relationship between R&D and foreign sales. Furthermore, based on firm level data, collected during the period of 1989 and 1997, Basile, Giunta and Nugent (2003) observed that the foreign expansion of Italian firms is influenced by their innovative activities. In fact, their study findings show that the degree of involvement in international operations is positively associated with the innovative activities of Italian firms. This viewpoint was shared by Hytti and Stenholm (2006), who contended the growth intentions of small and medium sized Finnish technology firms are often associated with their commitment to innovations and innovativeness. Overall, the empirical evidence tends to provide support that the increasing commitment to international activities is likely to be affected by innovative activities such as R&D.

Another salient contention can be drawn from the literature is that there is a positive relationship between internationalisation decisions and innovative activities. This notion has been explored in an empirical study conducted by Benfratello and Razzolini (2008), where it was observed Italian firms that invest in innovative activities, such as R&D and innovation, are more likely to gain advantages and compete in international markets. Accordingly, firms with higher involvement in international activities tended to have a greater R&D as well as innovativeness (Castellani & Zanfei, 2007). Empirical relationship between internationalisation decisions and innovations has been further investigated by Fallah and Lechler (2008), who contended at an international level rather than from a local perspective,
innovation and internationalisation can have “… a well defined and mutually reinforcing relationship.” (p. 8). Clearly, firms investing in innovative related activities, such as R&D and information communication technology have a greater probability for successful engagement in the global marketplace (Calia & Ferrante, 2010). Drawing on insights from these studies links between innovative activities and dimensions of global ambition are postulated as H13, H14, H15 and H16.

H13: Innovative activities will positively influence both Chinese and Indian ECMs to become global players.

H14: Innovative activities will positively influence both Chinese and Indian ECMs to become regional players.

H15: Innovative activities will positively influence both Chinese and Indian ECMs to become global exporters.

H16: Innovative activities will positively influence both Chinese and Indian ECMs to become global sourcers.

**Productive Activities and Global Ambition**

Although productive activities and global ambition may be related, the issue of whether these aspects will affect the four dimensions of global ambition is unclear. Earlier studies (Kraljic, 1983; Porter, 1985, Speckman, 1981; Stock, et al., 1996; Thomas & Griffin, 1996; Tseng, Yue & Taylor, 2005) have provided findings suggesting a number of productive activities, such as procurement and logistics are important determining factors for promoting the efficiency and competitiveness of a firm. Also, Albino, Kuhtz and Messeni Petrezzelli (2008) have demonstrated that logistics are directly linked to the primary goal of an organisation, which is to conduct value adding activities such as a higher level of customer services and the increased flexibility in response to market demands. Indeed, a great deal of literature (Camuffo, Furlan, Romano & Vinelli, 2007; Ferdows, 1997; Grant & Gregory, 1997; Klassen & Whybark, 1994; Prasad & Babbar, 2000; Shi & Gregory, 1998) has outlined firms need to configure their operations across the globe through several areas including production/manufacturing, logistics, marketing, services, and procurement in order to compete effectively on an international scale. A central theme of these claims is the international competitiveness of a firm tends to be associated with the productive activities.
Studies that conceptually, empirically as well as comprehensively examine the potential impacts of productive activities on reaching global ambition are relatively limited. Despite the research evidence that one element of productive activities (e.g., logistics) has the potential to drive many international business decisions (Wisma, 2008) there is a lack of literature supporting the premise productive activities facilitate global ambitions. In order to make a contribution to the existing knowledge this study is undertaken to determine how productive activities within a particular global business system affect Chinese and Indian ECMS reaching global ambition. This logic provides foundation for scholars to further investigate this relationship. Accordingly, based on the conventional wisdom relationships between productive activities and the dimensions of global ambition are hypothesised as H17, H18, H19 and H20.

H17: Productive activities will positively influence both Chinese and Indian ECMs to become global players.
H18: Productive activities will positively influence both Chinese and Indian ECMs to become regional players.
H19: Productive activities will positively influence both Chinese and Indian ECMs to become global exporters.
H20: Productive activities will positively influence both Chinese and Indian ECMs to become global sourcers.

Customer Relationship Activities and Global Ambition
During the last two decades the notion customer relationship activities within a firm contribute to global ambition has intensified. For example, Lindqvist (1988) has demonstrated the close relationships with customers are likely to enhance the pace and patterns of international market growth. In addition, scholars have argued customer relationships play a dominant role in the processes of the fuller development of business goals (Boxwell, 2000) by facilitating long term strategies with internal and external customers, particular in SMEs (Skaates & Seppanen, 2002), with the opportunity to enhance information usage to better understand clients’ needs (Anvari & Amin, 2010). This knowledge is shared by Parvatiyar and Sheth (2001), who suggested that firms have realised the need for indepth and integrated customer knowledge in areas such as marketing, sales and customer services, and these activities have the potential to facilitate building close cooperative and partnering relationships.
relationships with their customers. Recently, evidence has been provided by Raab, Ajami, Gargeya and Goddard (2008), who indicated managing customer relationships, is an essential aspect for firms that expanded internationally. These authors reflected an understanding of the customer profile has potential to be profitable in the short term, and also is likely to contribute to long term partnership sustainability. Consequently, it can be argued that customer relationship activities have the potential to strengthen organisational capability building, and, therefore, management needs to not only recognise the features of customer relationship activities, but to manage them accordingly.

In spite of an abundance of literature examining the aspect of managing customer relationships, there is scant evidence of how customer relationship activities affect global ambition. Improving firm performance through customer relationship activities has been discussed by Storbacka and Nenonen (2009), and in turn firm performance can be seen as a determining factor of international engagement. However, the direct relationship between customer relationship activities and global ambition is yet to be established. Indeed, empirical research that provides further validation of the relationship between customer relationship and international market growth proposed by Lindqvist (1988) remains scarce. Hence, there is a fascinating opportunity for researchers to investigate the relationship between customer relationship activities and global ambition, with an expectation that customer relationship activities will be related to the four dimensions of global ambition that have been identified in the conceptual model. Based on the limited information and conventional wisdom hypotheses H21, H22, H23 and H24 are postulated.

H21: Customer relationship activities will positively influence both Chinese and Indian ECMs to become global players.

H22: Customer relationship activities will positively influence both Chinese and Indian ECMs to become regional players.

H23: Customer relationship activities will positively influence both Chinese and Indian ECMs to become global exporters.

H24: Customer relationship activities will positively influence both Chinese and Indian ECMs to become global sourcers.
Mediating Variables

Industry Type

The crucial differences in the production and delivery of services and goods may affect internationalisation decisions and strategic operations options (Carman & Langeard, 1980; Erramilli, 1992; Grönroos, 1999; Kathuria, Joshi & Dellande, 2008). For many service firms, the intangibility of services often results in the possibility to hold a higher control with lower resource commitment, such as minimal overhead compare with manufacturing firms. Since costs and risks associated with obtaining control are relatively low, the ability for service firms to engage in integrated modes (i.e., FDI) in early stage of internationalisation process is likely to exceed manufacture related firms (Erramilli, 1990; 1991). A large number of studies (Cloninger, 2000; Ekeledo & Sivakumar, 2001; Erramilli & Rao, 1990; 1993; Lu & Beamish, 2001) have indicated the differences that exist between service and manufacturing firms are likely to have an impact on foreign market entry decisions. For example, Ekeledo and Sivakumar (2001) conclude that industry type has the potential to shape a firm’s decision in relation to internationalisation strategies.

The determinants of entry modes or internationalisation strategies between service and manufacturing firms remain equivocal. For example, some studies conducted in the U.S. advertising industry have found that there is a non significant difference between the internationalising behaviour of advertising agencies and that of manufacturing firms (Weinstein, 1977). In fact, the internationalisation entry mode of the U.S. advertising industry is relatively similar to that of manufacturing firms (Terpstra & Yu, 1988). Similarly, Agarwal and Ramaswami (1992), and Blomstermo, et al. (2006) as well as Katrishen and Scordis (1998) held the belief that international market entry decisions do not differ significantly between service and manufacturing firms and the determinants of entry modes by manufacturing firms are generalisable to service firms. Despite earlier endeavours Li and Guisinger (1992) tried to reconcile the generalisability of FDI theories the empirical findings of their work, which was based on 168 service MNCs in nine service industries from the ‘triad’ regions of Japan, Western Europe and North America, were consistent with previous theoretical discussions conducted by Boddewyn, Halbrich and Perry (1986) and Dunning (1989). These scholars suggested when the distinctive characteristics of service industries are considered, the theories of FDI can be applied to service
oriented MNCs. However, using longitudinal data from secondary sources, Kathuria, Joshi and Dellande (2008) have found significant differences between chemical manufacturing and banking firms in relation to their internationalisation strategies. For chemical manufacturing firms, wholly owned operations were the preferred entry mode for becoming international players, whereas the banking firms appeared to favour collaborative approaches. Based on the discussion, a salient conclusion to be drawn from the relevant literature is that, the relationships between TM, global business system development as well as global ambitions is likely to be associated with industry type.

**Knowledge Transfer**

This capacity of worldwide knowledge transfer has become an important support in building competitive advantage for MNCs. Barlett and Ghoshal (1987) argued knowledge management can be recognised as “… the ability to learn, to transfer knowledge and expertise from one part of the organisation to others worldwide – became more important in building durable competitive advantage.” (p.37). In addition, Gupta and Govindarajan (1991) indicated knowledge flows across subsidiaries nationwide has become ‘significant’ in knowledge management. According to Grant (1996), Meso and Smith (2000), and Adams and Lamont (2003), knowledge is difficult to imitate and adopt in comparison to other resources, such as products and technologies, and hence, leverage the ability of MNCs and subsidiaries to build a more reliable and sustainable sources of competitive advantage.

The strategic importance of knowledge transfer to an organisation can be summarised into five main reasons (Erik & Parrissa, 2009). First, knowledge transfer enables localised know how generated in one sub unit to be transmitted to other locations within the organisation. Second, knowledge transfer acts as facilitator in assisting the coordination of work flows within and among dispersed sub units nationwide. Third, knowledge transfer may facilitate organisation to capture and benefit from business opportunities when collaboration among sub units is developed. Furthermore, it is indicated by Erik and Parrissa (2009: 3), the transfer of knowledge plays an important role “… to the orchestrated execution of unified strategic responses to moves of competitors, customers, and suppliers.”. Last, according to Schulz and Jobe (2001) knowledge transfer has the potential to facilitate
organisations to recognise and exploit the economies of scale and scope. Based on the essential role that knowledge transfer plays in enhancing the organisation’s activities, a main contribution of the current investigation is to not only examine how knowledge transfer affects ECMs from China and India in their development of global business systems, but also to find whether knowledge transfer will influence these organisations to reach their global ambitions.

Cultural Priority
The implications of culture on the management of global companies have been widely recognised by a number of researchers (Ang & Massingham, 2007; Lasserre, 1997; 2007; Tran & Skitmore, 2002). According to Lasserre (1997) the religious traditions such as Confucianism, Buddhism and Hinduism in Asian contexts are likely to transmit a legacy of behaviours, attitudes and beliefs within organisations. Therefore, it is reasonable to assume that these religious traditions have a deep and constantly evolving influence on an organisation’s management practices.

Chinese culture
The quest for gaining appreciation of whether the values of Confucianism ideology, relationalism and guanxi practices in the Chinese context have an impact on the adoption of Western business practices remains as an interesting research topic for researchers (Cunningham, et al., 2008). There is a general consensus that Chinese culture is largely dominated by the Confucian value system (Bond, 1991; Pun et al., 2000; Redding, 1993; Tong & Mitra, 2009; Wu, 2008). As Park and Luo (2001) indicated Confucianism aims to “… establish harmony in a complex society of contentious human beings through a strong and orderly hierarchy.” (p. 456). Similarly, Wu (2008) indicated the Confucianism can be determined as human relationship that oriented Chinese people’s way of thinking and behaviours. The emphasis on human relationship has also been commonly identified as network or guanxi. The Chinese culture is deemed to be influenced by Confucianism (Fang, 2006; Yang, Zheng & Mingfei, 2006; Zutshi, 2006), and guanxi (Fu, et al., 2006; Szeto, Wright & Cheng, 2006; Tung, 2012; Yang, 2011), and hence, is likely to shape the way in which the beliefs and values are applied to management thinking and operations (Slater, Paliwoda & Slater, 2007), and affect the business systems (Tang & Ward, 2003).
Indian culture
In the contemporary context, the Indian management philosophies and practices continue to be influenced by the caste system. It “… was recorded in the writings of the Greek Ambassador Megasthenes in the third century B.C.”, caste is an important attribute of Indian social heritage that for centuries have affected managerial practices as well as organisational operations (Chatterjee, 2007, p.1). These are four main castes in the Indian culture, including “… 1) Brahmins (such as priests, intellectuals and teachers); 2) Kshatriyas (e.g., warriors and aristocrats); 3) Vaishyas (e.g., agricultural workers, merchants and managers in business and commerce); and 4) Shudra (servants)” (Deshpande, 2010; Grainger & Chatterjee, 2007; Overgaard, 2010; Suri & Abbott, 2009). Outside the specific four main castes, a list of lower castes and tribal communities, often referred to as ‘scheduled castes and scheduled tribes’ have been codified by the Indian institutions (Chatterjee, 2007, p.80). According to Deshpande (2010), and Grainger and Chatterjee (2007) as well as Saini and Budhwar (2008), the division of castes systems is deemed as one of the most fundamental features of the social structure in India and have a significant impact on the managerial operations within the country. Given India’s diverse ethnic, religious as well as innumerable regional and subregional ethos, a complex Indian culture is formulated. For example, the Hindu tradition in Indian culture provides a framework called ‘Guna dynamics’ and this concept is being increasingly employed in activities relate to employee training, team building, job satisfaction as well as performance evaluation (Chatterjee, 2007; Grainger & Chatterjee, 2007; Kejriwal & Krishnan, 2004; Sharma, 1999; Shilpa & Murthy, 2012). Therefore, it is reasonable to assume such influence may create transformation of managerial practices within an organisation, and in turn affect its domestic or international operations. Based on literature, it is reasonable to forecast that cultural priority is likely to affect the relationships between talent management, the development of global business system and global ambitions of Chinese and Indian ECMs.

Summation of Mediating Effects
The need for extension of knowledge to better explain and account for the mediating influence of the industry type, knowledge transfer and cultural priority on relationships among TM, the development of global business system as well as global ambitions is warranted. What has been accumulated since the late 1970s is the
smorgasbord of research endeavours, that has provided concepts and empirical data about the effects of the industry type, knowledge transfer and cultural priority on organisational work settings (Ang & Massingham, 2007; Chatterjee & Pearson, 2006; Erik & Parrissa, 2009; Hofstede, 1980; Kathuria, et al., 2008; Ralston, et al., 1993; Tiep, 2006). This phenomenon is particularly evident as much of the literature is to be found in material that addresses the notion of divergence, convergence and crossvergence (Dowling, Welch & Schuler, 1999; Hofstede, 2004; Ralston, Thang & Napier, 1999; Zanko, 2003). A salient dimension of this study is to explore the effects of three prominent mediating variables on the relationships of the research model, which predicts connections between a number of important elements in the framework that itself is in an embryonic stage.

An illustrated summary of the mediating influences was presented as Figure 1.1 in Chapter One. Shown in Figure 1.1 is the presented converging, diverging and crossvergence forces, that have been stipulated in the previous relevant literature. One feature of this extensive literature is a lack of coordination in analysis. Indeed, although there have been a number of systematic, rigorous theoretical and empirical endeavours this work has been somewhat piecemeal. On the one hand, these investments have led to the accumulation of a great deal of information, but on the other hand the knowledge is in isolated sets. A convenient analogy is statistical tests such as correlations and regression are normally bivariate relationships of units of a conceptual arrangement of variables, whereas analysis of moment structures or structural equation modelling enables the researcher to investigate the total set of relationships in their entirety. The results of these latter types of analyses are reported as goodness of fit indices, which may be sensitive to sample size and violation of the assumptions of normality. In contrast, the bivariate relationships analyses are assumed to be measured without random error, which is unlikely to be true in practice and can result in a biased measure. Thus, determinants of the standardised parameter estimates of structural path coefficient are similar to, but not equal to the $R^2$ of regression analysis. The research model (Figure 2.1) of this dissertation has been generated from the relevant literature that is hallmarked by an absence of information how the mediating variables will influence the connections between the independent, intervening and dependent variables. A salient feature of this study is the opportunity to explore and report the influence of the chosen
mediating variables. The systematic investigation of the connections between the variables and constructs of the research model, that have been formulated an adoption of principles of conventional wisdom, have been reported as Hypothesis 25 to Hypothesis 72, inclusive.

**Summary of Hypotheses**

The hypotheses developed and tested in this study are demonstrated in Figure 2.1 and summarised in Table 2.2. Consistent with the existing relevant literature, the proposed research model is based on the assumption that an organisational approach to talent management, such as selection and recruitment is likely to have an impact on their global business system development. Furthermore, the outcomes of a global business system have the potential to affect global ambition of both the Chinese and the Indian ECMs. In addition, the relationships between talent management, global business system development and global ambition are predicted to be mediated by industry type, knowledge transfer as well as cultural priority. In addressing the outcomes of these relationships, the premise of the proposed research model is developed to determine whether the managerial philosophies and practices of Chinese and Indian ECMs are convergent, divergent, or crossvergent. Hence, relationships between variables, instead of causality, are tested in the study research model. Table 2.1 provides a summary of hypotheses developed in this Chapter. These propositions emerged from an examination and discussion of relevant literature, which provided a foundation for a new research model.

<table>
<thead>
<tr>
<th>H1.</th>
<th>Selection and recruitment processes are likely to have a positive impact on the innovative activities of both Chinese and Indian ECMs.</th>
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<tbody>
<tr>
<td>H2.</td>
<td>A pool of talents is likely to have a positive impact on the innovative activities of both Chinese and Indian ECMs.</td>
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<td>H3.</td>
<td>Talented pools are likely to have a positive impact on the innovative activities of both Chinese and Indian ECMs.</td>
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<tr>
<td>H4.</td>
<td>Pivotal talents are likely to have a positive impact on the innovative activities of both Chinese and Indian ECMs.</td>
</tr>
<tr>
<td>H5.</td>
<td>Selection and recruitments are likely to have a positive impact on the productive activities of both Chinese and Indian ECMs.</td>
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<tr>
<td>H6.</td>
<td>Pools of talent are likely to have a positive impact on the productive activities of both Chinese and Indian ECMs.</td>
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</table>
H7. Talented pools are likely to have a positive impact on the productive activities of both Chinese and Indian ECMs.

H8. Pivotal talents are likely to have a positive impact on the productive activities of both Chinese and Indian ECMs.

H9. Selection and recruitment practices are likely to have a positive impact on the customer relationship activities of both Chinese and Indian ECMs.

H10. Pools of talent are likely to have a positive impact on the customer relationship activities of both Chinese and Indian ECMs.

H11. Talented pools are likely to have a positive impact on the customer relationship activities of both Chinese and Indian ECMs.

H12. Pivotal talents are likely to have a positive impact on the customer relationship activities of both Chinese and Indian ECMs.

H13. Innovative activities will positively influence both Chinese and Indian ECMs to become global players.

H14. Innovative activities will positively influence both Chinese and Indian ECMs to become regional players.

H15. Innovative activities will positively influence both Chinese and Indian ECMs to become global exporters.

H16. Innovative activities will positively influence both Chinese and Indian ECMs to become global sourcers.

H17. Productive activities will positively influence both Chinese and Indian ECMs to become global players.

H18. Productive activities will positively influence both Chinese and Indian ECMs to become regional players.

H19. Productive activities will positively influence both Chinese and Indian ECMs to become global exporters.

H20. Productive activities will positively influence both Chinese and Indian ECMs to become global sourcers.

H21. Customer relationship activities will positively influence both Chinese and Indian ECMs to become global players.

H22. Customer relationship activities will positively influence both Chinese and Indian ECMs to become regional players.

H23. Customer relationship activities will positively influence both Chinese and Indian ECMs to become global exporters.

H24. Customer relationship activities will positively influence both Chinese and Indian ECMs to become global sourcers.

H25. The relationship between selection and recruitment and the innovative activities are positively mediated by industry type.

H26. The relationship between pool of talents and the innovative activities are positively mediated by industry type.

H27. The relationship between talented pools and the innovative activities are positively mediated by industry type.

H28. The relationship between pivotal talents and the innovative activities are positively mediated by industry type.

H29. The relationship between selection and recruitment and the productive activities are positively mediated by industry type.

H30. The relationship between pool of talents and the productive activities are positively mediated by industry type.

H31. The relationship between talented pools and the productive activities are...
positively mediated by industry type.

H32. The relationship between pivotal talents and the productive activities are positively mediated by industry type.

H33. The relationship between selection and recruitment and customer relationship activities are positively mediated by industry type.

H34. The relationship between pool of talents and customer relationship activities are positively mediated by industry type.

H35. The relationship between talented pools and customer relationship activities are positively mediated by industry type.

H36. The relationship between pivotal talents and customer relationship activities are positively mediated by industry type.

H37. The relationship between selection and recruitment and the innovative activities are positively mediated by knowledge transfer.

H38. The relationship between pool of talents and the innovative activities are positively mediated by knowledge transfer.

H39. The relationship between talented pools and the innovative activities are positively mediated by knowledge transfer.

H40. The relationship between pivotal talents and the innovative activities are positively mediated by knowledge transfer.

H41. The relationship between selection and recruitment and the productive activities are positively mediated by knowledge transfer.

H42. The relationship between pool of talents and the productive activities are positively mediated by knowledge transfer.

H43. The relationship between talented pools and the productive activities are positively mediated by knowledge transfer.

H44. The relationship between pivotal talents and the productive activities are positively mediated by knowledge transfer.

H45. The relationship between selection and recruitment and customer relationship activities are positively mediated by knowledge transfer.

H46. The relationship between pool of talents and customer relationship activities are positively mediated by knowledge transfer.

H47. The relationship between talented pools and customer relationship activities are positively mediated by knowledge transfer.

H48. The relationship between pivotal talents and customer relationship activities are positively mediated by knowledge transfer.

H49. The relationship between selection and recruitment and the innovative activities are positively mediated by cultural priority.

H50. The relationship between pool of talents and the innovative activities are positively mediated by cultural priority.

H51. The relationship between talented pools and the innovative activities are positively mediated by cultural priority.

H52. The relationship between pivotal talents and the innovative activities are positively mediated by cultural priority.

H53. The relationship between selection and recruitment and the productive activities are positively mediated by cultural priority.

H54. The relationship between pool of talents and the productive activities are positively mediated by cultural priority.

H55. The relationship between talented pools and the productive activities are positively mediated by cultural priority.
<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Description</th>
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<tbody>
<tr>
<td>H56.</td>
<td>The relationship between pivotal talents and the productive activities are positively mediated by cultural priority.</td>
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<tr>
<td>H57.</td>
<td>The relationship between selection and recruitment and customer relationship activities are positively mediated by cultural priority.</td>
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<tr>
<td>H58.</td>
<td>The relationship between pool of talents and customer relationship activities are positively mediated by cultural priority.</td>
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<tr>
<td>H59.</td>
<td>The relationship between talented pools and customer relationship activities are positively mediated by cultural priority.</td>
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<tr>
<td>H60.</td>
<td>The relationship between pivotal talents and customer relationship activities are positively mediated by cultural priority.</td>
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<tr>
<td>H61.</td>
<td>The relationship between innovative activities and global player will be positively mediated by industry type (knowledge transfer and cultural priority).</td>
</tr>
<tr>
<td>H62.</td>
<td>The relationship between innovative activities and regional player will be positively mediated by industry type (knowledge transfer and cultural priority).</td>
</tr>
<tr>
<td>H63.</td>
<td>The relationship between innovative activities and global exporter will be positively mediated by industry type (knowledge transfer and cultural priority).</td>
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<tr>
<td>H64.</td>
<td>The relationship between innovative activities and global sourcers will be positively mediated by industry type (knowledge transfer and cultural priority).</td>
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<tr>
<td>H65.</td>
<td>The relationship between productive activities and global players will be positively mediated by industry type (knowledge transfer and cultural priority).</td>
</tr>
<tr>
<td>H66.</td>
<td>The relationship between productive activities and regional players will be positively mediated by industry type (knowledge transfer and cultural priority).</td>
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<tr>
<td>H67.</td>
<td>The relationship between productive activities and global exporters will be positively mediated by industry type (knowledge transfer and cultural priority).</td>
</tr>
<tr>
<td>H68.</td>
<td>The relationship between productive activities and global sourcers will be positively mediated by industry type (knowledge transfer and cultural priority).</td>
</tr>
<tr>
<td>H69.</td>
<td>The relationship between customer relationship activities and global players will be positively mediated by industry type (knowledge transfer and cultural priority).</td>
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<tr>
<td>H70.</td>
<td>The relationship between customer relationship activities and regional players will be positively mediated by industry type (knowledge transfer and cultural priority).</td>
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<tr>
<td>H71.</td>
<td>The relationship between customer relationship activities and global exporters will be positively mediated by industry type (knowledge transfer and cultural priority).</td>
</tr>
<tr>
<td>H72.</td>
<td>The relationship between customer relationship activities and global sourcers will be positively mediated by industry type (knowledge transfer and cultural priority).</td>
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</table>

Note: hypotheses H61 to H72 inclusive are each three hypotheses.
CONCLUSION

In this Chapter, the literature pertaining to incorporate the theories of internationalisation, the talent management concept, the notion of a global business system development as well as global ambition, was documented. The talent management concept, which contributes significantly to the development of a global business system for an organisation, was presented. In particular, the widely reported talent management approaches contribute to an organisation’s strategies in reaching its global ambition was delineated. More specifically, the dimensions of talent management in the form of selection and recruitment, talented pools, pools of talents as well as pivotal talents were predicted to play a major role in the development of a firm’s global business systems. In addition, a global business system consists of three main activities (innovative, productive and customer relationship activities), that an organisation undertakes to reach their global ambitions. Hence, there were expectations that 1) talent management could affect the development of business systems, and 2) the outcomes of business system development and it was hypothesised to be correlated with global ambition of the Chinese and Indian ECMs. The reviews of both conceptual and empirical studies were examined to formulate the study hypotheses, which were illustrated in the research model. To test this research model, a set of analyses and assessments will be conducted, and a discussion of the methodology that will be used is presented in Chapter Three.
Chapter Three

METHODOLOGY

INTRODUCTION

The purpose of this Chapter is to describe how the research was conducted. As the researcher was obliged to visit both China and India to undertake the study and conduct discourse with the respondents in the contemporary languages of these countries, which heightened the complexity of the experimental design, the description is explained in four parts. In the first part of this Chapter, the study site and subjects is presented. In the second part of the Chapter the procedures for conducting this study are documented, and specifically, the back translation procedure, that was employed for preparing the Chinese survey instrument in Mandarin from English, is delineated. Hence, the third part of the Chapter, which is labelled measures, details the instruments that were either adapted from previous studies or specifically developed by the researcher and employed in the questionnaire, are given. An English questionnaire was used in India, a Mandarin version was administered in China, and in the interviews the employed language in India was English, while in China Mandarin was spoken. Also included in the measures section are the five questions that were the basis of the qualitative component of the study. In the fourth part of the Chapter is outlined how the two types of data were analysed. First, the analytical procedure for analysing the study quantitative data, that was used to test the hypothesised relationships of the research model is announced. Second, the technique that was employed to assess the Chinese and Indian responses to the five questions is elaborated. A conclusion integrates four parts and provides a link to Chapter Four.

RESEARCH METHOD

Subjects and Site

This study was conducted with 143 respondents. There were a total of 71 Chinese respondents of whom 50 completed a questionnaire and further 21 independent participants were interviewed. A total of 51 Indian business managers, who were also from ECMs, completed the questionnaire, and in addition, another independent set of 21 managers were interviewed. All the study respondents were owners, executives or
business managers of ECMs in China and India, and in these roles the respondents were involved in strategy formulation and implementation of their firms. These senior business executives were selected because they have demonstrated overall successful business and managerial careers in their respective organisations in China and India. In other words they are not only information rich individuals, but also engage in decision making processes, including internationalisation strategies as well as global investment directions.

Although the study was focused in the geographic locations of Qing Dao, China; and Calcutta, West Bengal, India the investigated organisations were actively involved in international business. The importance of Qing Dao is embedded in it being a special economic zone that was created by the Chinese government policy of opening the country to the outside world, and has undergone substantial change in its economic landscape in recent years. Qingdao plays a predominant role in China's economy and boasts well developed port facilities and a highly diversified industrial base, including manufacturing strengths in the locomotives sector, and electronics, followed by shipbuilding, information technology, household appliances, petrochemicals and the port industry (Economic Overview, 2012). The merits for undertaking research at Calcutta are twofold. Calcutta is deemed as the principal commercial and financial hub of East and North East India and also enjoys the academic prowess of the Indian Institute of Management (IIM). This institution attracts some of the best talents in India in professionalising Indian management through its post graduate and doctoral level programmes, executive training programmes, and research and consulting activities. A second merit of the study site is the Indian respondents, who were involved in this research during the time they attended executive training programmes at IIM, came from widely geographically dispersed and ever changing Indian business environments. A predominant feature of the companies studied from China and India is that they are energetically engaged in overseas business across several industries ranging from manufacturing, mining and telecommunication to the banking sectors. The demographic dimension of the study participants will be documented in Chapter Four.
Procedure

This study employed a pluralist approach, which consists of the quantitative assessments and a qualitative dimension to measure the study research model shown as Figure 2.1, that was developed after comprehensively examining the relevant literature. The use of this mixed method design (Johnson, et al., 2007) is founded on two grounds, 1) to ask knowledgeable owners or business managers to complete a comprehensive questionnaire through the phenomena of networks or guanxi, and hence, to provide an acceptable response rate of the data collection; and 2) the use of a hybrid technique to incorporate the qualitative research component has enormous potential in gaining a more comprehensive understanding of the quantitative findings while obtaining rich information that may not be captured by the quantitative technique. For the quantitative dimension, a questionnaire was used to obtain information, that was utilised to assess each construct of the research model, and also to test the hypothesised relationships between the studied variables. The qualitative dimension, in the form of interviews, was a supplementary approach in helping the researcher to gain first hand information to deepen the understandings of the quantitative findings. According to Pearson and Chatterjee (2004), and Teagarder, et al. (1995), culturally related investigations are enhanced by blending quantitative and qualitative design features. Therefore, a combination of a quantitative and a qualitative research methodology has potential to lead to a more comprehensive evaluation of the issues under investigation.

A convenience sampling method that endorsed the guanxi ideology was adopted in the present study. According to Chatterjee and Pearson (2002), and Yeo and Ananthram (2008) data collection from Eastern business contexts would be greatly assisted when guanxi processes are embraced in the Chinese context, and networking arrangements are employed in Indian contexts. The studied Chinese sample was selected through personal connections, which enabled a relatively prompt collection of data. Also, this social aligned method revealed some confidence that the information provided by the Chinese participants is a truer personal view when answering the questionnaires. Indeed, it is contented the respondents, who are within the circle of stakeholders, are likely to be more comfortable to share their valuable knowledge with someone who was part of the guanxi web. In the case of India, the questionnaires were administered by a senior academic of the IIM, Calcutta, who
holds a strong scholarly link with the Australian university, but more importantly with an assemblage of Indian professional managers imbued with a strong sense of strategic outlook to Indian management. A feature of the sample of Indian respondents is they had distinguished achievements in academia and management, and were actively involved in related disciplines with some of the best and brightest women and men country talents. To complement the data collection method, face to face interviews were conducted. This approach was adopted to clarify aspects of the survey items as well as the quantitative findings. A total of 42 participants from China and India (i.e., 21 respondents from each country), who were representatives of the quantitative sample respondents, were interviewed independently and the conversations were recorded on an electronic recorder.

There are three stages in the study design procedure. First, after an extensive literature review enabling the formulation of a research model, a questionnaire was generated to evaluate this framework. The development of a questionnaire for administration in China obliged a survey instrument to be composed in Mandarin. This Chinese questionnaire was generated by back translating (English to Mandarin to English) a set of adapted Western instruments or scales that had been created by the researcher. The procedure involved three independent groups of bilingual assistants, who are professional translators employed in Qing Dao, China. Members of the first group translated the questionnaire items from English to Mandarin, the second group of assistants translated the questionnaire from Mandarin to English, and the third group played an important role in assessing the translated (English) items for correspondence with the initial English version of the questionnaire.

The second stage of the procedure was the conducting of a pilot study prior to the main administration of the questionnaire. The purpose of conducting a pilot study is to determine whether the respondents had any problems in understanding the meaning of all the questionnaire items. The comments and confirmation obtained from the pilot study were used to refine the proposed questionnaire and a representative and suitable questionnaire was developed. Despite the small sample size being an attribute of the pilot study, the obtained data were examined and the generated robust results provided confidence to precede with administration of the final version of the questionnaire in each of the study countries. The finalised
versions of Chinese or English questionnaires were delivered to the studied ECMs in China and India (see Appendix One and Appendix Two).

Two attachments were included with each questionnaire. A free post envelop was attached so that participants could return the completed questionnaire at no cost to the respondent. A letter introducing the researcher and explaining the purpose of the study was also attached to each questionnaire, and these documents were delivered to the studied ECMs in China and India. Other potential concerns were also addressed in the attached letter. For example, ethical consideration for conducting this research, indicating the notion participation was voluntary, and respondent anonymity would be preserved was carefully explained in the letter. The letter of information to agree on participating in this study was attached to Appendix One and Appendix Two.

Before the investigation commenced assurances were obtained from those managers who agreed to participate. For example, the sponsoring organisations provided information about those respondents who agreed to complete a questionnaire. Agreements to participate in the interviews were obtained from the respondents of the study, after the purpose of conducting interviews was explained by the researcher. In China, a ‘reassurance’ call was made to potential respondents prior to the interviews that were conducted with owners or business managers of ECMs in China. The Indian interviews were arranged by the researcher as the respondents were attending a residential executive training programme at IIM, Calcutta, and these managers made themselves available at a convenient time. The conversations were electronically recorded by the researcher, and agreements to record the dialogues from the participants were gained at the very beginning of the interviews. Except for two Chinese respondents, all of the interviewees allowed the conversations to be recorded.

The third procedural stage of the study was the administration of the questionnaire, the evaluation of the obtained quantitative data, the interviewing of a separate set of respondents, and the analysis of the qualitative data, that were obtained from the interviews with the Chinese and the Indian business managers. Completed Chinese questionnaires were acquired by the researcher from two prominent business executives, who held positions of importance in the guanxi network, while in
contrast the Indian questionnaires were delivered to the researcher by the sponsoring institution. The data provided by these questionnaires were evaluated with a range of statistical procedures, and the qualitative Chinese and Indian responses were assessed with Nvivo software. The patterns of responses are presented in Chapter Four.

**Measures**

Quantitative data and qualitative data were obtained. The quantitative data, such as the demographic dimensions were captured when evaluating personal and affiliation attributes. Interval data were obtained to measure the investigated study variables of 1) talent management, 2) global business system development, 3) global ambition, 4) knowledge transfer, and 5) cultural priority. Some of the quantitative scales were adapted from the existing relevant literature, that have been formulated and tested in the Western contexts, while other scales were developed by the researcher. A survey questionnaire is attached as Appendix One. Furthermore, for qualitative measures, five main research questions were derived based on the existing relevant literature and subsequent to administration of the questionnaire. The five research questions were determined to allow the researcher to gain a more comprehensive understanding of the quantitative findings as explored with business managers or owners of ECMs in China and India. A detailed discussion of the quantitative and qualitative measures is presented in the following section, and the quantitative element is documented first.

**Quantitative**

The quantitative data were evaluated with ordinal, and nominal data as well as interval data. For example, the first ordinal scale ranged in four specific choices from 1) under 30 years, 2) 30-39 years, 3) 40-49 years and 4) above 50 years to measure the age of the studied Chinese and Indian respondents. This ordinal scale is demonstrated in Section 1 as item one of the questionnaire. In addition, three other scales, such as the gender, the highest qualification as well as the institutions that awarded the highest qualification were measured under the personal attributes, and this instrument is shown in Section 1 as items two, three and four of the questionnaire, which is attached in Appendix One. The second scale under the affiliation attributes was to determine the type of global organisation and the length of being a manager, the size of their organisations and their managerial roles. This instrument is illustrated in Section 1 as items five, six, seven, and eight of the
questionnaire, which is attached in Appendix One. Furthermore, the respondents were asked to state the industry type of their organisations and this information is captured as item nine. While respondents were asked to choose a suitable response from the four given statements that indicated the length of career in their respective industries, questions in relation to international engagement of their company, the global market orientation of the firm, and the distribution of corporate revenues were also captured through the given managerial responses. Interval quantitative data were obtained with seven point Likert scales. The instruments were used to measure the key constructs of the research model of 1) talent management scale, 2) global business system development scale, 3) global ambition scale, 4) knowledge transfer scale, and 5) cultural priority scale. These five instruments will now be comprehensively discussed beginning with the talent management scale.

Talent management scale
A total of five constructs include 1) selection, 2) recruitment, 3) pools of talent, 4) talented pools, and 5) pivotal talent have been generated to measure the variable of talent management. Eight items were adapted to measure selection. The first seven items were adapted from a study conducted by Hsu and Leat (2000) and item eight was adapted from El-Kot and Leat (2008). The frequently mentioned items (evaluated by percentage), that were chosen to measure the selection construct, are documented in Section 5 as items one, two, three, four, five, six, seven, and eight (in Appendix One). Item five was reverse scored. Participants were asked to rate on the seven point Likert scales, which have responses range from 1 = ‘Strongly disagree’ to 7 = ‘Strongly agree’. A total of five items that emerged as two factors of external and internal selection methods were obtained after the factor analysis. It is documented in Table 4.2, items one, three, and eight were retained to measure the construct of external selection, and items four and seven were maintained to measure the construct of internal selection. These common items in both datasets were used to determine the most frequently used external and internal selection techniques among ECMs in China and India.

Nine items were used for assessing recruitment. Five items were adapted from Chang, Wilkinson and Mellahi (2007). These items appear to be used most frequently by Taiwanese subsidiaries in the UK when recruiting staff to fill in managerial,
professional and technical positions. A further four items were adapted from Lockyer and Scholarios (2007). In their study, items 12, 13, 16, and 17 were the primary methods of managerial recruitment in the UK construction industry. These items are presented in Section 5, as item nine, 10, 11, 12, 13, 14, 15, 16, and 17. Item 13 and Item 15 were reverse scored. The responses ranged from 1 = ‘Strongly disagree’ to 7= ‘Strongly agree’. The factor analysis revealed that two factors emerged as indicated in Table 4.3 of Chapter Four the common items of 10, 12 and 14 were retained to measure the construct of external recruitment, while items 11 and 13 were used to assess the internal recruitment construct for both the Chinese and the Indian samples.

The scales of pools of talent, talented pools as well as pivotal talent, which were constructed as sub scales to assess the talent management practice in this study, were developed by the researcher. The inaugural development of these scales was carried out after a careful examination of the reputable academic journals and a considerable amount of relevant literature (Boudreau & Ramstad, 2005; Bryan, et al., 2006; Cappelli, 2008; Cohn, et al., 2005; Collings & Mellahi, 2009; D’Annuzio-Green, 2008; Gladwell, 2002; Hartmann, et al., 2010; Lewis & Heckman, 2006; Mäkelä, et al., 2010; McCauley & Wakefiled, 2006; Michaels, et al., 2001; Scullion & Collings, 2006; Smart, 2005; Sparrow, et al., 2004; van Dijk, 2008). Originally, a total of 15 items were developed to measure the three constructs of 1) pools of talent, 2) talented pools, and 3) pivotal talent. The scales contained five items to measure each construct, and items 21, 25, and 31 were reverse scored. This information is documented in Section 5 of the questionnaire in Appendix One. Respondents were asked to rate on a seven point Likert scale ranged from 1 = ‘Strongly disagree’ to 7 = ‘Strongly agree’ to indicate the extent of their level of agreement regarding each item has had on their organisation’s global operations. Employing factor analysis (see Table 4.4) led to the deletion of the reversed items, which did not contribute to the measurements, and hence, four items were retained to measure the three sub constructs.

Global business system development scale

The global business system development scale consisted of three constructs of 1) innovative activities, 2) productive activities, and 3) the customer relationship
activities. The measurement of the innovative activities was evaluated with four items. These items, that are presented in Section 6 of Appendix One as one, two, three, and four were developed by the researcher based on the work of Lasserre (2007). Item two was reverse scored. The results of factor analysis revealed all the items contributed to the measurement of innovative activities, and the reliability assessments shown in Chapter Four Table 4.5 suggested the internal consistency of the study scales.

The instrument of productive activities was assessed with a three item scale. This instrument was developed from a stock of conceptual literature that has been developing for over two decades (Bradley & O’Reagain, 2001; Stock, Greis & Kasarda, 1996; Thomas & Griffin, 1996). Initially, a total of four items (five, six, seven, and eight in Section 6, of Appendix One) were developed to evaluate productive activities. While the reversed item eight did not contribute to the measurement of the productive activities in the Chinese sample, all the items contributed to the measurement of productive activities in the Indian data. In order to obtain an universal scale in measuring the productive activities in both samples, a decision was made to remove the reversed item. Hence, a three item scale was retained and employed to assess the construct of productive activities in the Chinese and Indian responses.

Customer relationship activities were assessed with a five item scale. Initially, this instrument, that was generated from the relevant literature, had seven items (Berry, 1995; Kandampully, 2007; Zhang, et al., 2005). According to these scholars, customer relationship activities were divided into 1) internal customer (i.e., employee) and 2) external customer (i.e., consumer or client) relationship activities. The subscale of internal customer relationship activities was assessed by items nine, 11, 15 and 14, and items 10, 12 and 13 were developed to measure the subscale of external customer relationship activities. Surprisingly, one factor emerged to measure the construct of customer relationship activities in the Chinese and the Indian samples as the two reversed items of 10 and 14 were removed from further analysis as they did not contribute to the measurement. Consequently, the scale is shown in Section 6 of the questionnaire, which is attached as Appendix One has five items.
Global ambition scale
The instrument of global ambition, that had four sub constructs of 1) *global player*, 2) *regional player*, 3) *global exporter*, and 4) *global sourcer*. These constructs are based on a number of existing relevant studies (Athukoralia, 2009; Athreye & Kapur, 2009; Chhibber, 2008; Finfacts, 2005; Huchet & Ruet, 2008; Kumar & Chadha, 2009; Lasserre, 2007; 2008; Nicolas & Thomsen, 2008; Rugman, 2000, 2005; Rugman & Verbeke, 2004, 2008; Siehler, 1999; Westhead, et al., 2001). According to Lasserre (2007), the world market is divided into four major regions, including North America with a proportion of 30 per cent, Europe (30 per cent), Asia (30 per cent) and the rest of the world (10 per cent). In addition, “A company whose ambition is to be a Global Player aspires to establish a sustainable competitive position in the key markets of the world and to build an integrated business system to design spread over those key markets.” (Lasserre, 2008: p. 38). To gather information about the global ambition of both Chinese and Indian ECMS, participants were asked to indicate their companies’ distribution of sales in Section 3 of the questionnaire. Employing factor analysis, as anticipated all the 12 items contributed to the measurement of the global ambition scale in both the Chinese and Indian samples. Indeed, the acceptable psychometric properties (e.g., validity and reliability) shown in Table 4.6 provide some confidence that the internal consistency of this scale was robust for further comprehensive statistical analysis.

Knowledge transfer scale
Seven items were employed from a study conducted by Gupta and Govindarajan (2000) to measure *knowledge transfer*. These are (1) marketing know-how, (2) distribution know-how, (3) packaging design/technology, (4) product designs, (5) process designs, (6) purchasing know-how, and (7) management systems and practices. Four possible directions were identified including (a) knowledge outflows to sister subsidiaries, (b) knowledge outflows to parent corporation, (c) knowledge inflows from sister subsidiaries, and (d) knowledge inflows from the parent corporation. For each of these seven items, respondents were asked to indicate on a 7 point Likert scale (e.g., 1 = ‘Never’ to 7 = ‘Always’) the extent of knowledge transfer in each of the four directions. For each of these knowledge flow directions, responses across the seven items were averaged to yield composite measures of the
four types of knowledge transfer and these questions are presented in Section 7 of the questionnaire (Appendix One).

Cultural priority scale

*Cultural priority* was assessed with 17 items. The instrument used in this study was an adaptation of scale that was redefined by Pearson and Entrekin (2001), from an earlier study that was conducted by Bond and his colleagues (1987). These 17 items formed a shortened version of the Chinese value survey (CVS), which were employed to determine values indigenous to the Chinese culture (Pearson & Entrekin, 2001) provide a collective estimate of Chineseness in a national culture. Bond and colleagues (1987) believe that Chinese cultural values could be divided into four dimensions, including 1) integration, 2) Confucian work dynamism, 3) human heartedness, and 4) moral discipline. In their study, these 40 items were reduced to form a 17 item scale of factors with loadings of 0.50 or greater. These 17 items were used in the study reported here. For integration, five items were employed, four for Confucian work dynamism, four for human heartedness, and four for moral discipline. These items are presented as items one, two, three, four, five, six, seven, eight, nine, 10, 11, 12, 13, 15, 16, and 17 in Section 4 (see Appendix One). Owners or senior managers were asked to indicate on a seven point Likert scale (ranged from 1 = ‘Extremely unimportant’ to 7 = ‘Extremely important’) how important each of the 17 items were to an organisation’s global operation.

**Qualitative**

A total of 42 Chinese and Indian managers provided qualitative data. These data were obtained by interviewing 21 Chinese managers and a further 21 Indian managers. Selective quotes have been employed in Chapter Five to reinforce and support central planks of theoretical notions and empirical findings of the relevant literature, that has been employed when investigating the five research questions. To preserve the anonymity of each of the interviewed managers the quotations provided by them have been concluded with a code (e.g., RC1). This symbol indicates the quote is from Chinese manager 1; and conversely, RI1 is a quote from Indian manager 1. Table 3.1 presents the codes of the interviewed managers.
Table 3.1
Coding of the Interviewed Chinese and Indian Managers

<table>
<thead>
<tr>
<th>Respondent #</th>
<th>Chinese Code</th>
<th>Respondent #</th>
<th>Indian Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. RC1</td>
<td></td>
<td>22. RI1</td>
<td></td>
</tr>
<tr>
<td>2. RC2</td>
<td></td>
<td>23. RI2</td>
<td></td>
</tr>
<tr>
<td>3. RC3</td>
<td></td>
<td>24. RI3</td>
<td></td>
</tr>
<tr>
<td>4. RC4</td>
<td></td>
<td>25. RI4</td>
<td></td>
</tr>
<tr>
<td>5. RC5</td>
<td></td>
<td>26. RI5</td>
<td></td>
</tr>
<tr>
<td>6. RC6</td>
<td></td>
<td>27. RI6</td>
<td></td>
</tr>
<tr>
<td>7. RC7</td>
<td></td>
<td>28. RI7</td>
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<tr>
<td>8. RC8</td>
<td></td>
<td>29. RI8</td>
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<tr>
<td>9. RC9</td>
<td></td>
<td>30. RI9</td>
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<tr>
<td>10. RC10</td>
<td></td>
<td>31. RI10</td>
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<tr>
<td>11. RC11</td>
<td></td>
<td>32. RI11</td>
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<tr>
<td>12. RC12</td>
<td></td>
<td>33. RI12</td>
<td></td>
</tr>
<tr>
<td>13. RC13</td>
<td></td>
<td>34. RI13</td>
<td></td>
</tr>
<tr>
<td>14. RC14</td>
<td></td>
<td>35. RI14</td>
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<td>15. RC15</td>
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<td>36. RI15</td>
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<td>16. RC16</td>
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<td>17. RC17</td>
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<td>38. RI17</td>
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<tr>
<td>18. RC18</td>
<td></td>
<td>39. RI18</td>
<td></td>
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<tr>
<td>19. RC19</td>
<td></td>
<td>40. RI19</td>
<td></td>
</tr>
<tr>
<td>20. RC20</td>
<td></td>
<td>41. RI20</td>
<td></td>
</tr>
<tr>
<td>21. RC21</td>
<td></td>
<td>42. RI21</td>
<td></td>
</tr>
</tbody>
</table>

Based on the quantitative findings and the relevant literature five main research questions were derived. The five research questions were determined to allow the researcher to gain a more comprehensive understanding of the quantitative findings as explored with senior managers or owners of ECMs in China and India. The five questions are listed.

1) What were the decision parameters that underpinned the strategies for your company to become an international corporation?

2) What forms of talent management (i.e., selection & recruitment, pools of talents, talent pools, and pivotal talents) are employed to develop the global business system of your company?

3) How do the major generic component activities (i.e., innovation, production, and customer relationships) of the global business system of your company contribute to the global strategic ambition?
4) What systems are employed in your company to operate, and evaluate the management and transference of knowledge to facilitate global ambition?

5) How do cultural priorities or institutional operational forces influence the systems employed by your company in the pursuit of global ambition?

**Analysis**

The quantitative data captured with the questionnaire survey were examined with several statistical tests. First, the responses generated through the questionnaire survey were examined for outliers. This process enables the researcher to ensure that no data entries exceed their interval range. Second, exploratory factor analysis employing the Varimax option was performed so that the interval validity could be evaluated. Third, reliability assessments were conducted to further determine the variable factor frameworks. Fourth, a general interpretation of the hypothesised relationships was assessed with correlation analysis. Fifth, a more powerful regression analysis was undertaken so that the proposed relationships of the research model could be tested and this technique was extended to assess the mediating influences on the main hypotheses. Sixth, an endeavour was made to examine the entire model with the Analysis of Moment Structure (AMOS) to obtain an overview of the predicted relationships shown in the research model. These statistical procedures were conducted with SPSS software (SPSS, 20).

The qualitative data of the two focus group discussion from China and India were recorded verbatim and analysed. The discussions were recorded with an electronic recorder, and then kept on Nvivo. Nvivo is a computer software package, that can be used to analyse qualitative data. This programme facilitates the storage, management and analysis of data to provide patterns of nodes to assist in the interpretation component of the records. These recorded data were subsequently evaluated with Nvivo, and the results were presented as Figures illustrating the patterns of relationships of the latent notions given by the respondents. In addition, the Figures were accompanied with relevant descriptive text.
In practice, responses generated from the interviews of the Chinese and Indian participants were comprehensively evaluated and dominant features were recorded. The number of times the notion was presented by participants from the respondents (i.e., multiple mentioning) during the discussion was recorded. Less common notions between the groups (i.e., single mentioning), were also captured by Nvivo. In addition, latent or emerged ‘messages’ were ascertained by clustering themes in the responses. The latent information provided by the respondents may further enhance the richness of the study sample. The procedure was repeated until salient aspects of the data provided by the two focus groups were distilled. Each of the five research questions was evaluated with this procedure, and each question from the two interview groups was compared and comparisons were made between Chinese and Indian respondents. These data were reported in Chapter Four.

CONCLUSION

The objective of this Chapter was to detail how it is intended to undertake assessments of the research design. Initially, the relevant literature was comprehensively examined to formulate a research model and the Western instruments that would be used for assessing the quantitative and qualitative components of the study in Chinese and Indian ECMs. Next, relevant information about the study subjects and the investigative sites preceded the proposed procedures for systematically undertaking a linear series of the study stages. One of the early stages will oblige employment of the back translation process to develop a survey instrument that is composed of Mandarin characters to be administered with Chinese participants, and this procedure was delineated. The instruments that were generated for evaluating the quantitative element of this study and the questions to be used to fulfil the qualitative requirements are described in the Measures section. Prior to administrating the English version of the questionnaire in India and the Mandarin format in China an intention to test these instruments with a pilot study was announced. How it is intended to evaluate the collated data acquired from these completed scales by the use of a number of appropriate statistical procedures, and proposals for evaluating the qualitative data with Figures and text is disclosed. The purpose of Chapter Three is to provide foundation how the data were captured for the evaluations that are presented in Chapter Four.
Chapter Four

DATA ANALYSIS AND RESULTS

INTRODUCTION
Chapter Four presents the study findings, that have been divided into two main sections: 1) the quantitative findings, showing comparison of Chinese and Indian responses to administered questionnaire; and 2) the qualitative results of the analyses of the five research questions, that were given in Chapter One. These five questions were refined after considerable analysis of the quantitative findings. A discussion of the quantitative data assessment is provided in the first section of this Chapter, which is incorporated four parts. The first part outlines demographic information of the respondents. In the second part the psychometric assessments are documented. More specifically, the results of the factor analyses and reliability assessments are presented to show the robustness of the data. The third part of the first section consists of the results of empirical analyses, that included correlational analysis, regression analysis, mediated regression analysis, and causal path analysis. In the second section of the Chapter is provided an overview of the qualitative findings based on the five questions. In addition, a succinct, but comprehensive summation of the Chinese and Indian participants’ comments that emerged from the dialogue is delineated. In short, the qualitative feature of the study was a strategy for elucidating the meanings of the obtained quantitative results. Finally, a concluding section of Chapter Four integrates both the quantitative and qualitative findings. Initially, a detailed discussion of the quantitative data assessment is presented.

QUANTITATIVE DATA ASSESSMENT
Demographics of the Respondents
The study data were collected from China and India through sponsoring institutions in the two respective countries. These data were broadly examined with two assessments. Although extensive attention was given to accurately inputting the questionnaire responses, the presence of outliers was assessed in the first assessment. In this process the data were examined to ensure that no data entries exceed their interval range. In the second assessment the presence of missing data was investigated. This process enables the researcher to detect the usability of the
questionnaires, and it was found that few of them had to be discarded as seldom were they devoid of some responses (i.e., missing data). It is likely that as the sponsored third party in China and institutions in India had assisted the delivery of the questionnaires, this action led to participant binding, which emerged as the completion of almost every question in each questionnaire. A total of 101 useable questionnaires were generated from China (N = 50) and India (N = 51). In considering the results of preliminary assessments it was deemed the data were suitable for further analysis. Consequently, the demographics of the respondents are presented in Table 4.1.

Table 4.1
Demographics %

<table>
<thead>
<tr>
<th></th>
<th>China N = 50</th>
<th>India N = 51</th>
<th>China N = 50</th>
<th>India N = 51</th>
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<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Male</td>
<td>88.0</td>
<td>88.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>12.0</td>
<td>11.8</td>
<td></td>
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</tr>
<tr>
<td><strong>Managerial role</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive</td>
<td>26.0</td>
<td>31.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic</td>
<td>44.0</td>
<td>45.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior</td>
<td>30.0</td>
<td>23.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Age (years)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 30</td>
<td>12.0</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-39</td>
<td>50.0</td>
<td>72.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40-49</td>
<td>24.0</td>
<td>23.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Above 50</td>
<td>14.0</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Qualification</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University</td>
<td>84.0</td>
<td>98.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non University</td>
<td>16.0</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Length (years)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 6</td>
<td>24.0</td>
<td>66.6</td>
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<td></td>
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<tr>
<td>6-10</td>
<td>28.0</td>
<td>25.5</td>
<td></td>
<td></td>
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<tr>
<td>11-15</td>
<td>10.0</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 15</td>
<td>38.0</td>
<td>5.9</td>
<td></td>
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<tr>
<td><strong>Career (years)</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Less than 6</td>
<td>18.0</td>
<td>17.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-10</td>
<td>36.0</td>
<td>23.5</td>
<td></td>
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<tr>
<td>11-15</td>
<td>12.0</td>
<td>37.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 15</td>
<td>34.0</td>
<td>21.6</td>
<td></td>
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</tr>
<tr>
<td><strong>Industry type</strong></td>
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<td></td>
</tr>
<tr>
<td>Service</td>
<td>54.0</td>
<td>94.1</td>
<td></td>
<td></td>
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<tr>
<td>Manufacture</td>
<td>46.0</td>
<td>5.9</td>
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<tr>
<td><strong>Organisational type</strong></td>
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<tr>
<td>Private</td>
<td>50.0</td>
<td>94.1</td>
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<tr>
<td>State owned</td>
<td>32.0</td>
<td>2.0</td>
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<td>Government department</td>
<td>4.0</td>
<td>3.9</td>
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<tr>
<td>Other</td>
<td>14.0</td>
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<tr>
<td><strong>Firm size</strong></td>
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<tr>
<td>Less than 500</td>
<td>50.0</td>
<td>25.5</td>
<td></td>
<td></td>
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<tr>
<td>500-1000</td>
<td>18.0</td>
<td>13.7</td>
<td></td>
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</tr>
<tr>
<td>1001-1500</td>
<td>4.0</td>
<td>3.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 1500</td>
<td>28.0</td>
<td>56.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>International engagement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extensive</td>
<td>46.0</td>
<td>74.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moderate</td>
<td>38.0</td>
<td>21.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very little</td>
<td>16.0</td>
<td>3.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Market orientation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td>16.0</td>
<td>7.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional</td>
<td>30.0</td>
<td>19.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global</td>
<td>52.0</td>
<td>72.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 4.1 summarises the demographic characteristics of the respondents from both personal and organisational perspectives. From the personal perspective, it is shown in Table 4.1, that in both the Chinese and Indian organisations male dominant leadership still plays an important role especially, when it comes to managerial positions. These results are conflicting to a number of previous study findings, that suggest male dominant leadership is weakening in Chinese and Indian companies (Ananthram & Pearson, 2008; Ananthram, Pearson & Chatterjee, 2010; Chatterjee & Pearson, 2006; Nie, 2008). And it is presented in Table 4.1 that more than two thirds of the participating managers from China and India hold positions above senior management. A second feature of the sample was that a large number of the Chinese and Indian respondents are younger than 50 years of age, which indicates that seniority in leadership promotion has become less important, as both Chinese and Indian organisations have placed emphasis on a younger well trained and skilled workforce. Indeed, considerably more than three quarters of the participants had university qualifications (China, 84 per cent; and India, 98.0 per cent; respectively). A third feature of the study finding was the differences in industry engagement. In fact, nearly half of the Chinese respondents had been active for 11 years or more, whereas less than eight per cent of the Indian respondents had been in their current positions for over 11 years. This finding highlights the intensity of the phenomenon of ‘job hopping’ in Indian organisations (Chatterjee, 2007; Mishra, 2012).

A feature of Table 4.1 is the difference in the organisational perspectives of Chinese and Indian organisations in terms of engagement with the service and manufacturing sectors. Almost half of the studied Chinese companies were involved in the manufacturing sector. This finding is aligned with existing literature that a large number of the Chinese MNCs are engaged in the global marketplace to take home cost advantage in manufacturing (Jonsson, 2008). A converse finding that over half (54%) the Chinese study firms were active in service related industries is an observation that may suggest Chinese ECMs are shifting their global direction to become more service orientated. In the case of India, most organisations are service orientated. In fact, 94.1 per cent of the study participating Indian ECMs are involved in service related sectors. Indeed, the service sector plays a major role in the Indian economy, and this vibrant sector has generated over 50 per cent of the country’s GDP (Khandare & Ghadage, 2011; Singla & Singh, 2012). A further dominant
feature of the sample was that firm privatisation in China also plays a significant role in the involvement of business activities outside their home market. Indeed, the study findings revealed that 50 per cent of the participating Chinese ECMs are privately owned. Furthermore, the Chinese state owned organisations appear to be the second dominant players when engaging business overseas, which could be explained by the supportive ‘go overseas’ policy, that was proposed by the Chinese government to encourage their firms to invest in resource sectors in order to secure domestic supplies (Alon, Child, Li & McIntyre, 2011; Ramasamy, Yeung & Laforet, 2012). Interestingly, over 90 per cent of the studied Indian organisations are privately owned (94.1%), and this finding provides support for the claim that Indian outward FDI is predominantly from privately managed enterprises (Kale, 2006; Kumar & Chadha, 2009). The content of Table 4.1 also reveals that firm sizes were different in the two examined samples. For example, half of the studied Chinese organisations had cadres of more than 500 employees, and over half the Indian organisations employed less than 1500 employees. A salient finding was the common focus on international engagement and global market orientation in both the Chinese and the Indian participants.

**Psychometric Assessments**

In assessing the psychometric properties of the scales, factor analysis and reliability assessments were employed. Exploratory factor analyses (EFA) were performed to determine the underlying structure of the robustness of the scale items among the three main variables being investigated in this study. These three main variables were 1) talent management, 2) global business systems, and 3) global ambition. The internal consistency of all the three scales was evaluated through reliability assessments, and the results show that the scales have sound validities and reliabilities. Consequently, the study data were considered to be robust and worthy for further statistical analysis.

The purpose of employing factor analysis is to evaluate the construct validity of the study variables. The principal components method for extraction under the EFA procedure was employed, and factors with eigenvalues greater than one were retained. The Varimax option was used because of the technique’s success in obtaining orthogonal rotation of factors for the purpose of regression and other
predictor techniques (Hair, Anderson, Tatham & Black, 1998). Given that the study sample size is 101, Hair, et al. (1998) suggests that conservative factor loading of approximately ± 0.50 or greater were to be considered at the 0.05 level. Once the dimensionalities of the instruments were verified, the internal consistencies of the scales were evaluated with reliability analysis.

The reliability assessment for each construct was estimated using Cronbach’s alpha coefficient (Cronbach, 1951). The seminal work conducted by Nunnally (1978) has been widely used for estimating the reliability of multi item scales. Generally, items were retained in the scale when the item-to-total correlation was at least 0.35, when there were at least three items in the scale, and a coefficient alpha in the order of 0.70 was obtained (Nunnally, 1978), and few coefficient alphas were less than 0.70. According to Hair, et al. (1998), the minimum acceptable reliability values were not constituted at an universal level. Furthermore, a coefficient alpha at the 0.50 level is deemed acceptable if the scales are modified or adapted to suit the context of the study site (Guildford, 1965). Overall, for this study, the alpha coefficients for the study scales, that are shown in Tables 4.2 to 4.4, were above 0.50, except internal selection for Indian responses (0.46), indicating the internal consistency for the study scales was satisfactory for further exploratory assessments. Based on these results, the factor analysis and the reliability assessments for the three study variables including the independent, intervening as well as the dependent variables were conducted with some confidence, and the results are presented next.

EFA and Reliability Analyses of the Independent Variable
In the research model presented in Chapter Two, the independent variable of talent management consists of four constructs, 1) selection and recruitment, 2) pools of talent, 3) talented pool, and 4) pivotal talent. These constructs are deemed to have implications on the global business system development of both Chinese and Indian ECMs. The data analysis revealed that seven factors emerged as illustrated in Tables 4.2, 4.3 and 4.4. Initially, the frequently mentioned items (evaluated by percentage), were adapted from Hsu and Leat (2000), and El-Kot and Leat (2008) to measure the construct of selection. Unexpectedly, not all the items contributed to the measurement of selection, but as anticipated two factors emerged as indicated in Table 4.2 in the Chinese and Indian samples, and the coefficient alphas were deemed
acceptable, and subsequently, the decision was made to keep the sub constructs for further statistical analysis. Inspection of Table 4.2 shows items 1, 3 and 8 emerged as common features of the construct of external selection in both datasets. Also, the common items 4 and 7 were prominent responses for the variable of internal selection. These five items were retained and employed for assessments involving the variables of external selection and internal selection. The reliabilities for the retained scales are shown at the bottom of Table 4.2.

### Table 4.2
Principal Components Factor Analysis and Cronbach Alpha Scores for the Selection Variable

<table>
<thead>
<tr>
<th>Variables</th>
<th>China (N = 50)</th>
<th>India (N = 51)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Items (#)</td>
<td>Factors</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>External</td>
<td>1 .751</td>
<td>.315</td>
</tr>
<tr>
<td></td>
<td>3 .830</td>
<td>.193</td>
</tr>
<tr>
<td></td>
<td>5® .618</td>
<td>-.298</td>
</tr>
<tr>
<td></td>
<td>8 .660</td>
<td>.149</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal</td>
<td>4 .073</td>
<td>.760</td>
</tr>
<tr>
<td></td>
<td>6 .352</td>
<td>.760</td>
</tr>
<tr>
<td></td>
<td>7 -.004</td>
<td>.731</td>
</tr>
<tr>
<td>Eigenvalue</td>
<td>2.200</td>
<td>1.926</td>
</tr>
<tr>
<td>Percentage of variance</td>
<td>31.43</td>
<td>27.31</td>
</tr>
<tr>
<td>Cumulative % of variance</td>
<td>31.43</td>
<td>58.74</td>
</tr>
<tr>
<td>Cronbach alpha</td>
<td><strong>0.65</strong></td>
<td><strong>0.68</strong></td>
</tr>
</tbody>
</table>

Note. ® indicates the item was reversed.

A total of nine items were adapted to measure the construct of recruitment. These items were from the works conducted by Chang, Wilkinson and Mellahi (2007), and Lockyer and Scholarios (2007). The most frequently used techniques for recruiting managerial positions were chosen. As expected, two factors emerged (see Table 4.3), which can be divided into external and internal recruiting methods. However, not all items were retained for further analysis as some of them leaked across the factors obtained from analyses of the Chinese and Indian responses. The items 10, 12, and 14 were used to measure external recruitment, while items 11 and 13 were employed to assess relationships with internal recruitment. The reliability assessments of the retained scale are presented at the bottom of Table 4.3.
A total of 15 items were developed to measure: a) pools of talent, b) talented pool, and c) pivotal talent. The scales contained five items (1 = ‘Strongly disagree’ to 7 = ‘Strongly agree’) to measure each construct, and the employed scales were developed based on previous research (Barlow, 2006; Bhatnagar, 2007; Blackman & Kennedy, 2008; Boudreau & Ramstad, 2005; Bryan, et al, 2006; Collings & Mellahi, 2009; Groves, 2007; Jackson & Schuler, 1990; Lewis & Heckman, 2006; Michaels, et al., 2001; Schweyer, 2004; Smart, 2005; Walker & LaRocco, 2002). The study data revealed that all items contributed to the measurement of the pools of talent construct for the Indian sample, but not for the Chinese sample, and the reverse item (denoted by ®) was removed from further assessment. Moreover, the reversed items for measuring the constructs of talented pools and pivotal talent did not contribute to their measurements, and the decision was made to delete them from further analysis. The retained items for measuring the three variables are listed in Table 4.4, and these three factors were used for further empirical analysis.

Reliability assessments were conducted to examine the internal consistency of the study variables of pools of talent, talented pool, and pivotal talent. The results of reliability analyses are shown in Table 4.4. The reliability scores for the three constructs were greater than the acceptable threshold of 0.50. Indeed, most of the
Cronbach alpha coefficients obtained were considerably greater than 0.69, which indicated overall, the internal consistencies of the study scales, were robust for further statistical analyses. The variable of pools of talent with items 18, 19, 20 and 22; the construct of talented pools was scored with items 23, 24, 26 and 27; while variable of pivotal talent was assessed with items 28, 29, 30 and 32.

Table 4.4
Principal Components Factor Analysis and Cronbach Alpha Scores for the Pools of Talent, Talented Pools, and Pivotal Talent (China N = 50, and India N = 51)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pools of talent</th>
<th>Talented pools</th>
<th>Pivotal talent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items</td>
<td>(#)</td>
<td>China</td>
<td>Items</td>
</tr>
<tr>
<td>18</td>
<td>18</td>
<td>.751</td>
<td>18</td>
</tr>
<tr>
<td>19</td>
<td>19</td>
<td>.691</td>
<td>19</td>
</tr>
<tr>
<td>20</td>
<td>20</td>
<td>.836</td>
<td>20</td>
</tr>
<tr>
<td>22</td>
<td>21®</td>
<td>.589</td>
<td>21®</td>
</tr>
<tr>
<td>Eigenvalue</td>
<td></td>
<td>2.088</td>
<td></td>
</tr>
<tr>
<td>Percentage of variance</td>
<td>52.20</td>
<td>54.75</td>
<td>66.80</td>
</tr>
<tr>
<td>Cumulative % of variance</td>
<td>52.20</td>
<td>54.75</td>
<td>66.80</td>
</tr>
<tr>
<td>Cronbach alpha</td>
<td>0.69</td>
<td>0.79</td>
<td>0.82</td>
</tr>
</tbody>
</table>

Note. ® indicates the item was reversed.

EFA and Reliability Analyses of the Intervening Variable

The dimensionality of the perception of global business system scale contains three variables of innovative, productive and customer relationship activities. The scales for measuring the three variables were investigated and the factor analysis results are presented in Table 4.5. The variable of innovative activities was evaluated with four items that were developed from the work of Lasserre (2007). In addition, a four item scale with a reverse item was developed based on a number of existing studies (Bradley & O’Reagain, 2001; Stock, Greis & Kasaida, 1996; Thomas & Griffin, 1996) to evaluate productive activities. Interestingly, a three scale factor was emerged, as the reverse item did not contribute to the measurement, and hence, it was removed from further analysis in the Chinese sample. However, all the items contributed to the measurement of the productive activities construct in the Indian responses. Furthermore, the customer relationship activities variable was assessed with a five item scale, which was generated from the relevant literature (Berry, 1995;
Kandampully, 2007; Zhang, et al., 2005). Unexpectedly, one factor emerged to measure the construct of customer relationship activities in the Chinese and Indian samples. The Cronbach alpha coefficients for all the three intervening variables, shown at the base of Table 4.5 as the Cronbach alpha values, were greater than 0.70. Furthermore, these reliabilities values demonstrated the robustness of the study scales, and consequently, further statistical analyses were performed with some confidence.

### Table 4.5
Principal Components Factor Analysis and Reliability Assessment for Innovative Activities, Productive Activities and Customer Relationship Activities Variables
(China N = 50, and India N = 51)

<table>
<thead>
<tr>
<th>Section 6</th>
<th>Items (§)</th>
<th>China</th>
<th>India</th>
<th>Items (§)</th>
<th>China</th>
<th>India</th>
<th>Items (§)</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Innovative activities</td>
<td></td>
<td></td>
<td>Productive activities</td>
<td></td>
<td></td>
<td>Customer relationship activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>.856</td>
<td>.824</td>
<td>5</td>
<td>.945</td>
<td>.870</td>
<td>9</td>
<td>.780</td>
<td>.803</td>
<td></td>
</tr>
<tr>
<td>2®</td>
<td>.786</td>
<td>.521</td>
<td>6</td>
<td>.943</td>
<td>.889</td>
<td>11</td>
<td>.835</td>
<td>.803</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>.879</td>
<td>.762</td>
<td>7</td>
<td>.792</td>
<td>.591</td>
<td>12</td>
<td>.830</td>
<td>.651</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>.608</td>
<td>.816</td>
<td>8®</td>
<td>.542</td>
<td></td>
<td>13</td>
<td>.711</td>
<td>.529</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eigenvalue</td>
<td></td>
<td>2.492</td>
<td>2.196</td>
<td>2.410</td>
<td>2.190</td>
<td>2.936</td>
<td>2.632</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of variance</td>
<td>62.30</td>
<td>54.91</td>
<td>80.33</td>
<td>54.76</td>
<td>58.71</td>
<td>52.64</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative % of variance</td>
<td>62.30</td>
<td>54.91</td>
<td>80.33</td>
<td>54.76</td>
<td>58.71</td>
<td>52.64</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cronbach alpha</td>
<td></td>
<td>.76</td>
<td>.72</td>
<td>.85</td>
<td>.70</td>
<td>0.82</td>
<td>0.77</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note. ® indicates the item was reversed.

### EFA and Reliability Analyses of the Dependent Variable
The dependent variable of global ambition scale, which incorporates four facets of global player, regional player, global exporter and global sourcer, was examined for its dimensionality. The 12 items scale for measuring global ambition was generated after comprehensively consulting a number of relevant studies (Athukoralia, 2009; Athreye & Kapur, 2009; Chhibber, 2008; Finfacts, 2005; Huchet & Ruet, 2008; Kumar & Chadha, 2009; Lasserre, 2007; Nicolas & Thomsen, 2008; Rugman, 2000, 2005; Rugman & Verbeke, 2004, 2008; Siehler, 1999; Westhead, et al., 2001). The responses from China and India to this scale were separately factor analysed and four factors were obtained. All the items loaded onto their corresponding factor as anticipated, and the four factor loadings for Chinese and Chinese responses are presented in Table 4.6. The results in Table 4.6 indicated that the dimensionalities of the instrument were identical to be coherent and the scale demonstrated the internal
consistency was robust. This notion is particularly evident as the Cronbach alpha coefficients were greater than 0.80, with one exception in the Indian responses with regional player factor scored 0.76. Overall, the high Cronbach alpha coefficients, presented at the bottom of Table 4.6, were acceptable for further exploratory assessments.

Table 4.6
Principal Components Factor Analysis and Reliability Assessment for Global Player, Regional Player, Global Exporter and Global Sourcer Variables
(China N = 50, and India N = 51)

<table>
<thead>
<tr>
<th>Variables</th>
<th>China</th>
<th>India</th>
<th>China</th>
<th>India</th>
<th>China</th>
<th>India</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Items (#)</td>
<td></td>
<td>Items (#)</td>
<td></td>
<td>Items (#)</td>
<td></td>
<td>Items (#)</td>
<td></td>
</tr>
<tr>
<td>Global player</td>
<td>.780</td>
<td>.870</td>
<td>.960</td>
<td>.761</td>
<td>.871</td>
<td>.926</td>
<td>.909</td>
<td>.957</td>
</tr>
<tr>
<td>Regional player</td>
<td>.853</td>
<td>.935</td>
<td>.921</td>
<td>.835</td>
<td>.843</td>
<td>.967</td>
<td>.933</td>
<td>.935</td>
</tr>
<tr>
<td>Global exporter</td>
<td>.898</td>
<td>.879</td>
<td>.738</td>
<td>.814</td>
<td>.869</td>
<td>.958</td>
<td>.907</td>
<td>.920</td>
</tr>
<tr>
<td>Global sourcer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eigenvalue</td>
<td>2.355</td>
<td>2.532</td>
<td>2.450</td>
<td>2.055</td>
<td>2.615</td>
<td>2.881</td>
<td>2.958</td>
<td>2.710</td>
</tr>
<tr>
<td>Cumulative % of variance</td>
<td>86.48</td>
<td>67.69</td>
<td>66.86</td>
<td>84.82</td>
<td>46.44</td>
<td>24.01</td>
<td>24.65</td>
<td>46.59</td>
</tr>
<tr>
<td>Cronbach alpha</td>
<td>0.84</td>
<td>0.90</td>
<td>0.87</td>
<td>0.76</td>
<td>0.95</td>
<td>0.96</td>
<td>0.97</td>
<td>0.94</td>
</tr>
</tbody>
</table>

Empirical Analyses

Descriptive Statistics and Correlations
Table 4.7 presents the means, standard deviations, and bivariate correlations among the talent management, global business system and global ambition variables evaluated for the Chinese and Indian samples. Correlations below the diagonal (separated by the blank space) for the Chinese respondents (N = 50), and correlations above the diagonal are for the Indian respondents (N = 51). It is shown in Table 4.7 that both Chinese and Indian managers favoured external selection techniques compared to external recruitment processes, and moreover the respondents had a preference for internal selection methods in contrast to internal recruitment approaches. Furthermore, the results of Table 4.7 also indicated that Chinese managers possessed relatively higher scores on pools of talent, talented pools as well as pivotal talents compared to their Indian counterparts. Consequently, these relative high mean scores demonstrated that the importance of managerial talents was the key to an organisation’s global business system. Although the global ambitions of both Chinese and Indian ECMs may be determined by the development of a global
business system, the results presented in Table 4.7 did not provide support for all the linkages. For example, the innovative activities were associated with global players in the Chinese sample at the \( p < 0.05 \), however, this relationship was non significant in the Indian sample. Consequently, greater delineation of the hypothesised connections attracts attention.

The correlation results, presented in Table 4.7, provide opportunity to overview the main hypotheses predicted in the conceptual model (Figure 2.1). For example, the independent variables of talent management (e.g., selection and recruitment [both internal and external], pools of talent, talented pools, and pivotal talents) are correlated with the intervening construct of global business system development (e.g., innovative activities, productive activities as well as customer relationship activities) to provide a block of 21 correlations. In the Indian data these correlations are represented by columns eight, nine and 10 with rows one to seven, inclusive; and in the Chinese data the correlations are presented in columns one to seven, inclusive with rows eight, nine and 10. An inspection of these two blocks of correlations reveals few (five) of the associations in the Indian data are significant whereas only four of the Chinese correlations are non significant. Moreover, the main hypotheses between the intervening variables and the four dependent variables of global ambition (e.g., global player, regional player, global exporter and global sourcer) are represented by the correlations of the Indian data, which are shown in columns 11 to 14, inclusive with rows eight to 10; and in the Chinese data columns eight, nine and 10 with rows 11 to 14, inclusive. A visual inspection shows both of these sets of correlations are similar in terms of about a third of them being significant. These correlations indicate the responses of the Chinese and Indian managers were substantially different when responding to questions about the relationships between the independent and intervening variables, yet when these same managers expressed their perceptions about the relativities between the conceptual model intervening and dependent variables they generally reported few of the associations have substantial connections.
Table 4.7
Descriptive Statistics and Correlations

Notes. a. M = Mean, and SD = Standard deviation of the mean.
c. *p < 0.05, and ** p < 0.01.

<table>
<thead>
<tr>
<th>Variables</th>
<th>India M (SD)</th>
<th>China M (SD)</th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ES</td>
<td>5.93 (0.90)</td>
<td>5.29 (1.40)</td>
<td>.290*</td>
</tr>
<tr>
<td>2. IS</td>
<td>5.22 (1.17)</td>
<td>.258</td>
<td>-.157</td>
</tr>
<tr>
<td>3. ER</td>
<td>4.94 (1.33)</td>
<td>.230</td>
<td>.009</td>
</tr>
<tr>
<td>4. IR</td>
<td>4.94 (1.34)</td>
<td>.256</td>
<td>.484**</td>
</tr>
<tr>
<td>5. PT</td>
<td>5.23 (1.04)</td>
<td>.429**</td>
<td>.210</td>
</tr>
<tr>
<td>6. TP</td>
<td>5.77 (0.98)</td>
<td>.463**</td>
<td>.230</td>
</tr>
<tr>
<td>7. PiT</td>
<td>5.95 (0.94)</td>
<td>.361**</td>
<td>.265</td>
</tr>
<tr>
<td>8. Inno</td>
<td>5.38 (1.08)</td>
<td>.565**</td>
<td>.249</td>
</tr>
<tr>
<td>9. Prod</td>
<td>5.43 (1.37)</td>
<td>.184</td>
<td>.304*</td>
</tr>
<tr>
<td>10. CRA</td>
<td>5.50 (1.05)</td>
<td>.478**</td>
<td>.364**</td>
</tr>
<tr>
<td>11. GLP</td>
<td>5.59 (1.38)</td>
<td>.264</td>
<td>.300*</td>
</tr>
<tr>
<td>12. REP</td>
<td>4.59 (1.67)</td>
<td>.045</td>
<td>.057</td>
</tr>
<tr>
<td>13. GLE</td>
<td>4.75 (1.91)</td>
<td>.050</td>
<td>.229</td>
</tr>
<tr>
<td>14. GSO</td>
<td>3.86 (2.08)</td>
<td>.016</td>
<td>.177</td>
</tr>
</tbody>
</table>
The data of Table 4.7 demonstrate degrees of support for a number of the main 33 hypotheses that are shown in Figure 4.1. Given the exploratory nature of the study a number of interesting observations were recorded, which is reflected in the summary of the extent of support for the predictions as presented in Table 4.8. There was non statistical support for hypotheses 14, 15, 18, 19, 22, 23 and 24.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>China</th>
<th></th>
<th>India</th>
<th></th>
<th>Extent of support</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>ES</td>
<td>Inno</td>
<td>.565**</td>
<td>IR</td>
<td>.288*</td>
</tr>
<tr>
<td>2.</td>
<td>ER</td>
<td>Inno</td>
<td>.304*</td>
<td>IR</td>
<td>.280*</td>
</tr>
<tr>
<td>3.</td>
<td>TP</td>
<td>Inno</td>
<td>.484*</td>
<td>TP</td>
<td>.338*</td>
</tr>
<tr>
<td>4.</td>
<td>PiT</td>
<td>Inno</td>
<td>.547*</td>
<td>ES</td>
<td>.291*</td>
</tr>
<tr>
<td>5.</td>
<td>IS</td>
<td>Prod</td>
<td>.304*</td>
<td>Prod</td>
<td>.316*</td>
</tr>
<tr>
<td>6.</td>
<td>PT</td>
<td>Prod</td>
<td>.366**</td>
<td>Prod</td>
<td>.339*</td>
</tr>
<tr>
<td>7.</td>
<td>TP</td>
<td>Prod</td>
<td>.376*</td>
<td>Prod</td>
<td>.339*</td>
</tr>
<tr>
<td>8.</td>
<td>PiT</td>
<td>Prod</td>
<td>.478**</td>
<td>Prod</td>
<td>.364**</td>
</tr>
<tr>
<td>9.</td>
<td>ES</td>
<td>Prod</td>
<td>.594**</td>
<td>Prod</td>
<td>.364**</td>
</tr>
<tr>
<td>10.</td>
<td>PT</td>
<td>CRA</td>
<td>.675**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>TP</td>
<td>CRA</td>
<td>.774**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>PiT</td>
<td>CRA</td>
<td>.665**</td>
<td>PiT</td>
<td>.405**</td>
</tr>
<tr>
<td>13.</td>
<td>Inno</td>
<td>GLP</td>
<td>.331*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>Prod</td>
<td>GLP</td>
<td>.300*</td>
<td>Inno</td>
<td>.413**</td>
</tr>
<tr>
<td>15.</td>
<td>Prod</td>
<td>GSO</td>
<td>.385**</td>
<td>Prod</td>
<td>.303*</td>
</tr>
<tr>
<td>16.</td>
<td>CRA</td>
<td>GLP</td>
<td>.302*</td>
<td>CRA</td>
<td>.366**</td>
</tr>
</tbody>
</table>

Notes. a. IV = Independent variable, DV = Dependent Variable, ES = External selection, IS = Internal selection, ER = External recruitment, IR = Internal recruitment, PT = Pools of Talent, TP = Talented pool, PiT = Pivotal talent, Inno = Innovative activities, Prod = Productive activities, CRA = Customer relationship activities, GLP = Global player, REP = Regional player, GLE = Global exporter, and GSO = Global sourcer.

b. *p < 0.05, and ** p <0.01.

Despite the correlation results providing an overview of the relationships among the study variables, the connections could be influenced by a number of non examined
constructs such as the mediating variables, or organisational architectures. Therefore, other more powerful statistical analyses are necessary for gaining a comprehensive understanding of the variable associations. Consequently, multiple regression analysis was performed to evaluate the linkages between the assessed variables.

**Multiple Regression Analysis**

Table 4.9 presents the multiple regression analysis for the sub constructs of the talent management (TM) and the sub constructs of the global business system development for the Chinese and Indian samples. The results in Table 4.9 indicate some dissimilar predictors of global business system development in the two samples. For example, Chinese managers perceived that external selection techniques, and internal recruitment approaches had a direct impact on the innovative activities of their organisations’ global business systems development at the p<0.01, and p<0.05; respectively. In contrast, Indian participants have indicated that talented pools have contributed substantially to their organisations’ innovation activities. A common ground was found in both samples, as the Chinese and Indian respondents perceived there was a non significant relationship between talent management and productive activities suggesting other non assessed factors such as the management system can influence the examined relationships. A prominent attribute of the study results in the Chinese sample was that the relationship between internal recruitment and customer relationship activities was supported at the significant level of p<0.05. Furthermore, there was a significant relationship between talented pools and customers relationship activities in the Chinese sample, whereas this relationship was non significant according to the Indian respondents. Interestingly, Indian respondents agreed that pivotal talent is a predictor of customer relationship activities in the organisation’s global business system development. Although this finding could be influenced by sample size, some insights into these unexpected results provided a ‘fruitful’ ground for further qualitative feedback in the form of interviews, that were conducted with the Chinese and Indian participants, results of which are reported in the second half of the Chapter Four.

Table 4.10 shows the regression analysis between the sub constructs of the global business system development and the sub constructs of the global ambition of both Chinese and Indian samples. The results in Table 4.10 indicated that the relationship
between global business system development (i.e., innovative activities, productive activities, and customer relationship activities), and global ambition (e.g., global player, and regional player) were not substantially associated for both the Chinese and Indian samples. In fact, only three of the 24 tests were significant. The exceptions were the regression analysis for the relationship between the innovative activities and the variables of global exporter, and global sourcer was supported in the Indian sample, while the relationship between the productive activities and global sourcer was significant at the p<0.05 in the Chinese sample. Overall, the data of Table 4.10 indicate that most of the connections are non significant in the Chinese and Indian samples, and an indication other non observed factors may be in play is given by the relatively low adjusted R² values.

Relatively lower values of adjusted R² imply the models are likely to be more complex, incomplete, and influenced by the relatively small sample size. In spite of the relatively small sample size the data were exceedingly rich as the study respondents from the Chinese and the Indian ECMs were involved in strategic decision making of the global orientations of their organisations. Given the complex and dynamic business environments in China and India, the use of a qualitative approach has potential to complement to the understanding of quantitative analysis of data collected through the administration of questionnaires. This approach may enable the researcher to more thoroughly and comprehensively make a meaningful analysis, and the qualitative findings are also presented in latter half of this Chapter.
Table 4.9
Regression Analysis of Talent Management and Global Business Systems Development
(China N = 50, and India N = 51)

<table>
<thead>
<tr>
<th>Model</th>
<th>Global Business System Development</th>
<th>China</th>
<th>India</th>
<th>China</th>
<th>India</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Inno</td>
<td>Prod</td>
<td>CRA</td>
<td>Inno</td>
<td>Prod</td>
<td>CRA</td>
<td>Inno</td>
</tr>
<tr>
<td>Talent Management</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
</tr>
<tr>
<td>ES</td>
<td>.330</td>
<td></td>
<td>-1.21</td>
<td>-771</td>
<td>-.074</td>
<td>-.483</td>
<td>.208</td>
</tr>
<tr>
<td>IS</td>
<td>.181</td>
<td>1.515</td>
<td>.105</td>
<td>.709</td>
<td>.231</td>
<td>1.508</td>
<td>.127</td>
</tr>
<tr>
<td>ER</td>
<td>.096</td>
<td>.793</td>
<td>.293</td>
<td>1.965</td>
<td>.275</td>
<td>1.763</td>
<td>.293</td>
</tr>
<tr>
<td>IR</td>
<td>-.356</td>
<td>-2.531*</td>
<td>.239</td>
<td>1.680</td>
<td>.011</td>
<td>.061</td>
<td>.151</td>
</tr>
<tr>
<td>PT</td>
<td>.188</td>
<td>1.032</td>
<td>-.134</td>
<td>-712</td>
<td>.071</td>
<td>.304</td>
<td>-.305</td>
</tr>
<tr>
<td>TP</td>
<td>.131</td>
<td>.638</td>
<td>.371</td>
<td>2.154*</td>
<td>.058</td>
<td>.222</td>
<td>.136</td>
</tr>
<tr>
<td>PiT</td>
<td>.324</td>
<td>1.931</td>
<td>.066</td>
<td>.462</td>
<td>.209</td>
<td>.967</td>
<td>.131</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.563</td>
<td>0.245</td>
<td>0.277</td>
<td>0.219</td>
<td>0.719</td>
<td>0.303</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>7.739***</td>
<td>1.993</td>
<td>2.299*</td>
<td>1.726</td>
<td>15.352***</td>
<td>2.665*</td>
<td></td>
</tr>
</tbody>
</table>

Notes. a. Beta = Standardised coefficients, and t = Relative importance of each variable.
b. ES = External selection, IS = Internal selection, ER = External recruitment, IR = Internal recruitment, PT = Pools of talent, TP = Talented pool, PiT = Pivotal talent, Inno = Innovative activities, Prod = Productive activities, and CRA = Customer relationship activities.
c. F value = Independent variables explain the variation in the dependent variable.
d. *p < 0.05, **p < 0.01, and ***p < 0.001.
Table 4.10
Regression Analysis of the Relationships between Global Business System Development and Global Ambition
(China N = 50, and India N = 51)

<table>
<thead>
<tr>
<th>Model</th>
<th>Global Ambition</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>China</td>
<td>India</td>
<td>China</td>
<td>India</td>
<td>China</td>
<td>India</td>
<td>China</td>
<td>India</td>
<td>China</td>
<td>India</td>
<td>China</td>
<td>India</td>
<td>China</td>
<td>India</td>
</tr>
<tr>
<td></td>
<td>GLP</td>
<td>REP</td>
<td>GLE</td>
<td>GSO</td>
<td>GLP</td>
<td>REP</td>
<td>GLE</td>
<td>GSO</td>
<td>GLP</td>
<td>REP</td>
<td>GLE</td>
<td>GSO</td>
<td>GLP</td>
<td>REP</td>
</tr>
<tr>
<td>GBSD</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
</tr>
<tr>
<td>Inno</td>
<td>.234</td>
<td>1.521</td>
<td>-.022</td>
<td>-.019</td>
<td>-.029</td>
<td>-.134</td>
<td>.124</td>
<td>.765</td>
<td>.513</td>
<td>2.488*</td>
<td>-.012</td>
<td>-.077</td>
<td>.429</td>
<td>2.161*</td>
</tr>
<tr>
<td>Prod</td>
<td>.189</td>
<td>1.208</td>
<td>.099</td>
<td>.983</td>
<td>.491</td>
<td>-.164</td>
<td>.294</td>
<td>1.799</td>
<td>-.092</td>
<td>-.577</td>
<td>.379</td>
<td>2.408*</td>
<td>.121</td>
<td>.793</td>
</tr>
<tr>
<td>CRA</td>
<td>.095</td>
<td>.554</td>
<td>.350</td>
<td>1.895</td>
<td>-.107</td>
<td>-.580</td>
<td>-.048</td>
<td>-.248</td>
<td>-.217</td>
<td>-.1209</td>
<td>-.350</td>
<td>1.871</td>
<td>.018</td>
<td>.103</td>
</tr>
<tr>
<td></td>
<td>Adjusted R²</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.011</td>
<td>0.042</td>
<td>.633</td>
<td>0.122</td>
<td>.148</td>
<td>.189</td>
<td>0.132</td>
<td>0.148</td>
<td>0.189</td>
<td>0.132</td>
<td>0.148</td>
<td>0.189</td>
<td>0.132</td>
<td></td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>2.977*</td>
<td>2.595</td>
<td>0.172</td>
<td>0.680</td>
<td>1.895</td>
<td>2.172</td>
<td>2.668</td>
<td>3.650*</td>
<td>2.172</td>
<td>2.668</td>
<td>3.650*</td>
<td>2.172</td>
<td></td>
</tr>
</tbody>
</table>

Notes.  a. Beta = Standardised coefficients, and t = Relative importance of each variable.

b. GBSD = Global business system development, Inno = Innovative activities, Prod = Productive activities, CRA = Customer relationship activities, GLP = Global player, REP = Regional player, GLE = Global exporter, and GSO = Global sourcer.

c. F value = Independent variables explain the variation in the dependent variable.

d. *p < 0.05.
Regression Analysis for Mediating Variables

A key finding is analyses with the three examined mediating variables 1) industry type (i.e., manufacturing and service), 2) knowledge transfer, and 3) cultural priority had few significant associations. However, reasonable confidence for the substantial relationships is given by those instances when the $R^2$ values are greater than 0.3.

Two sets of analyses were undertaken. First, the mediating variables on the relationships between the independent variables and the intervening variables were assessed; and, second, the moderating effects of the three mediating variables on the connections between the intervening variables and the dependent variables was performed. The results of these analyses are presented in Tables 4.11, 4.12, 4.13, 4.14, 4.15, and 4.16; inclusive. A detailed elucidation begins with Table 4.11.

Industry type

Table 4.11 demonstrates the results of the mediated regression effects of industrial type (i.e., manufacturing versus service industries) on the connections between the independent variables and the intervening variables. A salient feature of Table 4.11 is that as the Indian participants were largely involved in the service related industries (only three respondents were associated with the manufacturing sector), only the mediating effects of the service sector on the studied relationships could be examined. Therefore, while the mediating effects for manufacturing and service could be examined with the Chinese data, only responses for the service sector were investigated with the Indian data. A large number of the studied relationships between the independent variables and the intervening variables was non significantly mediated by the industry type of manufacturing in the Chinese sample, however, those associations for the Chinese data that were significant (shown in bold) were revealed in models with relatively high $R^2$ values. Furthermore, the three highlighted significant linkages in the Indian data suggest the business system development was underpinned with qualities of the human resources. Obtaining quantitative data from invitation to complete a questionnaire is problematic in terms of balanced sample sizes as well as unsolicited connections with institutional influences are features of Table 4.11.

Table 4.12 presents the results of the mediating effects of industry type on the predictions of the intervening variables towards the dependent variables. The few
Indian respondents from manufacturing industries prevented a comparison of sector scores. Although few of the relationships are significant (shown in bold type) a feature is the strength of the global business system development variables with the construct of global player in the Chinese manufacturing data. These connections strongly reflect the correlation scores that are shown in Table 4.7. Confidence to accept the other significant relationships is conditional on the recorded $R^2$ values. Moreover, the mean scores of REP, GLE, and GSO (see Table 4.7) indicate the respondents provided equivocal understanding of the nomenclature of the questionnaire items, and this may provide an explanation for the non significant results of Table 4.12.
Table 4.11
Regression Analysis of the Mediating Variable of Industry Type on the Relationships Between Talent Management and Global Business System Development

<table>
<thead>
<tr>
<th>Model</th>
<th>China</th>
<th>India</th>
<th>China</th>
<th>India</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Inno</td>
<td>Prod</td>
<td>CRA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TM</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>S</td>
<td>S</td>
<td>M</td>
<td>S</td>
<td>S</td>
</tr>
<tr>
<td>ES</td>
<td>.105</td>
<td>.412</td>
<td>.446</td>
<td>**</td>
<td>3.708</td>
<td>**</td>
</tr>
<tr>
<td>IS</td>
<td>.422</td>
<td>1.688</td>
<td>.043</td>
<td>.335</td>
<td>.108</td>
<td>.696</td>
</tr>
<tr>
<td>ER</td>
<td>.019</td>
<td>.084</td>
<td>.124</td>
<td>.866</td>
<td>.264</td>
<td>1.707</td>
</tr>
<tr>
<td>IR</td>
<td>-.479</td>
<td>-1.488</td>
<td>-.367</td>
<td>-2.588</td>
<td>*</td>
<td>.242</td>
</tr>
<tr>
<td>PT</td>
<td>.078</td>
<td>.229</td>
<td>.227</td>
<td>1.066</td>
<td>-.197</td>
<td>-.998</td>
</tr>
<tr>
<td>PiT</td>
<td>.330</td>
<td>1.163</td>
<td>.513</td>
<td>1.590</td>
<td>.080</td>
<td>.537</td>
</tr>
</tbody>
</table>

Adjusted $R^2$: .207, .705, .113, .287, .309, .097, .621, .682, .246


Notes.  
a. Beta = Standardised coefficients, and t = Relative importance of each variable.  
d. TM = Talent management, ES = External selection, IS = Internal selection, ER = External recruitment, IR = Internal recruitment,  
PT = Pools of talent, TP = Talented pool, PiT = Pivotal talent, Inno = Innovative activities, Prod = Productive activities, and  
CRA = Customer relationship activities.  
e. F value = Independent variables explain the variation in the dependent variable.  
f. *p < 0.05, **p < 0.01, and ***p < 0.001.
Table 4.12
Regression Analysis of the Mediating Variable of Industry Type on the Relationships Between Global Business System Development and Global Ambition

<table>
<thead>
<tr>
<th>Model</th>
<th>Global Ambition</th>
<th>China</th>
<th>India</th>
<th>China</th>
<th>India</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GLP</td>
<td>REP</td>
<td>GLE</td>
<td>GSO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBSD</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
</tr>
<tr>
<td>Inno</td>
<td>.611</td>
<td>3.787</td>
<td>**</td>
<td>-3.343</td>
<td>-1.358</td>
<td>-0.010</td>
<td>-0.049</td>
</tr>
<tr>
<td>Prod</td>
<td>.565</td>
<td>3.113</td>
<td>**</td>
<td>.081</td>
<td>.398</td>
<td>.088</td>
<td>.529</td>
</tr>
<tr>
<td>CRA</td>
<td>-.404</td>
<td>-2.142</td>
<td>*</td>
<td>.686</td>
<td>2.730</td>
<td>.252</td>
<td>1.316</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>.476</td>
<td>.199</td>
<td>.016</td>
<td>-.001</td>
<td>-.030</td>
<td>-.044</td>
<td>.200</td>
</tr>
<tr>
<td>F</td>
<td>7.653**</td>
<td>3.156*</td>
<td>1.250</td>
<td>.996</td>
<td>.745</td>
<td>.347</td>
<td>2.828</td>
</tr>
</tbody>
</table>

Notes.  
a. Beta = Standardised coefficients, and t = Relative importance of each variable.  
d. GBSD = Global business system development, Inno = Innovative activities, Prod = Productive activities,  
   CRA = Customer relationship activities, GLP = Global player, REP = Regional player, GLE = Global exporter, and  
   GSO = Global sourcer.  
e. F value = Independent variables explain the variation in the dependent variable.  
f. *p < 0.05, and **p < 0.01.
Knowledge transfer

Table 4.13 delineates the mediating effects of knowledge transfer on the independent and intervening variables of the conceptual model. Knowledge transfer was partitioned into a high set and a low set of values, that were obtained after a factor analysis and an investigation of the mean scores. The significant mediating influences are highlighted in bold and most of them were obtained in models with relatively high $R^2$ values.

The standardised beta weights of Table 4.13 reveal the set of talent management constructs had a number of significant connections with the global business system development. These relationships are illustrated in the research model as Figure 2.1. Shown in Table 4.13 external selection was a predictor of innovative activities in the studied Chinese organisations ($\beta = 2.331$, $p<0.05$), for high levels of knowledge transfer, while for low estimates of knowledge transfer external recruitment was an indicator of innovation in the investigated Indian organisations ($\beta = 2.638$, $p<0.05$) as well as customer relationship activities in the studied Chinese corporations ($\beta = 2.836$, $p<0.05$). Moreover, in the Chinese organisations for low values of knowledge transfer internal recruitment were inversely related to innovation ($\beta = -2.564$, $p<0.05$), while for low scores of knowledge transfer innovation was linked with low estimates of pools of talent ($\beta = 2.255$, $p<0.05$), and pivotal talent ($\beta = 3.173$, $p<0.05$). Similar types of connections are revealed in the high value responses of knowledge transfer for pools of talent ($\beta = -2.648$, $p<0.05$), and pivotal talent ($\beta = 2.583$, $p<0.05$) for production activities in the Indian corporations. Also shown is low scores of knowledge transfer in the Indian organisations had significant relativity between talented pool and innovation ($\beta = 2.435$, $p<0.05$). An interesting feature of Table 4.13, irrespective of the level of knowledge transfer in the studied Chinese organisations, talented pool and customer relationship activities were substantially linked ($\beta = 2.459$, $p<0.05$; $\beta = 2.118$, $p<0.05$). A poignant observation of the Chinese and Indian study managers’ responses shows they were aware of the importance of acquiring talented personnel and building frameworks within organisations so their skills and competencies could be amalgamated for the development of the global business system.
### Table 4.13
Regression Analysis of the Mediating Variable of Knowledge Transfer on the Relationships Between Talent Management and Global Business System Development

<table>
<thead>
<tr>
<th>Model</th>
<th>Global Business System Development</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Inno</td>
<td>Prod</td>
<td>CRA</td>
</tr>
<tr>
<td>TM</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
</tr>
<tr>
<td>ES</td>
<td>.518</td>
<td>2.331</td>
<td>.066</td>
</tr>
<tr>
<td>IS</td>
<td>.088</td>
<td>.304</td>
<td>.015</td>
</tr>
<tr>
<td>ER</td>
<td>.034</td>
<td>.192</td>
<td>.006</td>
</tr>
<tr>
<td>IR</td>
<td>-.129</td>
<td>-.384</td>
<td>-.426</td>
</tr>
<tr>
<td>PT</td>
<td>.228</td>
<td>.999</td>
<td>.699</td>
</tr>
<tr>
<td>TP</td>
<td>.381</td>
<td>1.432</td>
<td>-.486</td>
</tr>
<tr>
<td>PiT</td>
<td>-.125</td>
<td>-.494</td>
<td>.803</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>.553</td>
<td>.597</td>
<td>.609</td>
</tr>
<tr>
<td>F</td>
<td>4.886***</td>
<td>6.491**</td>
<td>.948</td>
</tr>
</tbody>
</table>

Notes.  
- a. Beta = Standardised coefficients, and t = Relative importance of each variable.  
- b. China [High N = 25, and Low N = 25], and India [High N = 29, and Low N = 22].  
- c. TM = Talent management, ES = External selection, IS = Internal selection, ER = External recruitment, IR = Internal recruitment, PT = Pools of Talent,  
  TP = Talented pool, PiT = Pivotal talent, Inno = Innovative activities, Prod = Productive activities, CRA = Customer relationship activities, GLP =  
  Global player, REP = Regional player, GLE = Global exporter, and GSO = Global sourcer;e. F value = Independent variables explain the variation in  
  the dependent variable.  
- d. F value = Independent variables explain the variation in the dependent variable.  
- e. *p < 0.05, **p < 0.01, and ***p < 0.001.
Interview responses to the research question four reinforced the substantial findings of Table 4.13 (values in bold). When responding to how their corporations transfer knowledge to facilitate global ambitions disparate responses were given by the Chinese and Indian managers. On the one hand, the Chinese managers were reluctant to transfer knowledge believing a secretive strategy gave competitive power a fact, which is shown in Figure 4.5. On the other hand, Indian managers welcomed the concept of knowledge transfer, but their tall hierarchical organisational structure with the adoption of authoritarian management style stifled information flows. This position is shown in Figure 4.10. Both the quantitative and qualitative data of this study demonstrate that in spite of recognition of the importance of acquiring talented personnel and building effective operations many of the studied organisations are in their early stages of these visions.

Table 4.14 presents the findings of the mediating influence of knowledge transfer on the relationship between the intervening variables of global business system development and the dependent variables of global ambition. A feature of Table 4.14 is a number of the examined connections had relatively high values of $R^2$ and this degree of explained variance gives credibility to the result. Shown in Table 4.14 is Chinese organisations that had a high level of knowledge transfer the innovative activities were associated with estimates of a global player ($\beta = 3.500, p<0.01$), while in the studied Indian organisations low levels of knowledge transfer innovation was linked with dimensions of global exporter ($\beta = 4.090, p<0.01$), and global sourcer ($\beta = 3.433, p<0.01$). These results reflect the propensity of Chinese organisations to undertake high risk ventures compared to Indian organisations that tend to be risk averse. Also shown in Table 4.14 is Indian organisations with high levels of knowledge transfer customer relationship activities were associated with perceptions of being a global player ($\beta = 3.128, p<0.01$), but inversely connected to the notion of being a global exporter ($\beta = -2.416, p<0.05$). These findings infer knowledgeable employees are the facilitators for global interactions.
### Table 4.14
Regression Analysis of the Mediating Variable of Knowledge Transfer on the Relationships Between Global Business System Development and Global Ambition

<table>
<thead>
<tr>
<th>Model</th>
<th>GBSD</th>
<th>China</th>
<th>India</th>
<th>GLP</th>
<th>REP</th>
<th>GLE</th>
<th>GSO</th>
<th>China</th>
<th>India</th>
<th>GBSD</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Inno</td>
<td>.051</td>
<td>.500</td>
<td>**</td>
<td>.182</td>
<td>.783</td>
<td>-.225</td>
<td>-.094</td>
<td>.121</td>
<td>.413</td>
<td>-.015</td>
<td>.955</td>
<td>.352</td>
</tr>
<tr>
<td>Prod</td>
<td>.154</td>
<td>.888</td>
<td>-.200</td>
<td>.850</td>
<td>.041</td>
<td>.199</td>
<td>.718</td>
<td>.193</td>
<td>.765</td>
<td>-.047</td>
<td>-.201</td>
<td>.196</td>
</tr>
<tr>
<td>CRA</td>
<td>.056</td>
<td>.275</td>
<td>-.018</td>
<td>.073</td>
<td>.891</td>
<td>**</td>
<td>.128</td>
<td>.045</td>
<td>.161</td>
<td>-.028</td>
<td>-.096</td>
<td>-.271</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>.476</td>
<td>.025</td>
<td>.458</td>
<td>.084</td>
<td>.102</td>
<td>.022</td>
<td>-.106</td>
<td>.077</td>
<td>.137</td>
<td>.073</td>
<td>.155</td>
<td>.415</td>
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<tr>
<td>F</td>
<td>7.674</td>
<td>**</td>
<td>6.918</td>
<td>**</td>
<td>.482</td>
<td>.318</td>
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<td>.329</td>
<td>.522</td>
<td>2.162</td>
<td>.413</td>
<td>.063</td>
</tr>
</tbody>
</table>

**Notes.**

a. Beta = Standardised coefficients, and t = Relative importance of each variable.

b. China [High N = 23, and Low N = 27], and India [High N = 26, and Low N = 25].

c. GBSD = Global business system development, Inno = Innovative activities, Prod = Productive activities, CRA = Customer relationship activities, GLP = Global player, REP = Regional player, GLE = Global exporter, and GSO = Global sourcer.

d. F value = Independent variables explain the variation in the dependent variable.

e. *p < 0.05, and **p < 0.01.
Cultural priority

Table 4.15 presents the intervening effects of cultural priority on the relationships between the five sub variables of talent management and the three sub variables of the global business system development. The intervening variable of cultural priority into a high and low score sets by employing factor analysis and establishing a break point by frequency plot. The significant relationships are shown in bold type in Table 4.15 revealing the confidence of mediated connections in relativity to the R² values. In spite of culture is being an elusive, complex and contestable value, which has been arbitrarily assessed with items from the Chinese culture value study, and despite the bluntness of this instrument the data of Table 4.15 suggest the importance of attracting, and cultivating the strength of talented individuals for the successful development of global business systems. The evidence presented in Table 4.15 is in Chinese organisations with a high level of cultural priority external selection and the extent of talented pools were linked with innovation, respectively (β = 2.446, p<0.05; β = 2.450, p<0.05). Furthermore, it is reported in Table 4.15 these organisations had strong associations between HRM dimensions of internal recruitment (β = 2.210, p<0.05), and pivotal talent (β = 2.465, p<0.05).

Table 4.16 presents the mediating effects of cultural priority on the relationships between the intervening variables and the dependent variables in the Chinese and Indian samples. The content of Table 4.16 reveals few of the relationships were significant, and the R² values indicate the assessed models were incomplete. In spite of these barriers the data of Table 4.16 are suggestive that Indian organisations with high cultural priority productive activities were associated with the perception of a global player (β = 3.280, p<0.01), and inversely related to the notion of being a regional player (β= -2.635, p<0.05). Estimates of cultural priority are again clearly revealed for low valued Chinese and high valued Indian institutions, as expectedly the extent of Chineseness would be higher in Chinese organisations when contrasted with Indian corporations. However, the presented data revealed the relationships between innovation and global player (β = 2.567, p<0.05) and global exporter (β = 2.103, p<0.05) are reasonable in terms of conventional wisdom. These findings reveal the limitation of quantitative research practices, and the importance of qualitative investigative procedures.
Table 4.15  
Regression Analysis of the Mediating Variable of Cultural Priority on the Relationships Between Talent Management and Global Business System Development

<table>
<thead>
<tr>
<th>Model</th>
<th>China</th>
<th>India</th>
<th>China</th>
<th>India</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Inno</td>
<td>Prod</td>
<td>CRA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TM</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>ES</td>
<td>.313</td>
<td>.269</td>
<td>-.144</td>
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<td>.250</td>
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<tr>
<td>IS</td>
<td>.120</td>
<td>.977</td>
<td>.311</td>
<td>1.142</td>
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<td>-.818</td>
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<td>ER</td>
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<td>-.026</td>
<td>-.111</td>
<td>.181</td>
<td>.720</td>
</tr>
<tr>
<td>IR</td>
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<td>.076</td>
<td>.324</td>
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<tr>
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<td>.888</td>
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<td>-.467</td>
</tr>
<tr>
<td>TP</td>
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<td>-.105</td>
<td>.608</td>
<td>2.164</td>
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<tr>
<td>PiT</td>
<td>.806</td>
<td>.460</td>
<td>.274</td>
<td>.951</td>
<td>-.036</td>
<td>-.152</td>
</tr>
<tr>
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<td>-.040</td>
<td>.047</td>
<td>.035</td>
<td>-.160</td>
<td>.247</td>
</tr>
</tbody>
</table>

Notes.  
1. Beta = Standardised coefficients, and t = Relative importance of each variable.  
2. China (High N = 26, and Low N = 24), and India (High N = 26, and Low N = 25).  
3. TM = Talent management, ES = External selection, IS = Internal selection, ER = External recruitment, IR = Internal recruitment, PT = Pools of Talent,  
   TP = Talented pool, PiT = Pivotal talent, Inno = Innovative activities, Prod = Productive activities, CRA = Customer relationship activities,  
   GLP = Global player, REP = Regional player, GLE = Global exporter, and GSO = Global sourcer;  
4. F value = Independent variables explain the variation in the dependent variable.  
5. *p < 0.05, and ***p < 0.001.
# Table 4.16
Regression Analysis of the Mediating Variable of Cultural Priority on the Relationships Between Global Business System Development and Global Ambition

<table>
<thead>
<tr>
<th>Model</th>
<th>GBSD</th>
<th>Inno</th>
<th>Prod</th>
<th>CRA</th>
<th>Adjusted R²</th>
<th>F</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>a.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1. Beta = Standardised coefficients, and t = Relative importance of each variable.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>b. China (High N = 25, and Low N = 25), and India (High N = 28, and Low N = 23).</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>c. GBSD = Global business system development, Inno = Innovative activities, Prod = Productive activities, CRA = Customer relationship activities, GLP = Global player, REP = Regional player, GLE = Global exporter, and GSO = Global sourcer.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>d. F value = Independent variables explain the variation in the dependent variable.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>e. *p &lt; 0.05.</td>
</tr>
</tbody>
</table>

## GBSD

<table>
<thead>
<tr>
<th></th>
<th>China</th>
<th>India</th>
<th>China</th>
<th>India</th>
<th>China</th>
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<th>China</th>
<th>India</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beta</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>t</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GLP</td>
<td>2.567*</td>
<td>.309</td>
<td>1.114</td>
<td>.311</td>
<td>1.248</td>
<td>.241</td>
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<td>.084</td>
<td>.387</td>
<td>.329</td>
<td>1.211</td>
<td>.399</td>
</tr>
<tr>
<td>REP</td>
<td>2.103*</td>
<td>.354</td>
<td>1.231</td>
<td>.384</td>
<td>1.187</td>
<td>.317</td>
<td>1.043</td>
<td>.575</td>
<td>1.633*</td>
<td>.292</td>
<td>1.283</td>
<td>.246</td>
</tr>
<tr>
<td>GLE</td>
<td>2.474</td>
<td>.890</td>
<td>1.348</td>
<td>.271</td>
<td>1.136</td>
<td>.317</td>
<td>1.043</td>
<td>.575</td>
<td>1.633*</td>
<td>.292</td>
<td>1.283</td>
<td>.246</td>
</tr>
<tr>
<td>GSO</td>
<td>1.995</td>
<td>.633</td>
<td>1.045</td>
<td>.480</td>
<td>1.136</td>
<td>.317</td>
<td>1.043</td>
<td>.575</td>
<td>1.633*</td>
<td>.292</td>
<td>1.283</td>
<td>.246</td>
</tr>
</tbody>
</table>

## Notes

- **a.** Beta = Standardised coefficients, and t = Relative importance of each variable.
- **b.** China (High N = 25, and Low N = 25), and India (High N = 28, and Low N = 23).
- **c.** GBSD = Global business system development, Inno = Innovative activities, Prod = Productive activities, CRA = Customer relationship activities, GLP = Global player, REP = Regional player, GLE = Global exporter, and GSO = Global sourcer.
- **d.** F value = Independent variables explain the variation in the dependent variable.
- **e.** *p < 0.05.
Path Analysis

The 33 main hypotheses of the research model (see Figures 2.1 and 4.1) were evaluated with Analysis of Moment Structures (AMOS) software (Arbuckle, 2005). This statistical procedure provides values of the standardised path coefficient for each of the hypothesised predictions (which are shown in Figure 4.1 as arrowed headed lines) as well as a number of indicators revealing how well the data fit the model being investigated. A number of researchers (Bentler, 1983; 1990; Carmines & McIver, 1981; Hanisch & Hulin, 1991; Hoetler, 1983) have indicated the measurement of overall model fit can be guided by the normal chi-square (or chi-square/degree of freedom) when a ratio of between 1.0 and 2.0 is detected, an excellent model fit can be claimed. Despite some scholars (e.g., Jöreskog, 1970) suggested a more liberal ratio of 5.0 was also acceptable, other researchers (Bollen, 1990; Marsh, Balla & McDonald, 1988) have challenged such claim and have argued that other aspects, such as sample size may affect the results. Subsequently, other common goodness-of-fit measures, for example, Goodness-of-Fit Index (GFI), Adjusted Goodness-of-Fit Index (AGFI) and Comparative Fit Index (CFI) should be employed simultaneously when examining a research paradigm.

Evaluation of Figure 4.1 with the Chinese and Indian data revealed acceptable relationships with the traditional indicators. For example, both the Chinese and Indian samples had chi-square ratios greater than 2.0, and the conventional indicators of GFI, AGFI and CFI were within the statistical ranges. These values are presented to give an indication of the model fit (China $\chi^2/df = 2.59$; GFI = 0.429, AGFI = 0.355; CFI = 0.425; and India $\chi^2/df = 2.18$; GFI = 0.465, AGFI = 0.395; CFI = 0.436). Nevertheless, few of the standardised path coefficients were significant, which is a reflection of the information provided by the regression analyses to indicate the data did not fit the research model well. The findings provided by the AMOS analysis suggest further examination with ever smaller datasets would be problematic. Hence, AMOS analyses were not undertaken with even smaller sample sizes that were obtained when the traditional practice of partitioning the data and deleting the central third of responses was undertaken.
Summary of Quantitative Assessments

This section is presented in three parts. First, attention is drawn to Table 4.8 while summarises the extent of support for the core hypotheses (of the research model) that were initially presented as correlations in Table 4.7. Second, were the regression analyses, presented as Table 4.9 to 4.12, inclusive. Together with the text the collective information reflect the correlations relationships.

Knowledge transfer was found to impact the examined dimensions of talent management and the global business system development of the studied Chinese and Indian organisations. Although knowledge transfer was found to be an emerging concept in the studied corporations even low levels of the construct impacted the relativity of talent management elements and the global business system of the studied companies. Lesser numbers of significant connections were found for global business system development and global ambition. Nevertheless, innovative activities had a credible influence in those tested arrangements with relatively high R² values.

A number of significant relationships were found for the mediated regression analyses. These data are presented in Table 4.10 to Table 4.16, inclusive. Each Table was accompanied with dedicated paragraphs highlighting the significant connections within the research model. Data from Chinese and Indian service industries showed HRM practices and workplace identified groups of people were often substantial predictors of global business system development. In contrast, responses from the managers in the Chinese manufacturing corporations revealed global business system development (i.e., innovative activities, productive activities, and customer relationship activities) were significantly associated with global ambitions.

Cultural priority as a mediator attracted few significant relationships. The evidence is higher values of the cultural priority, assessed as a level of Chineseness, was associated more often with substantial connections with some of the talent management elements and the global business system development in the studied Chinese ECMs. The innovative activities and productive activities were related with the global ambition of higher culture priority in the studied Indian organisations.
The significant relationships as well as the marginal values of standardised beta coefficients that were observed in the Chinese sample indicate the studied Chinese ECMs have placed a considerable amount of attention to their transition to more formalised HR practices. Arguably, the emphasis on talents may have contributed to the development of global business system, and in turn assisted the studied Chinese ECMs in reaching globally. In addition to the Indian responses, HR plays a significant role in facilitating Indian ECMs achieving their strategic ambitions, but their HR practices can be seen as a matured stage given the long historical influence of the British management systems. Support for a number of the predicted relationships of the research model provides a solid foundation for gaining deeper understanding through qualitative analysis, and this was the direction undertaken to obtain more distinctive findings.
Figure 4.1
The Investigated Relationships Among the Variables of Talent Management, Global Business System Development and Global Ambition

<table>
<thead>
<tr>
<th>Talent Management</th>
<th>Global Business System Development</th>
<th>Global Ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Selection</td>
<td>Innovative Activities</td>
<td>Global Player</td>
</tr>
<tr>
<td>Internal Selection</td>
<td>Productive Activities</td>
<td>Regional Player</td>
</tr>
<tr>
<td>External Recruitment</td>
<td>Customer Relationship Activities</td>
<td>Global Exporter</td>
</tr>
<tr>
<td>Internal Recruitment</td>
<td></td>
<td>Global Sourcer</td>
</tr>
<tr>
<td>Pools of Talents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Talented Pool</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pivotal Talent</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Hypotheses: 7x3 = 21  4x3 = 12  Total = 33
Table 4.17 delineates the results of testing the hypotheses. This Table provides the extent of support together with the documentation of evidence. The first 24 hypotheses are the main connections between the independent, intermediate and the dependent variables, the hypotheses H25 to H96 are the mediated connections of the research model shown as Figure 4.1. Although the initial 72 hypotheses are listed the presentation of Figure 4.1 reveals selection and recruitment must be considered not only as one variable, but in fact, four constructs (external selection, internal selection, external recruitment and internal recruitment). Consequently, hypotheses H25, H29, H33, H37, H41, H45, H49, H53 and H57 are in fact equivalent to four hypotheses. Thus, these nine hypotheses provide the additional 27 statements revealed in Figure 4.1 to give a total of 99 tested relationships.
Table 4.17
Summary of the Results of the Hypotheses

<table>
<thead>
<tr>
<th>#</th>
<th>Statements</th>
<th>Extent of Support</th>
<th>Evidence</th>
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<td>H86.</td>
<td>The relationship between innovative activities and regional player will be positively mediated by cultural priority.</td>
<td>Unsupported</td>
<td>Unsupported</td>
<td>4.16</td>
</tr>
<tr>
<td>H87.</td>
<td>The relationship between innovative activities and global exporter will be positively mediated by cultural priority.</td>
<td>Unsupported</td>
<td>Supported</td>
<td>4.16</td>
</tr>
<tr>
<td>H88.</td>
<td>The relationship between innovative activities and global sourcers will be positively mediated by cultural priority.</td>
<td>Unsupported</td>
<td>Unsupported</td>
<td>4.16</td>
</tr>
<tr>
<td>H89.</td>
<td>The relationship between productive activities and global players will be positively mediated by cultural priority.</td>
<td>Unsupported</td>
<td>Supported</td>
<td>4.16</td>
</tr>
<tr>
<td>H90.</td>
<td>The relationship between productive activities and regional players will be positively mediated by cultural priority.</td>
<td>Unsupported</td>
<td>Supported</td>
<td>4.16</td>
</tr>
<tr>
<td>H91.</td>
<td>The relationship between productive activities and global exporters will be positively mediated by cultural priority.</td>
<td>Unsupported</td>
<td>Unsupported</td>
<td>4.16</td>
</tr>
<tr>
<td>H92.</td>
<td>The relationship between productive activities and global sourcers will be positively mediated by cultural priority.</td>
<td>Unsupported</td>
<td>Unsupported</td>
<td>4.16</td>
</tr>
<tr>
<td>H93.</td>
<td>The relationship between customer relationship activities and global players will be positively mediated by cultural priority.</td>
<td>Unsupported</td>
<td>Unsupported</td>
<td>4.16</td>
</tr>
<tr>
<td>H94.</td>
<td>The relationship between customer relationship activities and regional players will be positively mediated by cultural priority.</td>
<td>Unsupported</td>
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<tr>
<td>H95.</td>
<td>The relationship between customer relationship activities and global exporters will be positively mediated by cultural priority.</td>
<td>Unsupported</td>
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<td>H96.</td>
<td>The relationship between customer relationship activities and global sourcers will be positively mediated by cultural priority.</td>
<td>Unsupported</td>
<td>Unsupported</td>
<td>4.16</td>
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</table>
QUALITATIVE DATA ASSESSMENTS

Qualitative interactions, as face to face interviews were undertaken with both Chinese and Indian managers based on five research questions (numbered Q1 to Q5 presented in Chapter One). These questions were constructed after considerable analysis of the quantitative findings generated in the first half of the Chapter Four. In short, the key feature of the qualitative interview was to be used for elucidating the meanings of the quantitative results. Data collected from the qualitative interviews were subsequently analysed using the Nvivo 9 software to capture the predominant frequency of the comments.

Demographic Profiles

The demographic profiles of the representatives are presented in Table 4.18. Altogether 21 interviews were conducted with Chinese participants, and 21 interviews were undertaken with Indian managers. Table 4.18 shows that 90 per cent of the respondents were male in the Chinese sample, similarly, a large number of participants from the Indian managers were also male. Such observation is consistent with the quantitative study findings as the leadership roles were largely occupied by male leaders in both the Chinese and Indian samples. Furthermore, almost half of the Chinese samples involved in service sectors, which indicated that the traditional perceptions of manufacturing oriented firms are shaping their focus to be more service driven. The qualitative findings further demonstrated that the quantitative results were representative of the current development orientation of the Chinese ECMs. In comparison, the Indian managers have indicated their organisations were largely emphasised on service related activities, and indeed, two third of them were involved in the service sector.

Table 4.18
Demographic Profiles %

<table>
<thead>
<tr>
<th></th>
<th>China N = 21</th>
<th>India N = 21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>90</td>
<td>80</td>
</tr>
<tr>
<td>Female</td>
<td>10</td>
<td>20</td>
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<tr>
<td><strong>Business Classification</strong></td>
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<td></td>
</tr>
<tr>
<td>Service</td>
<td>48</td>
<td>67</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>52</td>
<td>33</td>
</tr>
</tbody>
</table>
Despite a relatively small sample size (China N = 21, and India N = 21) the data gather from the Chinese and the Indian managers were exceedingly rich as extensive comments were given to the five research questions. In addition, the respondents were in decision making roles of the Chinese and Indian ECMs. In spite of the relatively low number of interviewees their responses were extensive. The number of A4 typed pages of single space type of font size 12, that were obtained from the Chinese respondents, was 143 pages, and from the Indian interviewees was 128 pages. A number of these respondents held Executive positions, such as Presidents of relatively large organisations.

The qualitative information is reported in two ways. In the first way the authenticity of the total responses is defended by blending chosen managerial quotations when examining each individual research question, and this format is given in Chapter Five (Discussion). Evidence that a representative sample of quotations has been used is also given. A total of 88 direct quotes are to be found in Chapter Five, of which the Chinese managers provided 35 of them and the remainder (33) were given by the Indian managers. Overall, quotes from 81 per cent of the 21 Chinese managers, and statements from 76 per cent of the 21 Indian managers are employed in Chapter Five. These quotes, while limited in number, are believed to be representative of the interviewed managers. The second way consolidates the extensive managerial responses enabling analyses to be undertaken with appropriate software to give manageable pictorial information sets coupled with text. This material is presented in the next section.

**Respondent Comments**

A summary of the dominant features from interviews were documented as Figures 4.2 to 4.11, inclusive. The sequence of presentation (in the Figures) is to first provide the question, which is shown at the top of the Figures. The key features that were obtained through analysis of the separate responses to this question of both the Chinese and the Indian participants (with the Nvivo 9 software) are then shown below the question. At the first level of analysis is presented the themes that emerged (shown in diagrammatic ovals at the second level in the Figures). These themes can have several determinants or notions, that have been labelled sub nodes, which are shown below the theme as circles. The theme determinants are partitioned by
incorporating the concept of nodes, which are shown in diagrammatic squares. When a theme does not attract a wide set of sub nodes a diagrammatic (square) node is not presented. At the bottom of the themes and at the base of the sub nodes are presented the number of respondents and number of comments they gave when identifying a theme or a sub node. For example, in Figure 4.2 the theme of strategic ambition has the numerals of 16-130 to show the total number of respondents was 16 and they gave 130 references applicable to this theme. The five research questions were administered to both Chinese and Indian respondents independently, and the comments were analysed and presented in the manner described. First is illustrated the contributions of the Chinese participants, which is followed with the analysis from the Indian subjects.

A comprehensive analysis disclosed there was a relatively large number of themes, nodes and sub nodes. Nevertheless, in the pursuit of generating parsimonious models, which will underpin greater understanding of the issues being investigated, a decision was made to group the key themes to provide a more succinct discussion to the research questions. To contrast the information provided by the Chinese and the Indian respondents, similarities and differences are elucidated, and this knowledge is subsequently presented in section nominated as comparison of the respondent comments.

**Chinese Responses**

**Q1: What were the decision parameters that underpinned the strategies for your company to become an international corporation?**

Figure 4.2 presents a pictorial presentation of the themes, nodes and sub nodes, that were identified from responses that were given by the Chinese participants when responding to question 1. It is shown in Figure 4.2 the three main themes were 1) strategic ambition, 2) strategy, and 3) cultural compatibility. A predominant feature of Figure 4.2 is that a majority of the respondents perceived that strategic ambition was driven by a wide range of forces, and these sub nodes could be conveniently partitioned into the three node sets labelled 1) external environment, 2) internal environment, and 3) mental attitudes. The external nodes and the internal nodes were predictably exposed in expressions of traditional organisational structural features,
while the mental attitudes were more difficult to conceptualise as this node amalgamated a plethora of personal and extraneous contextual dimensions. An example of the wide range of driving forces was given by several senior managers, who contended the strategic ambition for venturing overseas by Chinese ECMs had changed over time as initially most Chinese organisations went abroad to gain market presence for future development, but currently, Chinese ECMs are aggressively expanding overseas with different motivations or purposes. For instance, the new ‘go out’ proposal is undertaken to gain market presence, to make profits and revenue with an ambition to grow bigger and become the number one in the industry, and eventually to become a global player, which is a sub node of mental attitudes. Throughout the process of entering the global markets, the motivation of the State owned Chinese ECMs was more about seeking natural resources, using advanced technology, and absorbing information and knowledge from competitor firms of other countries. A salient observation of the comprehensive responses from the participants is both State owned and private firms expressed strategic ambitions that were pillared by compatible sets of sub node driving forces, to which the State Chinese ECMs are less vulnerable.

Figure 4.2

The Underpinnings of Strategic Ambition for the Chinese ECMs
A feature of Figure 4.2 is the theme of strategic ambition, which had three nodes of external environment, internal environment and mental attitudes. The node of external environment had four sub nodes, which are shown as market, investment, legal environments as well as institutional forces. These sub nodes were the decision parameters that underpinned the strategies for the global ambition of the Chinese ECMs. In fact, a large proportion of respondents (over 54 per cent) have given 50 references to market environment, which indicates this attribute is a crucial factor to consider when making investment decisions both nationally and internationally. Furthermore, most of the respondents argued that customer demand within a market is a determining factor for their global expansion, and this feature is elucidated in a detailed discussion in the third research question. While the investment environment (seven respondents gave 20 references) in a foreign country substantially impacted on the global investment decision made by the studied Chinese ECMs, the legal environment mentioned by eight respondents (as indicated in Figure 4.2) also plays a significant role when undertaking business activities overseas. For example, nearly 40 per cent of the Chinese respondents stated there was a need to gain a comprehensive understanding of the law and regulations in the overseas market for an organisation to have a global reach. This comment was reinforced by a large proportion of the responses, who suggested that some of the business practices that were exercised in China, were prohibited in the overseas markets. An interesting observation throughout the face to face interviews with the Chinese participants was the emphasis on the fourth sub node of institutional forces (shown in Figure 4.2). A common thread in the responses was the level of institutional forces, especially from the Chinese government, was deemed as one of the most important influential aspects that affect the strategic choices of the Chinese ECMs. This notion is particularly evident for State owned firms as the Chinese government provides ECMs with different levels of support to not only expand overseas and acquire foreign technology and natural resources, but to strengthen their global image.

Shown in Figure 4.2 the node of internal environment had five sub nodes. The sub node of talents attracted 56 comments from a relatively high set of the respondents, which suggests talents were the underpinning parameters determining the global strategic directions of their organisations. Arguably, talents were considered as the greatest assets in the studied organisations as these resources had the potential to
significantly contribute to the future development of the firm. Given the importance of this observation a more comprehensive appreciation of how Chinese ECMs tackle the issues of talent management is further examined in the second research question. Also reported in Figure 4.2 is the finding over 50 per cent of the responses were devoted to the sub node of modern management approach (11 respondents gave 104 references), which is a practice likely to affect the global operations of the investigated Chinese ECMs. A possible assumption that can be made is Chinese ECMs are constantly exploring business opportunities globally with the realisation these firms have to adapt to local business practices in order to optimise their strategic ambitions. This sub notion is further supported by the third theme of cultural compatibility as expressed by many Chinese respondents. Furthermore, several other sub nodes shown in Figure 4.2, such as product (7-21), financial capital (4-7) as well as research and development (4-6) were also mentioned by the Chinese managers as important determining factors when making strategic investment decisions. Despite these sub nodes attracted a relatively limited number of references by the respondents the highlighted notions were significant attributes that were perceived to be substantial contributors toward decision making in the studied Chinese ECMs. This observation is further explored when analysing other research questions.

Figure 4.2 expresses a perspective the node of mental attitudes reflects the aggressive traits of the Chinese ECMs in the pursuit of their global ambitions. This notion is credited by the responses of the five sub nodes of 1) to be a global player (5-16), 2) grow big (5-8), 3) be the best (6-12), 4) maximise profits (7-9), and 5) focus on key product (3-10). While the Chinese respondents indirectly promoted the notion of their organisations being an industry leader in the global arena, the strategies identified in the sub nodes of the ability to grow big, to be the best, and to maximise profits clearly demonstrate this intention. Indeed, a very clear globalised mindset was detected when conducting the face to face interviews with many Presidents and Vice Presidents of the Chinese ECMs. Ultimately, it can be assumed the Chinese ECMs were mostly globally ambitioned, and their overall business development was robust.

The themes of strategy and cultural compatibility emerged serendipitously. Most managers in pluralist societies conscientiously endeavour to set plans and build local
organisational infrastructure, and it was unexpected to find their vision was expansionary. Although many of the sub nodes as depicted by the attributes of export (4-12), set up firm (4-9), joint venture (5-8), and acquisition (3-9) are applicable to both the global marketplace these features are also being undertaken to expand business opportunity in the home markets. For instance, one Vice President from a private firm stated that initially the organisation had operated in overseas markets where considerable knowledge was acquired and now the intention was to integrate this information in products and services within the home market. While there was a considerable potential to trade Chinese products overseas there was also an opportunity to adapt the products for local consumption. While all the four nodes (under the strategy theme in Figure 4.2) were expressed by the respondents, most of the responses clearly reflected the importance of cultural compatibility when engaging business internationally. Indeed, one State owned organisation President indicated that cultural compatibility and cultural fusion need to be taken into account when making strategic investment decisions. Arguably, the consideration of cultural compatibility was a fundamental component that determined the outward foreign investment of the Chinese ECMs. Furthermore, the cultural compatibility theme was referred to as a crossvergence approach that was adapted by the Chinese ECMs when managing their global operations. Moreover, another private owned firm President, whose company has been operating in Africa for more than 20 years, contended that local social networks and personal networks are important for conducting business overseas. This strategic approach across Chinese management fits nicely with the phenomenon of guanxi, that compels stakeholders to pay attention to networks and relationship building, and such notion was supported by Zhu, et al. (2008). While the Chinese management approach is implemented in the overseas operations, it is also important to take into account the local business practices. Consequently, it can be argued that a crossvergence management approach is performed by the Chinese ECMs when conducting business overseas.

Q2: What is your view on selection and recruitment, pools of talents, talented pools and pivotal talent in relation to your organisation’s global business development?

Responses to question 2 (Q2) are summarised as Figure 4.3. A total of eight major features were detected in Figure 4.3. These features are shown as 1) internal selection,
2) external selection, 3) internal recruitment, 4) external recruitment, 5) talented pools, 6) pivotal talent, 7) training, and 8) talent retention, which reveal some important dimensions that are not embraced by the research model of Figure 2.1. Identification of the two dimensions of selection and also internal and external recruitment is consistent with the independent quantitative data that is reported in Table 4.2 and Table 4.3, which show the factor analyses for the variables of selection and recruitment, respectively (see page 101 and 102). These was high correspondence between the quantitative data (shown as Tables 4.2 and 4.3), and the qualitative assessment (shown as Figure 4.3). Specifically, the disparate types of analyses confirm these were two sub dimensions (internal and external) of the selection variable, and two components (internal and external) of the recruitment variables. The sub nodes of internal evaluation and performance appraisal attracted a greater ratio of comments for the theme of internal selection, which demonstrate the importance of long term relationships in a process that formalises the evaluation and rewarding employee commitment, while not neglecting other dimensions such as ability, loyalty and internal transfers. The sub nodes of the theme for external selection reveal the study managers were mindful of external orientated HR practices of interviews, application forms, CVs, and psychometric testing, but these techniques have yet to receive strong application in their organisations. The evidence of the interview responses suggests the study organisations, that were in a transition phase, were more comfortable with and reliant on internal practices that endorse traditional cultural networks (e.g., guanxi) while the firms are shifting and adapting to more sophisticated selection arrangements that are reported in the popular HRM literature.

The second feature of Figure 4.3 is the theme of internal and external recruitment (identified as one feature) and their sub nodes. A large number of Chinese managers have indicated that their organisations employed both external and internal recruitment techniques when recruiting talents to attract talented personnel, but notably there are many avenues for external applicants to be considered. For instance, job centres, references, job advertisements and internet recruitment were preferred sources of recruiting talents; and several managers attested to the importance of educational background and experience of applicants when recruiting both nationally and globally. Despite the wide usage of external recruitment techniques, the Chinese ECMs also used internal recruitment methods through process of internal promotion,
internal appointment as well as internal recommendations when recruiting managerial talents. The sub node of internal recruitment latently exposed a concern for intellectual property protection in the studied Chinese ECMs.

**Figure 4.3**
The Practices of Talent Management Philosophies in the Chinese ECMs

A third observation of the study finding in Figure 4.3 is the nomenclature of organisational concepts can have different cross cultural meanings. For instance, the terminology of talented pool is frequently mentioned by the Chinese managers, and yet their meaning of talented pool is different from the notion when the terminology is employed in the Western literature. Often the construct of a talented team is a broader concept in the belief of the Chinese managers, which is similar to the meaning of talented pool in the Western literature. A profound difference is in the Chinese system talented pool members are in ‘storage’ for allocation to a future job, and while waiting may doing conventional type of work. In contrast, in the Western organisation talented pool members are collated to undertake a particular task and when that project is completed the members disperse to other functions within the
organisation. For example, the studied Chinese managers frequently stated a talented pool, which is formed when a small number of organisational members with high potential are identified and comprehensively evaluated for further advancement, is drawn from a talented team. In the Chinese model the talented pool is a sub set of a talented team, and this latter construct (i.e., a talented team) is nominated as a talented pool in the Western model. Differences are also expressed for the concept of succession planning. In the Western egalitarian system any organisational position is nominally available to all employees conditional on holding the position requirements, which are acquired during organisational life, and must be successfully demonstrated at the final interview stage prior to the appointment. In the Chinese system fairness is also practiced, but applicants are initially filtered in terms of their experience, ability and a range of organisational criteria prior to being formally evaluated and further trained to determine their advancement potential. The successful candidates are ‘tagged’ as members of a talented pool, but they may remain in functional positions providing further career development in preparation for future position opportunities. In Figure 4.3 succession planning (6-29) was considered as an important procedure for several Chinese managers, whose organisations have been promoting the importance of planning for future team development. Given the current shortage (6-23) in talents, as suggested by some Chinese participants, it can be argued that constant planning and storing talents (6-29) is likely to assist organisations to minimise the impacts of talent shortage. These salient differences in the understanding of commonly used institutional constructs have implications for the literal meanings of measures used when investigating organisational architectures in cross cultural settings.

A salient finding (shown in Figure 4.3) is the relevance of the notion of pivotal talent in the study organisations. The Chinese respondents believe pivotal talent is the backbone of organisations that are undergoing the evolutionary process of global ambition a feature demonstrated by the total of 134 references, that were made by 19 participants (90 per cent) about the construct. Indeed, an impression given by the study respondents was pivotal talents provide the impetus for future business development by the strategic decisions given in terms of the leader’s ideas (5-10) and the use of talents (3-11). However, many of the study respondents were hesitant to use the terminology of pivotal talents, because cultural sensitivities can manifest as
feelings of reduced motivations in those people, who perceive they are not identified as elements of pivotal talents, and, therefore, employ more liberal labels of key personnel or backbones. Often, the terminology of backbones was commonly used by the Chinese participants. It is also observed in Figure 4.3 that the use of pivotal talent has sub nodes of pools of talents. In the minds of the Chinese managers, pools of talents were often regarded as specialised talents in one particular domain, and most of the time the Chinese participants referred these groups of talents as specialists rather than pools of talents. One possible assumption can be made is that although Chinese ECMs did not use the terminologies that have been developed in the Western literature to manage talents the managerial cadres have acknowledged the importance of Western talent management (TM) practices. The Chinese ECMs have adapted some of the Western developed TM practices while maintaining some Chinese characteristics in managing talents revealing the Chinese cultural context has a significant impact on TM practices in these ECMs. Hence, a crossvergence approach is utilised in China when it comes to managing the organisation an observation that is largely supported by the study results, as evidenced when the theme was detected during the interviews with the Chinese managers.

The fifth predominant feature of Figure 4.3 is the emerging importance of developing personnel. A total of 14 respondents (nearly 70 per cent) of the studied Chinese ECMs acknowledged a strong preference for training when they gave 148 references. A large number of Chinese participants have stated that training was undertaken in their organisations on a regular basis, and such training may also assist in cultivating their own managerial talents. This notion is particularly evident when 18 respondents (85 per cent) commented on internal cultivation, which generated 80 references. Arguably, training is performed to a large extent, and the studied respondents claimed considerable attention was paid to the details of organisational philosophies and business practices in the training and development practices, yet it was observed there was a lack of formal evaluations procedures how these training assist their employees’ performance, which is a challenge facing contemporary Chinese ECMs. Although it was observed some Chinese ECMs employ formal mechanisms such as tests to evaluate the outcomes of training evaluation, a large number of participants have indicated their organisations employed informal evaluation procedures to assess the outcomes of the training. For example, the performance outcome of a particular
department or individual in meeting their target was used to measure the impacts of training. Nevertheless, the evaluation of developmental programmes after training is a needed organisational strategy for effective TM practices.

The sixth feature of the study finding shown in Figure 4.3 is that the study respondents stated Chinese ECMs considered talent retention (12-96) a challenge. Indeed, the Chinese managers have indicated that organisational culture (11-35) in creating a harmonised and fair working environment was deemed as one of the essential factors to retain talents. The study participants claimed most of the Chinese ECMs employed HRM systems based on performance related activities to reward (5-30) top performers, create career development plans (4-13) with potential for self fulfilment and achievement (4-14) as strategies to maximise talent retention. Thus, it is apparent the practice of talent retention can be seen as an important determinant leading to high or low turnover decisions.

**Q3: How do innovative, productive and customer relationships activities contribute to the global strategic ambition of your organisation?**

When investigating question 3 the three themes of 1) innovation, 2) partnership with customers as well as 3) product and customer relationship (that formed the variable of global business system development) emerged, and they are shown in Figure 4.4. The theme of innovation had six sub nodes, which are presented as business development, management, operational, product, technology as well as market, that were the identified pathways for undertaking innovative activities. Indeed, the respondents stated the Chinese ECMs paid a considerable amount of attention to innovation in business development, management, product as well as technology and the numerical values in these sub nodes show contribution were made by a large number of the Chinese participants. For example, a total of 15 Chinese participants have mentioned the importance of product innovation 75 times. Within the sub node of product, three main attributes were found, namely as 1) marketing, 2) intellectual property, and 3) intensified competition. These attributes were deemed as the driving factors that pushed the Chinese ECMs to constantly innovate their products due to a lack of intellectual property protection and fierce competition, and subsequently, Chinese EMCs have to constantly innovate their market strategies and introduce new
and advanced technologies to sustain their markets both nationally and internationally.

**Figure 4.4**
The Development of the Global Business System of the Chinese ECMs

A second feature of Figure 4.4 is that the Chinese ECMs placed a significant importance on customer partnerships. The perception of 15 Chinese participants was that their ECMs have to shift from relatively simple buying and selling customer arrangements to more sophisticated partnerships with customers (15-68) in order to achieve sustainability. Indeed, these respondents claimed customer demand drives the whole functionality of the organisation, and this notion is particularly evident in the studied Chinese ECMs, when 18 Chinese participants gave 69 references to customer demands. For example, the given responses highlighted customers prefer things to be done differently in order to suit their needs and wants, and often the studied Chinese ECMs had to generate added value products to satisfy insatiable customers’ expectations. This initiative had the high likelihood of creating win-win situations to both the customers and the examined Chinese ECMs. Another interesting feature in Figure 4.4 is that the investigated Chinese managers held the belief that providing quality services (3-7) to the respective customers may strengthen their customer relationships. Therefore, it is reasonable to assume that a cooperative relationship with the customers is likely to drive the development of the global business systems in the Chinese ECMs.
The managers of the studied ECMs also indicated the product and customer relationship plays a significant role in facilitating the development of the global business system. Indeed, a total of 18 references were given to the theme of product and customer relationship by seven Chinese managers. It is suggested that the product and process contributed to the relationship building between the products and the customers. This notion is supported by the sub node of information coordination, which is a regular connection between the customers and the organisations to sustain mutual benefits and customer satisfaction. For example, research and development (R&D) as well as other innovative activities were undertaken in accordance with customers’ needs in pursuit of developing global business systems in contemporary Chinese ECMs. In turn, the global business system development can be seen as a facilitator in the quest for globalisation.

**Q4: How does your organisation operate and evaluate the management and transference of knowledge to facilitate global ambition?**

Figure 4.5 presents the themes and nodes that were associated with how the studied Chinese ECMs were managing and transferring knowledge when engaging business globally. Two themes were identified, and shown in Figure 4.5 is the responses of management (19-71), and transferences (5-17). A predominant feature of Figure 4.5 is that the studied Chinese participants promoted the indispensable value of knowledge management when they referred to the six nodes of importance of knowledge management (2-5), knowledge operation (12-32), knowledge evaluation (13-41), knowledge creation (2-3), knowledge sharing (8-16), and knowledge protection (8-6). The Chinese participants indicated their organisations evaluate knowledge openly with a number of indicators such as sales to measure newly acquired knowledge. This initiative may contribute to knowledge creation, and potentially nurture a culture of knowledge sharing. Indeed, about 40 per cent of the Chinese responses were devoted to the node of knowledge sharing, and although this concept was encouraged in some Chinese ECMs, the protection of knowledge was also a concern in many organisations. A paradoxical emerging challenge for contemporary Chinese ECMs is how to encourage organisational cultures to facilitate the use of knowledge management, which is vital for the development of a global business system, when it is recognised knowledge protection issues are paramount in the Chinese context.
Figure 4.5
Knowledge Management and Transference in the Chinese ECMs

While recognising the increasing importance of knowledge management the engagement of knowledge transference was also acknowledged by the Chinese participants. Several Chinese managers implied that the customers influence organisational knowledge transfer (KT), which can constrain the subsidiary customer interface as most knowledge transfer is undertaken in traditional centralised arrangements from the head office to the subsidiaries. In the competitive business arena of the contemporary ECMs, where the level of knowledge being transferred is evaluated and determined by the head office, there is some scope for the subsidiaries to contribute to the decision parameters. In addition, knowledge could also be transferred from product to technology, and arguably, the strategic ambition of the Chinese ECMs was to acquire advanced technology worldwide in order to become a dominant player in the global marketplace. Transferring knowledge is a complex process, which some Chinese ECMs actively evaluate, to determine the knowledge transfer outcomes, and where appropriate rewards are granted (5-14). Another interesting observation, that was obtained from the responses of six participants, is some Chinese managers, who have not been exposed to this terminology, were unfamiliar with the concept of knowledge transfer. This phenomenon may be linked to the richness of the Chinese language, which is being further developed as new Western based concepts and their meanings becoming integrated in the developing nomenclature. By blending both quantitative and
qualitative approaches to further examine the newly proposed concept of knowledge transfer in the Chinese context is likely to add more understanding to this field.

**Q5: How do you view the cultural priorities or other types of institutional forces influence the systems employed by your organisation in the pursuit of global ambition?**

Figure 4.6 shows three key themes and their nodes that emerged when analysing the responses to the influential roles of cultural priorities and institutional attributes on the pursuit of global ambition of the Chinese ECMs. These three themes were national cultural influence, institutional forces as well as crossvergence approaches. An interesting observation is that in the Chinese respondents’ opinion the theme of national cultural influence is likely to have implication on achieving global ambition of the study ECMs. Indeed, the national cultural background is likely to affect the formation of an organisation’s culture, and the importance of this node is reflected in the attraction of almost 62 per cent of comments from 13 participants. Often organisational culture is associated with management philosophies and business practices of a particular firm, and ultimately, the combination of management approaches are normally influenced by the Chinese national culture. Several Chinese managers have mentioned that Chinese national culture is shaping their organisations to formalise the management approaches (8-21) in order to achieve their strategic ambition globally. Although the studied Chinese ECMs recognised the importance of the formalised management approach they still follow the traditional business practices of a hierarchical management styles, and this node has been stated by six Chinese participants. Arguably, a leader oriented approach based on leadership styles is still being practiced in the studied Chinese ECMs, and this phenomenon may potentially lead to a lack of management rules in the organisation. Hence, it is common to find that Chinese ECMs were largely operating within the national cultural framework when engaging business globally.

Another prominent feature shown in Figure 4.6 is the theme of institutional forces, which attracted considerable comments (124 references), that were given by 20 Chinese participants (95 per cent). Despite only three nodes being identified under the theme of institutional forces, the node of ‘controlled by the government’ attracted a total of 18 references from nine Chinese participants. Clearly, the
Chinese government plays a significant role in the process of globalisation in many ECMs. It appears that governmental influences as a feature of institutional forces was perceived to be a key threshold for many Chinese ECMs in the pursuit of their global ambitions. In fact, the level of institutional forces was different when it came to the ‘ownership differences’ in the Chinese ECMs, as five Chinese managers commented on this node. Furthermore, institutional forces may also lead to ‘lack of execution’, that was mentioned by four Chinese participants, it is likely to be an outcome of effective policies that take longer to implement. Subsequently, the global strategic ambition can potentially be affected by the institutional forces, and, therefore, under the similar institutional environment the Chinese ECMs have to learn to adapt to the current environment in order to sustain their business.

Figure 4.6
The Influential Determinants of Global Ambition for the Chinese ECMs

A third salient observation shown in Figure 4.6 is the theme of crossvergence approaches that contains four nodes. Surprisingly, the theme of crossvergence approaches emerged when asking how cultural priorities and institutional forces affect the pursuit of global ambition of the studied Chinese ECMs. Indeed, seven Chinese managers perceived the crossvergence approach as a management philosophy is likely to assist their organisations reach global ambitions. For example, almost half of the Chinese respondents noted that cultural differences (10-29) are likely to affect business orientation in their organisations, and hence, they have to learn to maintain their own management styles while absorbing what they consider to be essential foreign business practices. Perceptions toward the nodes of ‘adapt to local customs’ (2-3), ‘adapt to local business practices’ (2-2) as well as ‘obey local
rules and regulations’(1-2) were mostly crossverging practices when engaging business operations overseas. Arguably, the studied Chinese ECMs are awake to the notion that while a crossvergence approach is generally explicit and relatively easy to adapt, mastery of the concept will stimulate considerable investment in the pursuit of global sustainability. While a great deal of rich information was obtained from the Chinese participants the attention in the next section will be devoted to revealing the responses of the study Indian managers to the five interview questions.

Indian Responses

Q1: What were the decision parameters that underpinned the strategies for your company to become an international corporation?

Figure 4.7 presents the themes, nodes and sub nodes that were identified from the Indian responses when asked to comment on the question 1. It is shown in Figure 4.7 the two major identified themes were: 1) strategic ambition, and 2) strategy. A predominant feature of Figure 4.7 is that a majority of the Indian respondents believed that the strategic ambition was underpinned by the three partitioned nodes of 1) external environment, 2) internal environment, and 3) mental attitudes. According to the Indian managers before engaging business operations globally several important dimensions, which were classified as the sub nodes of external environment, market (18-62), investment (13-49), legal (16-84), institutional forces (3-8) as well as cultural influences (2-8) were carefully examined. Indeed, a large proportion of the study Indian managers indicated their organisations claim the evaluations of the overseas markets (85 per cent), investment (61 per cent) and legal environment (76 per cent) were considered as a crucial step before making any strategic investment decisions. Furthermore, the sub node of institutional forces in the form of government interference did not attract a large number of comments, and this observation may directly link to the general consensus that a majority of the Indian ECMs were privately owned. Interestingly, the influence of Indian culture was mentioned by two Indian managers, who believed that culture may by and large affect how the strategic investment decision was taken within their organisations.
The node of internal environment, which was presented in Figure 4.7, had six sub nodes. The sub node of management approaches attracted 118 comments from a relatively high set of the respondents (18-118). This finding suggests that the study Indian managers believe that the sound management approaches provide solid foundation for achieving the global strategic directions of their organisations. Arguably, the fundamental underpinning for an organisation to reach global ambition is the integration of management approaches, which has the potential to significantly contribute to a firm’s global business system development. Accompanying this notion is that the Indian managers argued the product (12-23) (e.g., goods or services) they are offering may affect the global operations of their organisations as this sub node attracted 57 per cent of the comments. Also reported in Figure 4.7 is that nine Indian participants have devoted their comments to the sub node of talents (9-23). Indeed, talents are the greatest assets within the organisation, and they drive the global operations of the investigated Indian ECMs. Nevertheless, talent shortage (5-29), as suggested by the study Indian managers, was a main concern that their ECMs have to constantly battle. Although the sub nodes of financial capital (2-5) and organisational culture (2-4), shown in Figure 4.7 attracted a relatively limited number of references by the study Indian participants, these notions were deemed as critical underpinning factors when making global investment decisions.
A third node of mental attitudes, which is presented in Figure 4.7, was the main motivation for the study Indian ECMs to undertake business engagement overseas. When pursuing global ambition, some interesting comments were given by the Indian participants. According to these managers, the sub nodes of ‘domestic market consolidation’ and ‘global expansion’ were the two main purposes for conducting cross broader business activities. A salient observation from the Indian managers is that the studied ECMs show a less hostile approach towards global ambition. This notion is reflected on the responses of the participating managers revealing that their organisations wanted to consolidate the domestic market (6-11) and with the intention to further expand within the Indian market and to potentially become the market leaders. These concepts reflect the pre 1990s Indian government liberalisation policy. Arguably, this approach provides some foundation for their global expansion (5-16) with the intention to not only explores the huge potential overseas, but also to increase their global competitiveness.

The theme of strategy emerged when the Indian managers responding to the first research question. In fact, more than 85 per cent of the Indian participants reflected on the theme of strategy as it attracted a total of 67 comments. A total of four sub nodes were identified under the theme of strategy: 1) export (7-21), 2) joint venture and alliance (4-6), 3) foreign branch (4-7), and 4) merger and acquisition (3-5). While the level of internationalisation may vary among the study Indian ECMs, the information gathered from the Indian participants revealed that Indian ECMs are gradually and subtly building momentum when advancing their business endeavours. It could be argued that the Indian ECMs may be characterised as risk reverse, and ultimately a more conventional business initiative was observed when engaging conversations with the study Indian managers.

Q2: What is your view on selection and recruitment, pools of talents, talented pools and pivotal talent in relation to your organisation’s global business development?

Responses to question 2 attracted a comprehensive array of themes and nodes that are shown as Figure 4.8. By combining some of the themes a total of eight major features presented as 1) internal selection, 2) external selection, 3) internal recruitment, 4) external recruitment, 5) talented pools, 6) training, 7) talent retention,
and 8) hierarchical management structure are shown. Internal selection and external selection were recognised as two separate HRM activities (mentioned by 23 respondents with 49 references), while internal recruitment and external recruitment were identified separately by 24 respondents with 56 responses. The separateness of the selection and recruitment activities is consistent with the factor analyses results shown in Table 4.2 and Table 4.3.

Figure 4.8
The Practices of Talent Management Philosophies in the Indian ECMs

The identification of the two separate streams of selection and recruitment is a significant observation on two grounds. First, much of the earlier literature describing the screening of Chinese and Indian job applicants has presented the activity as an amorphous technique. Partitioning the activity into two separate organisational socialisation processes reflects greater attention to the uniqueness of recruitment and selection in competitive corporations in a global context.
Furthermore, separating each of these two processes into internal and external practices shows each of the processes (selection and recruitment) are being undertaken in remarkably different situations. The second point is the consistency of observations from different data sets. Not only are the responses from different nations, but the quantitative and qualitative information sets were not from the same samples. Few of the respondents, who provided the qualitative responses completed a written questionnaire. Yet collectively, the total data from each of the four sub sets (two countries each providing a quantitative and qualitative set of data) when analysed independently provided a consistent result. Namely, selection and recruitment were perceived to be substantially different activities, and each was undertaken in internal and external contexts.

The nodes of interview (14-41) and curriculum vitae (CV) (11-22) attracted more comments than the other two nodes of the external selection theme. Arguably, some traditional external selection methods were utilised to a large extent in the study Indian ECMs, and especially when one Indian manager indicated his organisation still requires candidates to take an aptitude test and to successful complete a medical examination. The nodes of the theme for internal selection reveal the study managers were mindful the combined (multi faceted competencies) ability (7-17) of potential candidates, that was gauged with mechanism of performance appraisal (6-14), while appreciating there was opportunities for internal transfer (5-10) and job rotation (2-4). Nevertheless, the evidence of the interview responses from the Indian managers suggests the studied ECMs preferred traditional selection techniques when choosing managerial talents for a particular job.

Reflected in Figure 4.8 is the Indian managers’ preference for recruiting with customary external practices rather than internal techniques. While the use of local recruiters (14-37) was a preferred source of recruiting talents, internal reference (13-55) appeared to be a favourite channel for employing potential candidates, and interestingly some organisations actually provide incentive (2-4) to the referral when the candidates were selected. In addition, internet recruitment was also practiced according to the managers of the studied Indian ECMs, and in fact about half of the Indian participants (10-23) suggested their organisations tended to use internet to recruit talents. Although other media such as newspaper (3-6), job advertisement (5-6)
as well as recruiting consultants, advisor, expert (2-4) was employed, these nodes attracted relatively less comments by the investigated Indian participants. In spite of the extensive usage of external recruitment techniques the respondents claimed, the Indian ECMs also used internal recruitment methods through process of internal promotion (12-29), internal cultivation (10-13) as well as internal evaluation (4-6) when recruiting managerial talents. Arguably, internal recruitment techniques were viewed less favourably by the Indian managers, who held perceptions internal nurturing talented personnel would require long term investment, while in some circumstances that the job positions would require prompt occupancy. Hence, there was a thrust to seek personnel from outside.

The theme of talent pool (shown in Figure 4.8) had four nodes. According to the Indian participants, pools of talents (9-26) within their ECMs underpinned the operation of their global ambition. Indeed, the recognition of particular pools of talents in association to their capability of handling particular jobs at a particular time is likely to lead to better performance, and in turn assist the organisations to reach their strategic orientation. Although within the Indian nation there may be a large number of talents available (3-4), the issue of talent shortage (6-38) remains, and is recognised as a significant challenge for Indian corporations. Some Indian participants indicated the shortage of talents may be caused by high competition in the job markets, intensified by a focus on external sourcing of talented personnel, yet skilled talents continued to be highly valued by the Indian ECMs. The problem was highlighted by the Indian studied respondents, who identified often there was difficulty to match with the requirements of a particular job and this was exposed as a lack of talent storage (1-1), which the investigated Indian ECMs endeavoured to minimise (the talent shortage) through different training programmes. The problem of lack of talents is exacerbated in Indian ECMs that predominantly develop a singular person for future promotion to a specific job, which the study respondents referred as second line managers or a subordinate manager.

A salient latent issue of Figure 4.8 is training being initiated by a job holder. In practice, an employee identifies a training need and approaches the relevant manager who may authorise the training to be undertaken. Indeed, 13 (nearly 62 per cent) of the Indian participants contended this is the normal practice in their institutions
although there is opportunity for the management to dictate the training to be undertaken independently of submissions from employees. Overall, the studied Indian managers suggested that training played a significant role in the development of managerial talents in their respective organisations.

The fourth prominent feature shown in Figure 4.8 is the theme of training, that was commented by 13 Indian participants (nearly 62 per cent). The studied Indian managers stated that training was an important organisational function undertaken in their organisations for the purpose for developing incumbents (high potentials, 6-13), but seldom are these schemes evaluated with systematic and stringent procedures. While some formal mechanisms such as tests were employed for training evaluation (8-15), other informal evaluation procedures were also practiced to a large extent. Interestingly, training programme provided to some managerial talents for individual enhancement was characterised as an incentive (2-4) according to some Indian managers. Often, these training programmes were conducted outside with residential accommodation, and such atmospheres provide opportunities for managerial talents to not only stay away from their daily routine work, but also acquire new knowledge. Furthermore, on the job training (3-5) and university-industry cooperation (1-4) were common training practices for some studied Indian ECMs. A pertinent observation from the study respondents is that while personnel development (e.g., training schemes) is highly valued by the Indian ECMs, often the programmes are evaluated by the participants’ subjective reactions rather than systematically evaluating behavioural outcomes of participants’ performance after completion of the programme.

The fifth feature of the study finding shown in Figure 4.8 is that the study Indian respondents indicated talent retention (20-64) was crucial for the sustainability of their ECMs. In fact, a total of 14 Indian managers have stated that personal satisfaction (14-43) in terms of personal fulfilment and self achievement was considered as one of the priority concerns for retaining talents. It was revealed by the study Indian participants that career path planning (14-25), which also incorporate remuneration (pay, 12-13), and salary packaging plays a significant role when it comes to talent retention in their organisations. The study participants claimed most of the Indian ECMs employed performance appraisal (7-11) systems to reward (5-12)
and to provide training (5-12) to top performers in order to minimise job hopping. It was observed through responses given by the Indian managers that job hopping was relatively high in some organisations because talented personnel wanted an opportunity for higher education in order to get a better job in the near future. Furthermore, in the belief of some study Indian managers that the level of organisational support (5-16) received from their upper level managers also maximises talent retention. Several other reasons, such as job security (3-3), comfortable environment (3-9) as well as geographical close proximity location to family (2-4) also contribute to talent retention in some studied ECMs. Collectively, these issues demonstrate while talent retention is a most important task for the studied ECMs, pathways to achieve this ambition is problematic.

A sixth salient observation shown in Figure 4.8 is the theme of hierarchical management structure that contains two nodes. Unexpectedly, the theme of hierarchical management structure emerged when asking the Indian participants to comment on talent management practices in their ECMs. Indeed, seven Indian managers claimed hierarchical management structure as a management practice was still exercised in the study ECMs. This observation may be linked to the general perception that a large number of Indian ECMs were family orientated organisations; the belief in ‘control’ and a patrimonial form of management structure is an inherited legacy that emerges as a dominant role in their daily operations. However, the vertical level of management approach also exists in the studied ECMs as suggested by the Indian participants that an open management structure (3-7) flavoured with transparency existed in their companies. These dimensions of openness and transparency create an unique organisational culture (5-8), and ultimately, it could be argued that the studied Indian ECMs prefer to maintain their own hierarchical management operational structures while encouraging flat management approaches to talent management retention practices. These frameworks are referred to the jargon of Western management as hybrid arrangements, to show some relativity to the British influence in Indian business society.

Q3: How do innovative, productive and customer relationships activities contribute to the global strategic ambition of your organisation?
When asking the Indian managers to comment on the third research question, the three themes of 1) innovation, 2) customer relationship as well as 3) product and customer relationship emerged, and this information is presented in Figure 4.9. The theme of innovation had four nodes, which are presented as management, operational, technology and product, that were perceived as important innovative activities by the studied Indian managers. Although there did not appear to be a particular preference to any of the innovative pathways, the Indian participants (57 per cent) have mentioned the importance of management innovation 33 times, which is incorporated in the node of management. Interestingly, management innovation was promoted to a large extent as suggested by the studied Indian managers, but an Indian way of management philosophy was the profound practice within the investigated ECMs. For example, some Indian participants indicated their organisations’ emphasis on management innovation was operationalised by empowering their employees under guidelines that were directly controlled by the upper level management team ensuring approval is required before any action is taken by the employee. Furthermore, within the node of product, two sub nodes were detected; namely as marketing, and product and service differentiation. These factors were deemed as the motivating factors that energised the Indian ECMs to continuously innovate their products and marketing strategies in order to differentiate their products and services from their competitors in the pursuit of sustainable business operations. Overall, a general consensus of the study managers was that operational practices of contemporary ECMs was slowly being aligned to fulfil customer expectations. However, the pathway to generating unique services and innovative products was often impeded by the requirement for approval from senior and executive managers. The tall hierarchical organisational architectures caused approval delays to request for product and service innovation from lower institutional customer interfacing. Clearly, the exigencies of the contemporary competitive marketplace were being acknowledged, but the timeliness of their implementation was hindered by corporate framework that contains traditional cultural nuances.
A second feature of Figure 4.9 is 20 of the Indian participants (95 per cent) perceived the dominant phenomenon of customer relationship plays a significant role in facilitating the global business system development of their organisations. An example of the manifestation of these customer connections to provide unique needs and expectations was demonstrated in different types of oil production to geographically dispersed Indian clients (e.g., South, sunflower; North, soybean; East, mustard). A feature of the knowledgeable responses from the study managers was the importance for building networks and frameworks with external customers, who claimed there is relatively high likelihood of forming a partnership relationship (7-25) to create a win-win scenario for both the study Indian ECMs and the customers. Linking client satisfaction with the often avaricious customer demands (3-6) obliges institutions to be conscious of consumer behaviours, attitudes, desires, which have the potential to increase organisational sustainability. Another key feature in Figure 4.9 is that the investigated Indian managers held a belief that employee relationship[s] (2-4) with the respective customers may strengthen their customer connections, but there were few responses and the emphasis was on building external rather than internal customer relationship[s]. The contemporary Western literature highlights the benefits of strengthening internal customer relationships, and it is interesting that this notion was not a central plank of the responses, but it is also evident that the
managers of the study ECMs are beginning to adopt the fundamentally different principles of a successful service sector. A salient observation by Chatterjee and Pearson (2000) with an unique sample of Indian managers disclosed the intensity of importance perceived by them for service related connections in contemporary corporations. Therefore, it is reasonable to assume that a cooperative relationship, which was provided by the employees and the organisations with the customers, is likely to drive the development of the global business systems in facilitating global ambition of the studied Indian ECMs.

It is also shown in Figure 4.9 that the Indian mangers stated that their ECMs paid attention to the connection between product and customer relationship. In fact, a total of 14 Indian participants (67 per cent) have given 38 references to the theme of product and customer relationship. They claimed that the product was diversified to not only meet different customer requirements and demands, but also to gain market competitiveness. The extensive Indian domestic market is an attractive target for a great deal of Indian corporations, where operations can be consolidated while investigating global business potential. An intensification of competition in both the local and international streams stimulates investment in research and development (R&D, 8-14) to fulfil the needs of the home markets as well as embracing global consumers. The studied managers were also mindful the development of product and customer relationships were facilitated by providing quality product and services (8-14), which in the vernacular of the investigated managers was to bundle organisational products with customer preferences. Contained in this arrangement is the belief the product and customer relationship will be cemented by ensuring the products and services are delivered on time (2-3) to the customers. A salient comment from the studied managers was a conviction the business survival of Indian ECMs is concomitant with the delivery of quality products and/or services to strengthen customer connections in the long run.

**Q4: How does your organisation operate and evaluate the management and transference of knowledge to facilitate global ambition?**

Two themes emerged, which are presented in Figure 4.10, when analysing the Indian responses to the fourth research question. A key feature of Figure 4.10 is that the Indian respondents clearly demonstrated their organisations have well established
knowledge management processes, which were employed to facilitate the development of their global business systems. The theme of management (17-74) had five nodes of importance of knowledge management (2-2), knowledge creation (3-3), knowledge sharing (16-48), transparency (7-18) as well as knowledge evaluation (11-43). These practices were exercised to a large extent, as demonstrated by the 48 comments for the node of knowledge sharing by 16 Indian managers. Responses from the participants revealed their organisations created a knowledge bank from which employees were able to draw and share information to facilitate the development of global business system. The open communication was promoted within the studied Indian ECMs, and in particular transparency (7-18) was considered as a key determining factor on how the knowledge was evaluated with practices to create a ‘fair’ and harmonised working environment. According to 11 Indian participants their organisations evaluate knowledge based on several factors, which are shown by the sub nodes of performance (6-11), recognition programme (2-3), and rewards (1-2). Overall, it was observed that the knowledge management process is recognised as a central threshold for ensuring the knowledge is extensively shared within the organisation.

A second feature of Figure 4.10 is that the Indian ECMs acknowledged the importance of knowledge transfer. Indeed, 80 per cent of the studied Indian managers have devoted their comments (50 references) to the transference of knowledge, which has considerable implications for how their ECMs deal with issues linked to cadre. A predominant feature under the theme of knowledge transference is the traditional hierarchical structure (4-10) and it plays an influential role when it comes to knowledge transfer as the leaders hold decisive power, which is a dominant managing style in the studied Indian ECMs. Transference of knowledge was often done through internal personnel transfers (3-9) in training sessions to ensure the knowledge and information is delivered and understood, and particularly when a new person joins (4-12) the organisation or when employees depart. These changes in cadre are addressed in the studied Indian ECMs to ensure the knowledge is sustained and transferred to new employees. Nevertheless, the transference of knowledge is a complex process, and some important information may be lost during transmission, which is of particular concern in contexts of high attrition, which was experienced by some of the Indian participants. Understandably,
to address these complexities several pathways for knowledge transfer, such as from head to the subsidiary (2-3) and customer influences (1-4) were also mentioned by the study Indian managers. The sustainability of Indian ECMs is depended on the creation and transfer of relevant knowledge, and the manifestation of this challenge is being exacerbated by high turnovers of knowledge rich employees.

**Figure 4.10**
Knowledge Management and Transference in the Indian ECMs

Q5: How do you view the cultural priorities or other types of institutional forces influence the systems employed by your organisation in the pursuit of global ambition?

It is shown in Figure 4.11 three key themes, and the nodes that emerged from the responses of the Indian managers when they commented on the fifth research question. These three themes were identified as national cultural influence, institutional forces and a crossvergence approach. A large number of Indian participants indicated the theme of national cultural influence (19-66) had a significant impact on the pursuits of their ECMs’ global ambition, while the node of cultural compatibility attracted 56 comments, which were given by 10 Indian participants. Arguably, India is often characterised as a nation that has an exceedingly complex and diverse culture. Hence, there is an emphasis on endorsing cultural compatibility to facilitate the understanding of cultural differences when
institutional members with varying world views interactively participate in institutional forums that merge traditional and contemporary exigencies as ECMs engage with modernity. These ideals are demonstrated by the node of the organisation culture (10-40), which has relevance for determining the management philosophies and business practices of a particular firm. Ultimately, this arrangement is broadly referred to as a culture, influences how Indian ECMs strategise their operational networks in the pursuit of being a global player. This notion is particular evident for a perspective of a diminishing influential Indian national culture, which is composed of a variety of cultural differences that exist across Indian states, a notion that is identified by the node of state differences (7-36). A need for cultural awareness (4-26) is further reinforced by leadership style (4-9) that has the potential to shape management philosophies, and in turn affect corporate organisations to encourage respect for individual values, ideals and cultural backgrounds. A number of the responses highlighted materialism is becoming a feature of the Indian national culture. This phenomenon is influencing the avaricious desires (3-9) and expectations of a significant expanding consumer base, and in institutional terms is being evidenced in the inclinations of employees, who may believe their pursuits are being impeded by hierarchical management structures (2-9). These circumstances become a significant challenge for Indian ECM managers, who not only need to incorporate a variety of stakeholders’ values, needs, expectations and beliefs, but also have to balance these priorities with the organisational goals in their business operations.

Figure 4.11
The Influential Determinants of Global Ambition for the Indian ECMs
Another prominent feature shown in Figure 4.11 is the theme of institutional forces, which attracted considerable comments (108 references), that were given by 20 Indian managers (95 per cent). Four nodes were identified under the theme of institutional forces by the Indian participants, who indicated the level of institutional forces could be drawn from State level influence (3-7) as some States in India provide different types of incentives, such as financial support and tax benefits to attract companies to invest in the local districts. In other words, the institutional forces can be referred to either the central government level or the state government level, which may be considered as double barriers in the pursuit of global ambitions for the studied Indian ECMs. In contrast, some Indian participants perceived there could be a lack of [government] influences (4-12) at the institutional level.

Their reasoning was many firms operate under similar legal frameworks and these organisations are facing similar problems and issues, which can be interpreted as a non significant government stimulus. Indian managers in service related industries (e.g., ecommerce) claimed government interference in their operations was not a prominent concern whereas in the manufacturing industry, which operated within strict government regulatory frameworks there was a greater influence in business operations. Furthermore, some industries (e.g., oil and gas) attracted government sponsorship and assistance, giving a perception they were favoured more by the Indian government, while others negatively impacted (5-17). In some circumstances the negative impact of institutional forces, such as lobby and corruption as well as high level of bureaucracy, present greater barriers for private organisations that have insufficient financial capabilities to conduct business within India. Other hurdles that Indian ECMs have to deal with are the incomplete law framework (3-6). Comments were made that the level of government reinforcement in the legal aspect accords with the lack of implementation initiatives within the organisations, which further worsens the influence of institutional forces. Although the implications of institutional forces is deemed as a great challenge for the business operations of many Indian ECMs this unique institutional environment is common to all the organisations in India. Consequently, the Indian ECMs have to learn to not only adapt to the current environment, but to sustain their operations in order to pursue a prominent position in the global arena.
Figure 4.11 also presents the emerged third theme of crossvergence approaches, which contains two nodes. Unexpectedly, the theme of crossvergence approaches emerged when the Indian managers were asked to provide some insightful views in relation to the Indian national culture and institutional forces on their organisation’s pursuit of global ambition. Indeed, 12 Indian managers perceived a crossvergence approach is extensively practiced in their respective organisations. The promotion of crossverging practices, that is viewed as a management philosophy, is likely to assist the studied Indian ECMs reach global ambitions. For example, several Indian respondents noted that cultural differences (4-12) are likely to affect business orientation in their organisations, and hence, they have to learn to incorporate each individual’s cultural differences when managing business operations both domestically and internationally. Perceptions toward the node of adaptation to local business practices (6-13) further supported the notion that crossverging practices underpinned the development of global business system, and in turn facilitates the global ambition of the Indian ECMs. Arguably, the investigated Indian ECMs are aware of the cultural differences and are incorporating and adapting these differences into their daily operations to align with their organisation’s global strategic orientations.

Comparison of the Respondent Comments
Despite the Chinese and Indian respondents being interviewed independently, a range of comments reflected some similarities and differences in relation to business operations in the studied ECMs. For example, a salient feature of the study responses is that both the Chinese and the Indian managers considered the significant importance of acquiring and sustaining managerial talents in their ECMs. This notion became more paramount when the demands for marginal talents are increasing in China and India, and yet these two nations are experiencing similar issues with respect to talent shortage. Most notably, to minimise the impacts of shortage of managerial talents, the studied Chinese and Indian managers indicated their ECMs showed a strong tendency towards talent retention. Retaining highly skilled and experience talented personnel could potentially contribute to the development of the global business system, and in turn facilitate the global ambition of their respective ECMs. While recognising the importance role that managerial talents play within an organisation, managing talent diversities at individual, organisational as well as
country level further differentiate the differences between the Chinese and the Indian ECMs. Often these diversities may be seen as an outcome of the national culture, in which, the values, beliefs and societal norms have the potential to influence individual behaviours, and subsequently, shape the management philosophies of a particular firm. Arguably, the development of global business systems is relatively different among organisations in their respective countries as the external environment factors, such as the institutional forces in China and India can considerably affect the global outlooks of the studied ECMs. In reviewing the study responses generated from the Chinese and Indian ECMs, a brief summary is given to identify some of the main similarities and differences of the comments, and a more systematic and comprehensive delineation of the key study findings is presented in Chapter Five.

**Similarities**

1. The studied Chinese and Indian managers have indicated their ECMs had a preference towards recruiting and selecting high potential talents internally before acquiring talents outside the organisations. Furthermore, the studied Chinese and Indian ECMs were open to both internal and external recruitment and selection techniques to locate managerial talents. But sustaining talents is a challenge for both the studied Chinese and Indian ECMs as often people leave their organisations in order to fulfil personal satisfaction, and to gain better career path opportunities. The study findings reveal managerial talents prefer to enjoy a fair working environment where they can fully practice their knowledge and skills to meaningfully explore their potential within the ECMs. Hence, the emphasis on talent retention through a variety of mechanisms, such as better pay packages, and in some instances more job responsibilities are employed strategies to retain the managerial talents of the studied ECMs.

2. Both the Chinese and the Indian ECMs believed in relationship building between the organisations and their employees. This observation may be directly linked to the national cultures, in which, China and India were perceived to be relationship oriented societies. For example, when an individual employee is not performing well, the studied Chinese and Indian ECMs are unlikely to ‘fire’ the employee, but instead an open and transparent conversation will be undertaken.
between the leader and the employee to find out the reasons why she/he is not performing well. When it is possible leadership support is given, such as counselling and training programmes, and sessions are provided to assist the employee to acquire a useful status within the firm operations. In some instances, the employee will be transferred to a different department within the organisation where she/he can fulfil expected work relevant behaviours.

3. The hierarchical management structure is practiced extensively in the studied Chinese and Indian ECMs as the strategic business decisions are made by the top leaders. While the flat management structure was promoted to give middle level managers a semblance of empowerment, the new initiatives need to be discussed with their upper level managers. In other words, the independent decision can be made in accordance with their responsible managers in the studied ECMs.

**Differences**

1. A general consensus, from the study respondents, was institutional ownership is aligned with talent management practices. For example, internal promotion of a particular talent, in the studied Chinese ECMs, is done by the recommendation or appointment of the upper level leaders. This notion is particularly evident in the studied Chinese ECMs as the practice of talent management is relatively different in the State owned Chinese ECMs. In the case of India, most of the studied organisations were privately owned and internal recommendation is often made by internal employees and referral comments were used as a base for employing particular personnel from outside the organisation.

2. Chinese government plays a significant role in the push of their ECMs to invest in the global arena. Often, the studied Chinese ECMs were assisted by the government with the intention to seek for natural resources and advanced technologies, which were not available in the domestic home market. In contrast, there is a lack of Indian government interference as most the studied ECMs were private firms, and the level of involvement with government is relatively limited. However, in some public sectors, such as oil and gas, where the government is supporting global investment, the complexity of the Indian political system may facilitate the strategic ambitions of some of the studied Indian ECMs.
3. The studied Chinese and Indian managers have revealed their unique understanding of the concept of knowledge management, especially the notion of knowledge transfer. It is observed that Chinese managers had a distinctive attitude towards knowledge transfer and the disclosure of important information. The rationale behind such unwillingness of transferring knowledge within the study ECMs may be influenced by a fear disclosing and sharing information may affect the organisation’s competitiveness. Interestingly, in the case of India, the management and transference of knowledge has been practiced extensively in the investigated Indian ECMs given the systems were well established to ensure the information can be shared within the organisations. In the studied Indian ECMs it was observed knowledge management is directly linked to employee turnover rates. This notion is reflected on the loss of important knowledge if the talented personnel leave the organisation. Overall, the distinctive appreciation towards knowledge management within the studied Chinese and Indian ECMs further stimulates the need to investigate the underpinnings for such observations, and these elucidations are documented in Chapter Five.

An Overview of HRM Practices in the Studied Organisations

The findings of the study revealed the practices of selection and recruitment influence corporate systems and outcomes. Historically, Chinese and Indian firms have viewed labour as a work asset, but the evidence of this study showed a more valued approach to the acquisition of talent management is accounting for desirable corporate global strategic ambitions. More directly, a focus on recruitment and selection processes is energising newer concepts of personnel enterprise (i.e., talented pools, pools of talent) that are recognised as inertial forces for reconfiguring corporate practices such as knowledge transfer, innovation and production cycles. These internal support features are vital for obtaining the valued strategic global objectives of leading firms in the international arena.

An increasing competitive marketplace attracts attention to investigating these aforementioned factors. Human resources, acquired through effective recruitment and selection mechanisms, play a pivotal role in involving dyadic interaction between internal and external customers to provide valued services. The evaluations
undertaken with the data collated in this study confirmed these suppositions. Furthermore, it was found by qualitative assessments, and to some extent quantitative evaluations, internal corporate practices facilitated the creation of a number of value corporate targets. In this study, there were found to be intensifying better pathways in the pursuit of becoming a global player, regional player, global exporter or a global sourcer. The empirical evidence of this study showed attention to sophistication in HRM practices is likely to generate favourable functions for global corporations.

CONCLUSION

This Chapter reports the results of the quantitative and qualitative analysis of the data to firstly, test and evaluate the proposed study hypotheses; and secondly, to answer the five research questions. The analysis of the preliminary quantitative data assessments demonstrated an absence of outliers. Next, a discussion of the demographic characteristics of the study respondents was presented. In addition, the findings of the psychometric assessments were reported that involved both factor analysis and reliability assessments. These assessments indicated that the study variables had acceptable construct validities and internal consistencies, which provided confidence for further empirical analysis. Moreover, descriptive statistics and correlations of both the independent and the dependent variables were evaluated. Although the results indicated that some of the study variables were significantly correlated, a disturbing observation was several of the predicted connections within the research model (Figure 2.1) were non substantially correlated. Further, a more comprehensive assessment of the linkages of the research model was performed with regression analysis as well as the mediating effects of industry type, knowledge transfer and cultural priority on the hypothesised relationships using regression analysis techniques. The final quantitative assessment of the research model was undertaken with a more sophisticated technique of path analysis, and the findings reinforced the earlier observations the predicted relationships were seldom significantly supported. Consequently, the study findings generated through evaluation of the quantitative data provide a point departure for further clarification through qualitative interviews. In depth elucidations of the studied Chinese and Indian responses complemented an understanding of the quantitative results. Indeed, an outline of the major similarities and differences of the qualitative findings
underpins the systematic and comprehensive background discussion of Chapter Five, while presents a discussion of the results of analyses.
Chapter Five

DISCUSSION

A central thrust of Chapter Five, is to provide a balanced perspective for the study findings within the framework of the investigative context. The Chapter, which is presented in three main parts, begins with a set of detailed reasons for the quality of the results that were obtained for the quantitative and qualitative study designs. A second part inherent in Chapter Five is the linking of the observed findings with the currently existing literature. Last, the extensive observations have been elucidated to suggest how they can uniquely provide theoretical and empirical consequences and implications for the expanding scheme of international management. The Chapter begins with a restating of the four objectives and links with the five research questions. This section is followed by a detailed discussion commencing with the presentation of an overview of the study.

RESEARCH OBJECTIVES AND QUESTIONS

There are four research objectives and five research questions. The research objectives are listed.

1. To gather evidence for the preferences of Chinese and Indian multinationals in their approaches to ‘global ambition’;
2. To consider how these ECMs approach knowledge transfer between global nodes;
3. To examine the strengths and weaknesses of the respective countries ECMs specifically, in approaches to talent management concepts and practices; and
4. To undertake a comprehensive assessment about how the principles of convergence, divergence or crossovergence are employed by ECMs as pathways for developing talent management.

The five research questions are:

1. What were the decision parameters that underpinned the strategies for your organisation to become an international corporation?
2. What forms of talent management (i.e., selection & recruitment, pools of talents, talent pools, and pivotal talents) are employed to develop the global business system of your organisation?

3. How do the major generic component activities (i.e., innovation, production, and customer relationships) of the global business system of your organisation contribute to the global strategic ambition?

4. What systems are employed in your organisation to operate, and evaluate the management and transference of knowledge to facilitate global ambition?

5. How do cultural priorities or institutional operational forces influence the systems employed by your organisation in the pursuit of global ambition?

There were complementary cross linkages between the research objectives and the research questions. While the research objectives were more fundamental in setting the research agenda the research questions were more specific and provided a balanced and realistic view of the research design. Nevertheless, the research questions provided an opportunity for features of dispositional and situational debate in what researchers have been embroiled for a considerable time. Moreover, these arguments are attracting greater intensity of investigation with the emergence of the global business empire.

AN OVERVIEW OF THE STUDY

China and India are now increasingly integrated into the global economy, and their rapid economic growth along with the global expansion has caught the attention of scholars and practitioners worldwide. To date, however, a relatively limited number of studies have been undertaken to systematically examine the outward foreign investment and global ambition of the MNCs from the emerging countries, especially those of China and India (Alon & McIntyre, 2008; Bonaglia, Goldstein & Mathews, 2006; Buckley, Forsen & Mungal, 2009; Child & Rodrigues, 2005; Ding, et al., 2009; Jonsson, 2008; Kumar, 2006). The primary purpose of this study was to explore an integrated model, that posited the talent management construct was associated with the global business system development construct, which in turn facilitates global ambitions. A feature of the investigative framework was the suggestion these
relationships were mediated by industry type, knowledge transfer as well as cultural priority. Accordingly, these connections were constructed and tested. The quantitative results revealed a large number of the hypothesised relationships were non significant. One possible explanation is that the national culture underpins the management philosophies of a particular firm. Indeed, McDermott and O’Dell (2001) indicated culture has been commonly referred as a system of beliefs that are deeply rooted within a society, and often such a system is likely to affect the behaviours of organisations and people. As globalisation deepens, and the influences of culture become increasingly obvious, it is profoundly possible the Chinese and the Indian ECMs are likely to formulate a new set of management philosophies and practices in the complex and dynamic global business environment. Often, the importance of cultures, within unique societies, underpins the successful business operations of ECMs, and this condition would be expected to exist particularly for the two nations of China and India. This notion is supported by a number of researchers, who have documented that culture has an impact on the management of global firms (Ang & Massingham, 2007; Lasserre, 1997; 2007; Tran & Skitmore, 2002). Furthermore, one of the most obvious cultural features that differentiate Asian business management approaches from the rest of the world is the religious traditions of Confucianism, Buddhism and Hinduism, which are the foundations of management systems in Asian contexts (Lasserre, 1997). Ultimately, it can be argued that these religious traditions are likely to have a deep and constantly evolving influence on behaviours, attitudes and beliefs of an organisation’s management practices. Hence, the research model, that was created to peripherally examine for cultural influences with traditional mediating influences, was found wanting as the study findings highlighted the penetrating influence of the concept of national culture was embedded within the main linkages. Clearly, national nuances play a more significant and central role in business operations in China and India than has been acknowledged in the literature. Thus, while appropriate procedures demonstrated instrument robustness the connections between them (i.e., the hypotheses) were engaged with cultural features undiscoverable with the available quantitative statistical procedures.

Cultural forces flavour institutional architectures that are generated to more efficaciously pursuit corporate global ambition. Indeed, the institutional framework in the forms of government policies significantly influenced the investment
behaviours of the Chinese and Indian ECMs (Cheung & Qian, 2009; Kumar & Chadha, 2009). This notion is further supported by a number of scholars (Buckley, et al., 2007; Li, 2007; Liu & Tian, 2008; Yiu, Lau & Bruton, 2007), whose empirical study findings revealed that the global presence of the Chinese ECMs was a strong institutional linkage with several entities such as the central and local governments, and financial institutions. Furthermore, in the case of India, several researchers (Athreye & Godley, 2009; Chittoor & Ray, 2007; Lakhwinder & Varinder, 2009; Pradhan, 2008) demonstrated the international expansionary activities undertaken by the Indian ECMs were promoted by the Indian government. For instance, favourable overseas investment policies were given to allow these Indian ECMs to invest abroad to achieve economies of scales and remain competitive in the home and host markets. Arguably, the unprecedented political frameworks within China and India enabled their ECMs to form the distinctive development strategies, and in turn determine the global strategic orientations. Thereby, it is reasonable to assume that to better understand the underpinning internationalisation pathway of the Chinese and the Indian ECMs there is a need to consider the imperative of institutional forces within the specific political environments.

The material presented in the previous two paragraphs is reflected in the results of the assessments of quantitative and qualitative data, that were captured through the administration of a survey as well as interviews with a number of Chinese and Indian executives and business managers. This study design provided a great deal of rich information, and the dominant features have been consolidated and framed in response to the four research objectives outlined in this Chapter, and the first research objective is presented, next.

**ASSESSMENTS OF THE STUDY RESULTS**

**Globalisation Approaches**

The first primary intention of this study was to gather evidence for the preferences of Chinese and Indian ECMs in their approaches to global ambition. Interestingly, the Chinese and the Indian managers indicated a mix of globalisation strategies have been undertaken by the ECMs when internationalising their offshore operations. This observation is consistent with the existing literature that the routes of
internationalisation previously taken by the Chinese and Indian ECMs ranged from lower level of involvement in the form of exporting to a more notable shift in strategy including the use of mergers and acquisitions as well as joint ventures and alliances (Alon & McIntyre, 2008; Buckley, Forsen & Mungal, 2009; Child & Rodrigues, 2005; Niosi & Tschang, 2009). Apart from the lower intensity of business activities reflected in mergers and acquisitions, a higher degree of international involvement has been undertaken by the Chinese and the Indian ECMs when they expanded their global operations by setting up firms or foreign branches overseas (Niosi & Tschang, 2009; Pradhan, 2008). The findings of this study demonstrate the investigated ECMs are currently employing a wide range of strategic entry modes when venturing to the global marketplace. While the Chinese and the Indian ECMs may have identified similar paths for integrating themselves into the global marketplace it is important to note that there is no universal movement among ECMs especially when the approaches for expanding business offshore were uniquely different. These differences may be driven by customer diversities, and hence, the strategies toward the management of customer relationship activities may continue to differentiate the global vision of the Chinese and the Indian ECMs, initially with a focus on the Chinese respondents.

**External Customer Relationship Building Activities**

The global vision or ambition of the Chinese ECMs was facilitated by an emphasis on the Chinese management system. The importance of the constructs of guanxi, networking and relationship building is still dominant in the Chinese management system. In fact, Huang (2002) argued that the notion of guanxi, or networking plays a critical role in running businesses in China. For instance, the unique importance of guanxi or relationship in the Chinese management philosophies and practices is likely to exert considerable force or influence when engaging constituents in business arrangements. Indeed, the Chinese respondents suggested their ECMs are attached to traditional management practices of nepotism, guanxi, and relationship building. More specifically, the Chinese participants have indicated their organisations pay more attention to customer relationship activities in the form of building connections and linkages with their customers. This study finding is consistent with the existing literature as suggested by Huang, Davision and Gu (2008) that Chinese personnel tended to put more effort on building and maintaining good relationships with people.
around them. This notion is reflected in the responses provided by the Chinese managers that their organisations’ primary intention was to satisfy customers with high quality services and such strategic alignments to assist their ECMs to maintain customer relationships. In addition, managerial responses further demonstrated the relationship between customers and their respective organisations are mutually interlocking. Hence, providing high quality services was the priority strategy for the studied Chinese organisations to not only survive in the short term, but to become more profitable and sustainable in the long run.

A predominant feature of the Chinese managerial responses is the significance of external customer relationship building for the future of business development. Indeed, several researchers (Andrade, 2003; Freid & Freid, 1995; Håkansson & Snehota, 1995; Haugland & Grønhaug, 1995; Karlsen, 2000; Özgener, 2001; Özgener & İraz, 2006; Walter, Ritter & Gemünden, 2001; Walter, Muller, Helfert & Ritter, 2003) suggested that developing a closer relationship with customers has the potential for ensuring customer satisfaction and in turn sustain the competitive advantage of an organisation. Furthermore, almost all the respondents believed customer satisfaction is the key to their organisation’s future growth, and customers’ needs are the driving factors for building a cooperative relationship between the business and the customers. This notion was particularly emphasised by one respondent “… constantly add values to customers and provide more value added products to customers, focus on quality services, the speed, time and place are also very important... as a way of maintaining customers...and everything is done according to customers’ needs” [RC18]. Another respondent supported this viewpoint and pointed out that “… add values to the customers and at the same time add values for the company, but more emphasis on add values to the customers ...”[RC8]. It may be argued that there is a trend that the studied Chinese ECMs are shifting their attention to be more quality driven, such as providing quality services to the customers. This orientation may be serving as an organisational strategy for facilitating global ambition. It is, therefore, reasonable to assume the strategy of external customer relationship building or development may continue to play an active role in the Chinese management philosophies and practices.
Another salient feature to be drawn from the Chinese managerial responses is that there is an orientation towards modern management approaches to establish collaborative partnerships between businesses and customers. In fact, a large number of managers commented on their collaborative relationships with customers in the new era of commercialisation as some of the respondents’ organisations are closely cooperating with their customers. One senior manager comment stated that “... competition is very fierce ... there is an increasingly close cooperation... the relationship with customers, it is more of a partnership ...”[RC16]. Interestingly, a senior manager shared similar thoughts and perceived the relationship between the organisation and customers are more cooperative as partners “… a relationship with customers is more of mutually cooperative, and a mutually win-win relationship between the business and the customers ...”[RC8]. These notions were confirmed by most of the respondents, who perceived that a cooperative relationship between the businesses and their customers. Arguably, an important source of competitive advantage of a firm is created through the development of a collaborative customer relationship. However, this relationship is built on equality, and a cooperative relationship with customers is deemed as the long term surviving strategy for the Chinese ECMs. Indeed, this study finding is consistent with the work of Young, Wiley and Wilkinson (2009), who stated that the importance of business relationships, such as customer or supplier relations may drive firm performance and competitiveness. This claim is further complemented by one study branch President, who has indicated that maintain a close and cooperative partnership with the customers is like to provide mutual benefits to both parties. “… The relationship has to be a very close cooperative customer relationship...have to create a win-win situation...have to be mutually benefitting...”[RC19]. These comments indicate there is an emerging belief that building and sustaining external customer relationship as a strategy is likely to facilitate the development of global business system in Chinese ECMs, a viewpoint that is contrasted with the Indian ECMs study managers.

The global orientation of the Indian ECMs was also influenced by the national culture. Indeed, a number of researchers (e.g., Chini, 2004, McDermott & O’Dell, 2001; Muhammad & Isa, 2009; Weir & Hutching, 2009) have pointed out national culture plays a significant role in the global operation and management of a particular firm. In the case of India, Chatterjee (2007) and Kumar (2009) indicated
the Indian management philosophies and practices continue to be influenced by the caste system that is rooted within the Indian national culture and is likely to shape the Indian business model, which in turn affects the formulation of global business strategies of ECMs. More specifically, Kumar (2009) documented the Indian business framework is underpinned by the Hinduism, a religion, that is practiced by 85 per cent of the Indians, plays an influential role in the Indian society. Furthermore, Gesteland and Gesteland (2010), and Overgaard (2010) noted that India is known as relationship focused society, and business operations within India are often driven by relationship building, a notion that was reported in this study by a large number of Indian participants, who indicated their ECMs’ business operations were underpinned by the business relationship with different stakeholders. This contention is further supported by Gupta and Wang (2009), who suggested Indian culture is known as emphasising interpersonal relationships. These notions, which have underpinnings in the relevant literature, provide some evidence that the globalisation strategy of the Indian ECMs is influenced by the Indian national culture. Despite the progressive development of the Indian economy a salient observation revealed relationship orientated Indian culture still affects the strategic orientation of Indian ECMs.

A large number of the Indian managers acknowledged the importance of customer relationships in the facilitation of their ECMs’ global strategic ambition. One Indian participant noted that “... company also gets bonded with customers...they know that customer side is really important for that particular organisation to grow...customer relationship plays a very big role for sustainability”[RI24]. Similarly, another Indian manager stated customer relationship is a substantial element of business operations for achieving global ambition with comments “... our whole business is based on customer relationship, because we are very good in entertaining customers, we always believe we are here because of our customer, acquisition of customer is very difficult, but yes if you spend, if you invest in customer relationship, then certainly you get the benefits of that...”[RI13]. A view customers are the organisational core valuable resources is shared by Storbacka and Nenonen (2009), who argued that the effectiveness of a firm’s strategy is primarily driven by the exogenous customers. Responses from the Indian managers reinforced earlier contentions (Anderson & Robertson, 1995; Brown, 2001; Morgan & Hunt, 1994) of building and managing
ongoing and quality customer relationships ensures future organisational growth to sustain long term profitability.

Connotations of the Indian responses are ECMs are transitioning from traditional to contemporary buyer seller customer relationships. Some Indian participants stated the prevailing practice of relationship with the customers is the clients are ‘gods’ is being maintained while other respondents promoted the relevance for embracing customer in modern aggressive business context. A representative of the former perspective stated: “… we are at the market because of the customer, we take customers as a god, here in India, we definitely do not want to annoy any god, by one of the scenario, so customers will always be god...and by that time, we are existing...”[RI2]. This notion was reinforced by another business manager, who pointed out that “…customers are always god, there is no doubt on that, but the question is are you able to supply or are you able to give what the customer really wants...”[RI8]. A contrast was given by some Indian managers, who perceived the partnership relationship with customers was being extended in their ECMs by providing some extra value to the products, which in turn add value to the customers. In these developing contexts, the traditional emphasis of buyer and seller customer relationships are not being ignored, while in a process of adding complementary values to the relationship with clients to increase customer satisfaction and loyalty, a contention that was noted in the literature (Berry & Parasuarman, 1991; Czepiel, 1990).

Innovation

Innovative activities are a central plank of the global ambition strategies of the studied Chinese ECMs. Indeed, the qualitative evaluations revealed the Chinese ECMs are pursuing corporate competitiveness and organisational sustainability through the incorporation of innovative schemes. Further collaboration is given by one senior manager from a State owned company pointed out that “… in our manufacturing industry such a hostile environment, if the organisation does not innovate, it is possible in 3 or 2 years, it will soon be finished...”[RC1]. This comment supplements earlier findings by Yam, Guan, Pun and Tang (2004), who found that a lack of capability to innovate is likely to lead to business stagnation, loss of market shares, and the ultimate demise of the company. Ultimately, it is
reasonable to assume innovation may push the organisations to go forward not only in the manufacturing sectors, but also in the services related sectors. Specifically, innovation, such as technological innovation has the potential to enhance the competitiveness of an organisation (Guan, 2002), a viewpoint a study respondents (President of a branch of a State owned company), who proposed that by integrating operational innovation with product innovation can mitigate the attractiveness and sustenance of customer numbers, while maintaining institutional competitiveness. An assumption is that innovative activities have the potential to facilitate the studied Chinese ECMs to internationalise in a rapid fashion, and, therefore, the promotion for a constant innovation may help the investigated ECMs to generate a more sustainable, equitable and resilient future business operations.

In a free market system where fierce domestic and international competition operates organisations are obliged to regularly innovate. Moreover, innovation becomes a key driving factor to ensure new economic principles can be translated into comprehensive reforms (Cao & Hansen, 2006), and, therefore, Chinese ECMs have been constantly endorsing the importance of innovation and the pursuit of innovation has become a vital goal for many organisations. Indeed, a large number of the Chinese participants indicated the leaders of their organisations have realised innovation plays a distinctive role in achieving organisational goals, and one senior manager from a State owned organisation reinforced the importance of innovation: “… our leaders are promoting innovation on a daily basis, if you do not innovate, you will not able to compete with others... to achieve the improvement and reach the [organisational] goal.”[RC1]. Similar comments were made by another senior manager from a private owned organisation: “… constant innovation and continuous improvement as the pulling power and source of progress…”[RC12]. Furthermore, the emphasis on research and development (R&D) as an innovative activity has been the predominant factor in the business development of some Chinese ECMs. For example, one President of a branch company illustrated that the development of his organisation is largely determined by the R&D initiative “… because our enterprise is more of an organisation that pursuits for R&D... it is always insist on innovation, technological innovation, and R&D innovation…”[RC17]. This study observation is consistent with an existing finding by Altenburg (2008), who reported that “… China is already one of the biggest spenders on R&D worldwide and spending increases
much faster than in the EU.” (p.28). Collectively, the importance of innovation is attracting a considerable amount of attention with the realisation of the potential to complement the economic growth of the Chinese economy.

A salient observation of the study findings is that some Chinese ECMs have been engaging in innovative activities in many areas. In fact, one Vice President, who stated that his organisation pursues innovation from various angles, “With regard to … innovation, we have always been advocating innovation, whether in technology, talents, management, every aspects... are all required to innovate.”[RC14]. This comment was supported by another senior manager, whose organisation has been engaging in international business for more than 25 years when he declared that “… brand, technology, products and marketing are all very important, marketing channel innovation, and technological innovation and product innovation are truly essential for our organisation…”[RC3]. Arguably, Chinese ECMs have noted the importance of innovation to their organisations’ international engagement, and such innovation may be driven by the reduction of costs, advanced technology and global investors as suggested by Cao and Hansen (2006) or a suggestion from Alden and Davies (2006) strategies embracing persistent technological development and innovation for profit and business diversification are likely to sustain Chinese ECMs. Interestingly, some of these comments illustrated that market pressures were innovation drivers, however, for other managers, market opportunities through offering innovative products/services was also a major driver for innovation, and often such innovation is undertaken in order to sustain organisational development.

An impressionable observation on analysis of the study respondents was the Chinese ECMs pursued sustainable business practices through continuous innovation. The evidence of cyclic practices of innovation in the manufacturing industry was supported by a President of a private firm, and while it is often assumed that the manufacturing sector is different from service related sectors, and overall it was observed that competitive global forces are having somewhat similar influences on innovative activities across all industry types. In Table 4.12, which presents the results of regression analyses for the mediating variable of industry type, innovation was a significant predictor of Chinese global player corporations as well as Indian institutions identified as global exporters and global sourcers. Thus, the results of this
study demonstrated the manufacturing and service sectors share some common features. In particular, one of the branch Presidents stated: “…we are constantly doing research…we may have thousands varieties of products in this promotion…introduce some new products. In fact, there is similarity with some of the manufacturing firms; there are some commonalities inside, though the nature of the business is different…”[RC8]. Despite the obvious differences in the manufacturing and service sectors both are encountering the commonality of innovation, which is underpinned by customer demands. The avaricious demands of customers compel organisations to generate unique none linear strategies, which oblige flexible innovative thinking as exemplified in a respondent statement: “…shorten the time of the procedure … [not]… follow the normal procedure… do the third step first, and then the second step … but controlling our risks.”[RC11]. The provision of better services to the customers in both the manufacturing and the service sectors, which is predicated by the objective of gaining successful international expansion, drives the intensity of innovative business practices.

Another prominent feature of the study findings is the uniquely level of understanding of the notion of innovation among the studied Chinese managers. One of the State owned company President showed an unique appreciation of the concept of innovation when he referred to “…the new wine in old bottles, and customers are very happy, then it is very good, no matter which methods have been used, with good outcomes/results, then this is an innovation…”[RC5]. A number of other Chinese managers held an opinion innovation can be a discreet facet in a form of management innovation. Within this paradigm, one senior manager, who has been working in a municipal enterprise (that is a branch of a State owned company) for more than 20 years, suggested that management innovation in his organisation was done through managerial development programmes “…it is more of a management innovation…this training, from a number of areas... the content of this training is different, it is more in line with internationalisation…”[RC9]. Furthermore, some institutions view innovation is internal organisational development, and it is directly linked to internal management cohesion and leadership roles. These views were shared in the previous research as Gumusluoğlu and Ilsev (2009) delineated a leader’s vital role in implementing innovation may be associated with an organisational competitiveness. Arguably, competitiveness at an international level
to maximise business potential by innovative procedures is likely to evolve sustainable and dynamic micro economic process as well as effective HRM practices, a notion explored within Indian responses.

Comments from the Indian business managers revealed the innovative activities performed by the study Indian ECMs had their own distinctiveness. A large number of Indian managers suggested that innovation plays a major role in the formulation of business strategies. One female manager indicated that her organisation promotes innovation, and the innovative activities drive the organisation strategy as she commented: “…They are extremely vast, in terms of innovation I would say that we are innovating by a minute… innovation drives the productivity, therefore, the customer … all are connected…”[RI9]. This notion is supported by one private firm President, who contended that “…I am pretty sure, any successful business…they have to innovate…even you go globally, you got to have innovation…”[RI10]. Notably, one possible observation can be drawn from these comments is that innovation is linked to an organisation’s competitiveness. Indeed, an renowned scholar Porter (1998) suggested one source of competitive advantage is created through innovation. According to Eisenhardt and Martin (2000) that an active search for new product ideas has potential to contribute an organisation’s strategy in gaining or sustaining competitive advantage. Clearly, innovative activities are likely to shape the current and future competitive advantage of an organisation, and arguably, the innovativeness may influence the market expansion and competition of the study Indian ECMs.

A strong interest in promoting innovation among the studied Indian ECMs was observed through managerial responses, but certain Indian management philosophies were maintained. It was stated by the Indian business managers that their ECMs show a strong tendency towards innovation and the innovative activities are extensively encouraged and supported. One senior manager, whose organisation has been operating more than two centuries, made the following comments: “…innovation is something which is promoted, which is rewarded, and which is encouraged in the organisation, and innovation in all levels... and innovation … is day to day job…”[RI7]. Obviously, innovative activities play a substantial role in the business operations of the studied Indian ECMs, and another senior manager pointed
out that innovation was highly promoted within the organisation, and “… innovation is very important...but operational innovation is extremely difficult.”[RI11]. Interestingly along similar lines, another Indian manager also indicated that: “… operational innovation, upto some extent, not fully but we are, we have freedom to try some new things but at the same time, if you are trying some new things, we have to take the words from the corporate team … so we are free to do innovation but the condition is you have to take approval if you want to do something new…”[RI12]. These traditional beliefs and thoughts installed in the studied Indian organisations can be viewed as cultural outcomes, that have long been followed and reinforced in the already existing views upon the hierarchical practice. Thereby, it could be argued the importance of innovative activities was endorsed by the studied Indian ECMs.

The study Indian managers explained that their ECMs constantly involving in innovation as a business strategy for sustaining customers and in turn improve the competitive dynamics of the organisation. Indeed, one manager stated that: “… innovation if you are not growing with time … if you are being as you are then you can't progress, you have to be innovative...because of competitors...as we are customers, we always look for new things…”[RI4]. This observation was reported in the previous literature that as a business strategy innovation is likely to improve organisational flexibility, competitive position as well as performance (Nooteboom, 1999; Roberts, 1998; Tanner, 1998; Utterback, 1994; Van de Ven, 1986; Wolfe, 1994). In addition, data from the Indian sample revealed that innovation was deemed as a vital element for business sustainability and one senior manager explained: “… without innovation we cannot survive in the competitive world... the competition is quite stiff... you need to compete with them and innovation is the only [way] to compete and to survive…”[RI14]. Arguably, innovative activities and capabilities are linked with economic survival, profit making as well as global expansions of the studied Indian ECMs. Hence, it is reasonable to assume that Indian ECMs are continuously engaging in innovation across all levels and such incremental innovation is likely to contribute significantly to the strategic global ambition of the organisation.

In addition to innovation at the organisational level, the level of promotion for future innovation was also significantly related to the rapid economic expansion of India in
general, and the Indian ECMs in particular. From the public to the private sectors, the studied Indian ECMs have made a substantial amount of investment in innovation. Given that the current business environment is surrounded by intensified domestic and international competition, there is an imperative for pursuing innovation. In this regard, a predominant sets of comments were given by one middle manager, and he stated that: “...innovation, Indian companies are started in big way in innovation, everywhere, you will see... and all these things are going on in innovation... government as well as private sector companies also all have started, wherever you go, you will hear, you will listen something on innovation....innovation is going to be a big thing in India, because again as the competition is going you know, we have already raised the bar and without innovation, I don't think that India can go a long way, so that is innovation is the new era of the heart, even Indian companies have started doing that…”[RI14]. Furthermore, another interesting explanation was provided by one middle manager, who has foreseen the future innovative activities within Indian ECMs are great, and he explained that “...innovation are started people are putting money to R&D right now, high power area... there is a great future for R&D in India... the future in India for innovation is great…”[RI17]. Collectively, these responses demonstrate innovation is a central plank of Indian global business strategy.

**Knowledge Transfer**

An enigma for the Chinese managers is the acquisition of an unique universal understanding of the concept of knowledge transfer. Analysis of the quantitative data in Table 4.14 gave an early indication there was a lack of consensus about the concept of knowledge transfer, and this position was reinforced in the interviews when many of the participating managers reported they held different perspectives about how to define the concept. In many cases, the respondents did not answer the question directly and such observation may be directly linked to the Chinese culture. According to Ramasamy, Goh and Yeung (2005) Chinese firms show a lack of willingness to transfer knowledge because these organisations tend to be concerned about information disclosure. Often strong beliefs are held that competitors may use the disclosed information to ‘catch up’ and outperform the Chinese organisations from which the information has been captured, and subsequently, the willingness to transfer knowledge is relatively low in Chinese society (Weir & Hutching, 2005).
Arguably, a reluctance to disclose valuable information is embedded in intellectual property protection issues within China, a point that was made by one Vice President, who specifically commented on the issue: “...We do not pay attention on intellectual property protection, all fake, and very chaotic. ... the government has to set a good example first, followed by State owned enterprises, the State Asset Regulatory Commission, the State enterprises, private enterprises, listed companies, from some influential businesses to start thinking about improving the environment, we also received notices about intellectual property protection, and everyone is concerned, the intellectual property protection has gradually being taken seriously.”[RC14]. In spite of government policies, that endeavour to control knowledge ownership, infringements of copyright issues are rampant in Chinese society, and the problems associated with knowledge and information usage continue to be a threat to many Chinese ECMs resulting in different levels of understanding toward the concept of knowledge transfer.

To overcome the held semantical differences (about knowledge transfer) discussions were undertaken with the Chinese managers to obtain a relevant meaning of the construct in a Western managerial context. This action enabled meaningful interviews to be undertaken about the notion of knowledge transfer in Chinese organisations. Although a number of the studied respondents contended their organisations acknowledged the importance of knowledge transfer, they suggested the activity is undertaken differently in Chinese contexts. Earlier, this position was recognised by Peng, Li-Hua and Moffett (2007), who referred to China’s traditional history and culture as factors strongly influencing people’s preference of inexplicit and informal communications. The influence of the Chinese attributes on knowledge transfer was reflected in the study responses from one senior manager, who worked in his organisation for more than 15 years. His comments established this perspective: “… initially, this bit, knowledge transfer, can be said it is more of shield plug. You do yours and I do mine... but now ... they are working closely as a community... we bind them together, their performance appraisal, the pay as well as their bonus are directly linked with one of the other, and they are one community…”[RC1]. A prominent contribution of this statement is the Chinese management of knowledge transfer is bounded within the national culture in which the managerial practices are influenced by cultural dimensions such as trust that has a significant role in...
accessibility of organisational knowledge (Kohlbacher & Kiahe, 2007). Collectively, the understanding and practices of knowledge transfer are embedded in a particular cultural context, and thus, the influential contribution of national culture needs to be acknowledged.

The transference of knowledge across the organisation has been long practiced in a specific cultural context. For instance, the values of Confucianism, relationalism and guanxi have historically dominated Chinese organisational practices as well as employee thinking and behaviours (in particular knowledge management) and these connections have often been reported in recent Chinese studies (Hutchings & Murray, 2002; Michailova & Worm, 2003; Tong & Mitra, 2009; Weir & Hutching, 2005; Yang, 2002). An emphasis on human relationships has been commonly identified as networks or guanxi, which facilitate the interaction between strategy orientation and relationships, and this integration generates unique Chinese dimensions to determine the formulation of a business strategy. Arguably, it becomes apparent that the knowledge management approaches in the Chinese context are influenced by the long and rich culture, which formed unique features. These features are different from Western developed knowledge management theories and models, and consequently, a quest to comprehensively examine the concept of knowledge management with specific Chinese features is emerging (Peng, et al., 2007).

Understanding the importance of knowledge transfer has a profound impact on gaining an appreciation of the effective formulation of global economic integration of the studied Indian ECMs. The quantitative analysis as reported in Table 4.13 and Table 4.14 demonstrated knowledge transfer had a mediating efforts on a number of relationships between talent management and global business system development, which in turn was linked to global ambition. These observations were reinforced with responses from the Indian managers. For example, one female manager with 20 years of experience indicated that knowledge transfer in her organisation was reflected in an open and harmonised environment that promoted internal coordination of knowledge transfer and sharing of information to minimise the communication gap. This context of creating synergistic benefits among different organisational departments is a view shared by Gooderham (2007), who argued “For successful knowledge transfer to occur there must be significant internal coordination in the
sense of organizational capabilities that are consistent over time and that promote linkages across units.” (p.35). Another Indian manager expressed a position that shared knowledge among departments ensures smooth information flows, and as a result enhances organisational performance. A range of managerial responses from the Indian managers revealed the speed and efficiency of knowledge transfer is vitally important in the configuration of unified organisational strategies for enhancing internal cooperation to achieve global ambition.

Another predominant feature observed from the managerial responses is the unique approach in the management of knowledge transfer in the studied Indian ECMs. Chatterjee and Heuer (2006) have acknowledged that over many centuries there has been absorption of managerial ideas and practices from around the world by Indian organisations and today ECMs exhibit residual traces of British institutional underpinnings. This phenomenon is reflected in the demographic evidence shown in Table 4.1 revealing the Indian ECMs are in transition from local orientation to global mindsets and from system maintenance and collective performance bonds to a brand focus (Chatterjee, 2007). These unique dimensions, which show a marked shift to valuing human resources, are challenging the established protocols of traditional hierarchical management styles such as information transfer, innovation and motivational features of the work place as the Indian ECMs are becoming increasingly strategy driven. For instance, leaders of the studied Indian ECMs, hold decisive power when it comes to knowledge transfer. A representative of the study Indian managers stated: “...you will talk to your boss, boss talks to his boss, his boss could be handling all the department, then he will talk to the concern department including your boss, and then...there is hierarchy in my organisation ...”[RI4]. This quote, which is representative of the responses from a number of the interviewed managers, demonstrates a hierarchical management structure is likely to ensure the knowledge is being transferred and shared smoothly in the organisation. This hierarchical reporting arrangement has the potential to shape the communication model to achieve an effective knowledge transfer outcome. Another Indian manager expressed that his organisation transfers knowledge through meetings, and with open discussion between key people, and these transparent mechanisms enhance organisational goal achievement. Collectively, the study data revealed the Indian ECMs were continuing to maintain the central core of traditional hierarchical
management styles while embracing distinctive innovative frameworks for the management of knowledge transfer.

Operational intensity by Indian ECMs in the global arena has heightened the importance of knowledge management. Indeed, knowledge has been deemed as one of the strategic assets of the organisation, and it is a pronounced organisational resource for gaining competitive edge (Argote & Ingram, 2000). A hallmark of Indian ECMs is a compelling demographic shift in worker educational status and an increasing demand for job relevance skills, which are likely to be severely depleted when employees leave the organisation. This condition was reported by a large number of the studied Indian managers, who noted knowledge management is directly linked to the employee turnover rates. For instance, one private firm President specifically stated: “... knowledge management becomes important, if the attrition rate is high because people are leaving the job ... and then you still want to retain the knowledge because that is how you provide service to your customer... knowledge retention, because of the attrition rate...”[RI10]. One interesting observation from the studied Indian managers was their ECMs employed different retention mechanisms, such as more job responsibility or a better pay package to keep the best talented personnel in order to avoid knowledge losses. These initiatives were installed recognising the considerable knowledge that is held in an organisation by individual employees, which is a point shared by Zhang, et al. (2008), who contended employees are knowledge information holders, and effective knowledge transfer and sharing facilitated by individual employees may potentially contribute to organisational survival. A challenge for Indian ECMs in the contemporary competitive marketplace is not only to retain talented personnel, but to integrate them into workplace arrangement that will enable the dissemination of knowledge to achieve the global strategic ambitions of the firms. The remarkable economic growth of the Indian organisations, that are extending their global networks though offshore investment activities, is only likely to be sustained if these institutions can develop systematic and comprehensive management architectures that will attract and retain talented personnel.
Talent Management Approach in China

A large number of the Chinese respondents acknowledged the inability of an organisation to achieve a global position was exacerbated in periods of global talent shortages. Specifically, one President of a State owned organisation expressed that key personnel is likely to be seen as the underpinning core feature for enhancing organisational competitiveness. This view is shared by a number of researchers (Becker, et al., 2004; McDonnell, et al., 2010; Scullion, 1994; 2001; Shen & Darby, 2006; Stroh & Galigiurim, 1998), who reported that internationally competent managers would potentially facilitate the global business success of an enterprise. Similar comments were made by another senior manager, who suggested that talents are one of the key points in operating an international corporation. Without doubt the key talents had a significant impact on organisational operations in these Chinese ECMs to underpin a quest for different types of managerial talents to effectively leverage the internationalisation of these organisations was anticipated. Nevertheless, it is widely reported in the existing literature that China is facing a competent managerial shortage and this problem may hinder economic development (Björkman & Lu, 1999; Braine, 1996; Bu, 1994; Child, 1994; Dickel & Watkins, 2008; Ralston, et al., 1997; Tung, 2007; Walder, 1989; Wang, Bruning & Peng, 2007; Zhu, Cooper, De Cieri & Dowling, 2005). The findings of this study also demonstrate that the examined Chinese ECMs suffer from a lack of managerial talents. To minimise the impacts of managerial shortage, the studied Chinese ECMs employed different mechanisms, such as training to develop and store talents to create a talent pool. At the same time, a wide variety of initiatives, such as better pay packages, were undertaken by the studied Chinese ECMs to retain talents. Equally important, a considerable amount of efforts and resources were devoted by the studied Chinese ECMs to ensure the ‘best’ talents were selected and recruited.

Selection and Recruitment

The studied Chinese managers reported mixed preferences for selecting and recruiting managerial talents. In Table 4.7, it is shown external selection was substantially more important (\(\chi = 5.93\)) than internal selection (\(\chi = 5.22\)), while the importance of external recruitment and internal recruitment were non significantly different (\(\chi = 4.94\)) in Chinese organisations. Indeed, the traditional recruitment and selection techniques, such as internal cultivating managerial talents were extensively
utilised by the Chinese ECMs. One senior manager, who was in charge of a branch company of a State owned organisation indicated: “… for some employees, we basically will not recruit from outside, we will cultivate by ourselves …”[RC2]. At the same time, this organisation was open to external recruitment and selection techniques to locate managerial talents: “… in fact, these two years, [we] have recruited a lot from outside, throughout the development process… [we] will certainly need a lot of recruits from outside, at least a lot of managerial level and above [talents]…”[RC2]. In addition, the Chinese ECMs also adapted some external recruitment methods to acquire talents. Another senior manager stressed that: “…we have headhunting, also our own job advisements… and talent recruitment websites… other than this, there are specialised professional headhunting firms…”[RC3]. This comment was further supported by a President of one State owned organisation, who gave a distinct viewpoint on how his organisation tackles the issues of talent management: “… with regard to talent selection … should ever go extremes, what is extreme, neither select talents through head hunting company, recruit externally, nor only select internally. Each strategy has its own characteristics and its strengths …this is not absolute. This can be called: according to the person, according to local conditions, according to the time, according to the emotions (yin ren zhi yi, yin di zhi yi, yin shi zhi yi, yin qing zhi yi) …”[RC5]. Consequently, locating and acquiring talented personnel is gaining high priority with different approaches in the studied Chinese ECMs, and this notion is particularly prevalent as talents are the key drivers of business operations.

Training and Development
A number of Chinese managers have noted the importance of training as one type of HR practice can potentially help organisations better develop talents. In fact, one senior manager who is in charge of recruitment of his organisation suggested that internal training was done through job rotation: “… We do have internal training, and there are so many ways of training talents… job rotation… to gain extensive work experience…exchange information…”[RC6]. This observation was also documented by Bhatnagar (2008), who indicated that job rotation and mentoring or coaching were popular talent training activities. During the interviews a number of managers of the Chinese ECMs said they develop the level of human capital through internal training as well as external techniques being implemented in their
organisations by sending talented personnel to recognised Chinese universities to gain further qualifications. This demographic quality is shown in Table 4.1. From a qualitative perspective a President, whose organisation was established in the 1950s and involved in manufacturing industry, stated: “…*The training is done regularly, on a regular basis, every year these key position talents will be sent out to do studies... through technical universities in China, and...the senior executives have to participate in business management courses, middle management level managers also have trainings…”[RC14]. One State own company President stated that investing in training is a key component of the HR management in his organisation: “…we have been sent to study... to participate at the EMBA programmes at [institution name] University. This is the so called training mode, all paid by the country (State), it is paid by the company... internal training…”[RC5]. Hence, investment in human capital through training and development has been one of the most utilised HR practices in many Chinese ECMs.

**Talent Pool**

Considering the crucial role that multi skilled talents play the studied Chinese ECMs emphasis the notion of a talent pool. The importance for the concept of a talent pool is acknowledged by the mean score of 5.77, which is shown in Table 4.7. In an interview, one branch President argued that his organisation preferred to have a talent pool that stores managers, who have multidisciplinary capabilities, and can integrate management. One senior manager, who used to be a manager of the HR department for the ECM in which he now works (and now managing the marketing department), has indicated that “…*our company prefers to have managers who have multi disciplinary specialities, and integrated management capabilities…”*[RC3]. Based on these comments, it could be argued that multi disciplinary talents across sectors are in high demand, and hence, some of the Chinese ECMs were cultivating and training talented individuals to enter a talent pool for future potential job vacancies. This claim was supported by one President, who was in charge of a branch company of one of the leading appliance Chinese manufacturing ECMs, expressed: “*any organisation in their development process would develop their own talents... one way is cultivating talents themselves...to create a talent pool…”*[RC2]. Similarly, one private owned company’s CEO shared his thoughts: “…*within the organisation, internal employees who are the high potentials...to train them to become the needed
talents or key personnel for the company ... it is more of an integrated development and management…”[RC12]. It is observed a store of multi skilled and experienced personnel to create a talent pool is likely to shape the business system, which is a feature of the correlations for the Chinese data shown in Table 4.7. Specifically, in the studied Chinese firms the construct of talented pools were substantially correlated with innovative activities \( r = .582, p<0.01 \), productive activities \( r = .339, p<0.05 \), and customer relationship activities \( r = .774, p<0.01 \). These results demonstrate the establishment of talent pools facilitated the international economic integration of the studied Chinese ECMs. Hence, the need for talent storage by particular emphasising on retaining talents may be viewed as a crucial factor for effectively talent management.

**Talent Retention**

A prominent feature that emerged in the data analysis was talent retention was linked with particular institutional traits. One Vice President stated his organisation employed a smorgasbord technique by using several different arrangements to retain high performers: “…first ... training for obtaining degrees, this type of training for qualification, training of professional knowledge...for the enhancement of your comprehensive ability...second, retirement plans...third, it is the material treatment it is relative higher, including car arrangement, salary, bonuses...and house dividend is given to senior executives ... the length of service bonuses... our management level believes it is a way of retain talents…”[RC11]. In contrast, some Chinese institutions endorsed higher pay as a strategy for retaining talents, and this arrangement has gained ground in many Chinese ECMs, which has been reported by Arkless (2007). One bank branch President provided some support to this claim: “…it is the salary, middle management level managers and senior managers have been paid at a relatively higher levels... to key personnel, their pay…”[RC19]. While higher pay is likely to help the organisations to retain talented personnel, loyalty to an organisation is key dimension in the belief of the Chinese managers when it comes to talent retention. Further, loyalty is a way in which both the employees and their company reciprocate or mutually build trust, and it is often embedded in the organisational culture. Indeed, the company President of one Chinese ECMs, who progressively climbed the corporate ladder in the last 20 years, summarised his organisation’s strategy in retaining talent: “I think the organisational
culture, it is very important... the company’s leadership... trust their staff... treat
them with care and respect, and everyone is equal and ...it is harmonious
environment... asks for unity, harmony, stress strongly on harmony…”[RC10].
Collectively, the items (delineated in the questionnaire of Appendix One) of Table 4.2 and Table 4.3, reveal considerably different investments have been made in crucial HRM practices by various studied Chinese ECMs to build cadres of talented personnel, who can contribute to the overall strategic plan of the organisation.

A number of HRM initiatives, such as career prospects have been launched by the studied Chinese ECMs to retain their talents. Indeed, career development path or HR development is playing an important role in keeping important personnel. One senior manager acknowledged some of the points in his comments: “…through a better career planning. This, I think is the main thing [preventing talents losses]…”[RC8]. Talent retention in the form of training and rewarding is also seen as a wise approach in providing opportunities for talents to reach their personal development needs. Similar observations were documented by Malila (2007), who indicated organisations are encouraged to employ different rewarding mechanisms, such as training, career development opportunities as well as financial benefits to retain managerial talents. Furthermore, it is apparent that rewarding high performers through different mechanisms is considered as the basic element for reducing job hopping in these Chinese ECMs. This notion was particularly emphasised by one bank President: “…it can be seen as a reward in nature ... there is some quality improvement in you... When you are overseas it broadens your horizons, the nature of this training is considered as a reward …”[RC10]. This notion was expressed by Ma and Trigo (2008), who contended that competitive rewards play an influential role on employee job satisfaction and turnover intentions in the Chinese organisations. Arguably, much of these mechanisms were initiated to retain skilled staff and in turn reduce the turnover rates. Clearly, talents are highly valued human capital within an organisation, and Chinese ECMs have invested a considerable amount of effort and resources to retain personnel talents. This observation shared some common ground in the studied Indian ECMs when it comes to talent management approaches.
Talent Management Approach in India

Although talent management of skilled managers and personnel has gained strategic importance the shortage of managerial talents remain as a challenge in the studied Indian ECMs. Indeed, the importance of talent management for effective leveraging business success in the increasingly competitive business environment has been widely reported in the previous literature (Michaels, et al., 2001; Sparrow & Balain, 2008). Yet, the looming shortage of managerial talents in the marketplace (Boudreau & Ramstad, 2005; Branham, 2005; Brewster, et al., 2005; Cappelli, 2000; Chambers, et al., 1998; Frank & Taylor, 2004; Gardner, 2002; Lawler, 2005; Nybo, 2004; Rivenbark, 2004; Scheweyer, 2004; Sparrow, 2004) was particularly evident in study Indian ECMs (Bhatnagar, 2006; Doh, Stumpf, Tymon & Hайд, 2008; Jonsson, 2008; Ma & Trigo, 2008; Teagarden, Meyer & Jones, 2008). Interviews with the studied Indian managers revealed that while there were considerable human resources in the marketplace a significant managerial challenge was matching these held skills with talents required for the vacant job positions. This issue was succinctly delineated by one manager: “… we do face problems with shortage of talents … because of quality, I am unable to get…”[RI4]. This statement is conclusive evidence the selection and recruitment of key talented personnel, which is vital for successfully facilitating the business operation in the domestic and international markets, is a challenging managerial task. Evidence the study Indian ECMs are endeavouring to overcome the problems of talent shortage, through initiatives of training and development programmes is shown in Figure 4.8. Equally challenging was the HR practice of talent retention, and hence, the studied Indian ECMs employed variety of mechanisms to retain skilled workforce. Investments in selection and recruitment practices are likely to assist the organisations acquire the ‘right’ candidates to better match the job positions and contribute to talent retention.

Selection and Recruitment

Responses obtained from the Indian managers revealed the studied Indian ECMs were favourably sympathetic to both internal and external selection and recruitment techniques. Interestingly, the Indian participants indicated their organisations had a strong preference toward external selection approaches (e.g., mean = 5.85) and this notion was a feature of the correlations for the Indian quantitative data shown in Table 4.7. For example, some traditional external selection methods that require
successful candidates to complete a medical examination were still practiced in the studied Indian ECMs. One senior manager, whose organisation was involved in the public sector, indicated: “…based on interview, they will select the candidate and there will also be a medical examination…”[RI13]. The quantitative evidence (Table 4.7) demonstrates the intensity of external selection is substantially greater than procedures of internal selection undertaken by Indian ECMs, yet the qualitative responses reflect the importance of internal selection processes in these institutions. For instance, one senior manager whose organisation has been operating for nearly two centuries suggested: “… we also have people out of whom or selected few people who have been recognised in the past, out of whom, we will want to promote or use for higher post in the organisation, so the concepts are all there…”[RI17]. Furthermore, unique features were associated with recruitment techniques being employed by the studied Indian ECMs. For instance, a large number of the study participants stated their organisations recruitment through employee referral or reference was a dominant method for employment, and this observation was also a feature of the qualitative responses that are summarised in Figure 4.8. Another middle manager, who worked for a manufacturing organisation revealed the unique approach in recruiting external talents: “… if you have any…somebody... who...[meet the] requirement...you can refer him...because it is a guarantee because they know you, you know him, so indirectly they know him…”[RI4]. A salient feature of the study data was a revelation the Indian ECMs are continuing to employ internal recruitment approaches (such as internal promotion and career development in Figure 4.8) to employ talents. However, greater intensity is being placed on external recruitment methods to acquire the required skills and talents, and often not residual in contemporary institutional frameworks, which are transforming from traditional practices of nepotism, cronyism and patronage.

**Training and Development**

The studied Indian managers indicated that training and development programmes were important organisational functions for developing high potential talents in their ECMs. Several Indian participants reported their organisations believed that on the job practice or training through internal job rotation or transfer (either nationally or internationally) would facilitate talents to gain multiple levels of skills and simultaneously exchange and share knowledge within the organisation. In addition, a
number of other types of internal training initiatives were conducted by individual department to ensure personal learning and development needs were fulfilled so that a long term trust relationship could be built between the employee and the organisation. Indeed, this notion was shared by one female senior manager, who has been involved in her respective industry for nearly 20 years: “… *relationship is the key*… *I can just go talk to my boss. I feel like that I should sharpen the skills* [through training], *he will consider it* …”[RI1]. Indian organisations have continually placed a strong emphasis on training senior management (Balaji, Chandrasekhar & Dutta, 1998; Bhatnagar, 2008; Budhwar, 2000; Budhwar & Boyne, 2004), and overtime this activity is now reflected in three main streams. One stream is the development of personnel with institutional resources within the organisational cadre, while a second stream is to bring in experts who deliver training modules, and the third avenue is accomplished in programmes at prodigious Indian universities where managers can obtain specialised personal development. These three observed streams are broadly presented in Figure 4.8, which was developed from the detail of the interviews that delineated the three operational training arrangements in the investigated ECMs.

Integration of the three operational training arrangements in Indian ECMs and pertinent data of the descriptive statistics and correlations of Table 4.7 can be observed in Figure 4.8. The first stream of developing personnel with institutional resources is demonstrated in Figure 4.8 by the sub nodes of internal transfer and job rotation for the node of internal selection. The second stream of inviting experts to deliver training modules is shown in the sub node of consultant, advisor, expert in the theme of external recruitment. Creating personnel development by engaging in programmes at prodigious Indian universities, which is the third stream, is shown in the sub node of university-industry cooperation and on the job training sub node for the theme of training. This third stream can be linked to the theme of talent retention (shown in Figure 4.8) for the sub nodes of organisational support and training. The connection with the correlations of Table 4.7 is with the variables of pools of talent, and talented pools, which had mean scores of 4.7 and 5.21, respectively.

**Talent Pool**

A disturbing response from the interviewed managers, is in spite of the recognised lack of managerial talents in Indian ECMs, a coherent strategy for addressing the
issue is yet to emerge. For instance, one middle manager elaborated the shortage of managerial talents with the following comments: “… the skills are not updated … that is the gap in the talent pool. It is definitely in the Indian market, there are many graduations of pools... but if you go for the senior position you will find there is a huge gap of talents for senior positions...”[RI6]. Exacerbating the problem is a laissez faire attitude of many of the employees, who are enjoying conformable working environment and lack a willingness to learn essential skills and knowledge that would pathway them into promotional streams, despite the organisation providing training opportunity. This reluctance to invest in personal development is likely to be manifested from observations the Executive management has tended to give preference to job extrinsic factors (e.g., pay, equipment, working conditions) rather than intrinsic outcomes (e.g., empowerment, individual ability and talent). It was observed that when relatively less emphasis is placed on job redesign strategies that do not provide environments for personal accomplishment and learning employees are likely to be discouraged from engaging in the training arrangements, and the pace of development of a talent pool is worsened. Furthermore, long periods of career promotion opportunity, which was identified by a senior manager, who had been employed in the organisation for more than 20 years, when he stated: “… a person…spending too many years and a lot of time in this organisation...by promoting and fulfilling this gap in the hierarchy of the company... he may be upgraded to the next level... talent from the in-house capacity...” [RI2] retards the development of talent pools. In spite of the discordant endeavours to cultivate or nurture employees the reality is the tall hierarchical structures of the studied ECMs, which contribute to the harbouring of relatively large numbers of middle managers with several years of experience (who have shown a disinclination to invest in training for nebulous career prospects), there has not been a significant acceleration in the establishment of talent pools.

Talent Retention
Evidence from evaluations of the interview information revealed the special contribution of intrinsic and extrinsic job outcomes for reinforcing task retention. Several senior managers, who had worked for different organisations, independently suggested better payment package was a traditional HR practice being used to retain talents in their ECMs. This view was shared by Budhwar, Varman, Singh and Dhar
(2006), who documented that increased pay and benefits were measures being used in the Indian organisations, at the time of their study, for retaining employees. Interestingly, distinctive views were obtained from other Indian participants, who highlighted the fact that better pay or salary package plays a relatively smaller role rather than a decisive factor for talent retention. One senior manager who specifically stated: “… pay is also a factor but I would say, it is not, I would say it is factor to reduce dissatisfaction, but it is not a factor for motivation… if you are posing of challenging, pay doesn’t matter at all, and at the end of the day, if you are an explorer, you will get it…”[RI18]. Similar comments were given by another middle manager: “… pivotal talents were not attracted by money, and money is very least part of that…”[RI16]. Indeed, highly skilled and experienced personnel, who were considered as pivotal talents of the organisations, were more interested in job responsibility. Often better job responsibility plays a greater role than the money factor when retain talents as pointed out by some of the Indian representative: “… the attraction is more ownership and responsibility, they wanted to head a plant, they want some additional responsibility …to retain the talents…they want to own the responsibility of a department …”[RI17]. Collectively, these observations provide a foundation for a claim the HRM practices in the studied Indian ECMs were transitioning from a traditional focus on material dimensions to more contemporary flexible, innovative workplaces orientated to align with alternative work arrangements of the dynamic competitive business environment.

The transformation to a contemporary approach towards HRM practices was evidenced in the studied Indian ECMs in the formation of different methods to retain talents. For example, the investigated Indian managers perceived individual career prospects play a significant role for retaining talented personnel. One Indian participant, whose organisation was involved in the service sector, indicated his ECM used different methods to retain talents: “… give more challenges to the employees, and have the needs of career aspirations and develop the skills and …there are a lot of training programmes… for increasing our knowledge and skills… there are a lot of opportunities for going abroad…from the incentive point of view, we have … performance based salary structure, it varies at different levels…”[RI20]. Arguably, these initiatives were associated with career path planning within the organisations, as expressed by a large number of the Indian
managers that career development opportunities were important determining factors for retaining talents in their respective ECMs. In the beliefs of these Indian managers, sponsored training programmes were an investment made by their ECMs for retaining high potential talents, who have greater career growth opportunities, that could be blended with other factors such as performance-related incentives, recognition and rewards. While most of the studied Indian ECMs adapted those talent retention schemes to retain the highly valued personnel, government organisations may have a different experience in their efforts in retaining talents. One salient observation was that government organisations focused more on the technical part such as selling the goods rather than the HR part of retaining talents. This view was shared by one senior manager, who stated: “… there are some limitations about government organisation… there will be a lot of steps taken to retain talents. maybe huge efforts… in a typical government organisation, the retention is not the focus, not focus on HR. Focus more on the technical part… HR persons are more like an administration rather than a HR…”[RI3]. The evidence presented by a few of the studied respondents demonstrates the practices of talent retention in Indian government organisations warrants a more systematic and comprehensive investigation.

**Crossvergence**

While standardised operational strategies might be practiced and used in these Chinese ECMs, the distinctive management philosophies and practices are also initiated. In fact, a crossverging management approach is being implemented in China and this view was documented in Figure 4.2 and Figure 4.6. This assumption is further supported by a branch President: “… In fact, there are also some foreign things [foreign management models], not entirely reply on Chinese management models, and… I think there are some combinations… In other words, it is a combination of the Eastern and Western cultures, clash, whichever is better; we will adapt and use in order to avoid the shortcomings of employing only one approach…”[RC8]. These comments provide some confidence in the claims that the management system of Chinese ECMs is leaning towards a crossvergence approach. Arguably, the context in which these organisations are operating determines the features of the Chinese management. Indeed, Child (2008) and Whetten (2009) claimed that when examining Chinese management consideration of the context is
warranted because some of the operational features may be context specific or context bounded. Hence, it is revealed that context specific is the underpinnings why crossvergence management approaches were practiced in the studied Chinese ECMs.

Despite some of the studied Chinese managers claiming their management approaches were purely foreign oriented for these strategies to be suitable to the current national situations it is more likely that a fusion type of management will evolve. This view is presented by a one branch President, who believes that overseas management strategies can be implemented in the country: “… our company has introduced some Western management models, these models have been evaluated in order to incorporate with the current national situations...and the whole management approaches were adapted and applied... the advanced management and operational philosophies come from the West ... hence, it can be said that we are not learning the management approaches, but instead we are adapting these approaches …”[RC19]. More specifically, when commenting on management strategies used by some of the Chinese ECMs, one private firm President, whose organisation has been involved in international trade for more than 20 years, acknowledged the crossverging management initiatives were implemented in his organisation: “… the backbone of the overseas branch was sent from China... with regard to the management aspect, we certainly have our own people, such as the design, maintenance design... technical personnel were sent from China... but the main workforce were recruited locally…”[RC7]. Arguably, the comments observed from this Chinese manager suggested that the traditional way in practicing HRM appears to fade away, and subsequently, a discernible trend towards a crossverging management system emerged in the studied Chinese ECMs.

It is observed that the Chinese management system is in its transforming stage, and the emphasis on HRM has formulated a new set of management philosophies and practices in the studied Chinese ECMs. This notion is particularly evident when it comes to managing talents in the studied Chinese ECMs, and such an approach to talent management resulted in unique outcomes. Indeed, the Chinese ECMs have long been hammering the importance of HRM with an unique approach in terms of their management systems. Simply put the Chinese ECMs have paid attention to HRM, but they are distinctly different from the Eastern and Western counterparts.
For example, the Chinese ECMs were trying to adapt a lot of foreign practices such as selecting and recruiting talents externally, but they are also maintaining a lot of Chinese characteristics when it comes to cultivating and training potential candidates to become managers. This effect is shown in Figure 4.3 when 18 respondents gave 80 responses to internal cultivation. Although some Chinese characteristics were maintained in HRM practices, these Chinese ECMs are shifting their focus to be more foreign orientated management structures. This claim is supported by comments that were provided by a branch President: “… this fully adaption of the Western management culture, I do not think there is much. Maybe adapt its management system, and perhaps the mechanisms, such as the joint stock system, this is Western [approach], and now enterprise system... these are adapted from Western countries in recent years... certainly have to use their [Western management systems] including employees’ incentive option, to employ people, but from the management structure, it is the Chinese approach as the key is that it is inseparable from the land…” [RC15]. Collectively, with the rise of globalisation and the emergence of economic integration of the Chinese ECMs the feature of crossverging management practice is becoming imperative for sustainability in the dynamic and competitive global business environments, which includes India.

While traditional management philosophies and approaches were practiced in all spheres of the studied Indian ECMs there is an increasing trend towards modern business management frameworks. These frameworks were formulated through the influence of a deep seated and pervasive Indian culture, and this view was shared by one middle manager: “... a person from southern India is coming to the Eastern India... working with the organisation... highly dominated by Eastern region people... so it is a cultural mix, we are quite comfortable with this culture... a cultural compatibility... have different [cultural] background and yet share the common goal and values... it is crossvergence practice being undertaken or employed by the organisation...” [RI14]. Arguably, a cultural mix with people from different parts of Indian working in the same organisation requires an unique set of organisational values in order to pursue a harmonised and fair working environment. Ultimately, the evolving impacts of the Indian culture on the formation of a hybrid management practice were evident in the study ECMs. It is interesting to note the traditional values still dominate the consciousness of the Indian society and institutions.
(Deshpande, 2010; Pearson & Chatterjee, 2006; Suri & Abbott, 2009), and this observation is demonstrated in Figure 4.8 as the hierarchical management structure was practiced in the studied Indian ECMs. Nevertheless, the rapid global economic integration along with the increased international exposure at all levels have shifted the Indian managerial philosophies and practices to be moved towards more crossvergence patterns (see Figure 4.11) rather than convergent or divergent management approaches.

A striking feature of the crossvergence management practice is evident in the crossverging working and managing culture of the studied Indian ECMs. The Indian respondents held the strongest preferences for a crossverging work culture and this notion may be linked to India’s large scale economic reforms and the imperative of globalisation. The symbiosis provides greater opportunities for Indian ECMs to gain full exposure in the global arena, and subsequently, leads to the crossvergence management systems. This view was shared by a large number of managers of the examined Indian managers, and one private firm President indicated: “… the culture… now…may not even be referred as Indian culture any more, or Chinese culture…will not be an American culture… because the mix of … all the difference… in a way… crossvergence is probably a better phrase to describe… the [cultural] awareness is there… there will be difference but as long as people are aware… most of the differences are at the personal level at the most… there is hardly any difference…especially the working wise…”[RI10]. Similarly, another middle manager, whose organisation was involved in e commerce argued that: “…as part of the management, your job is to ensure that your organisation is always cultural independent, does not depend on the geography … the culture should be the same… crossvergence management approach is practiced in the organisation…”[RI11].

Inevitably, the business operations of the studied Indian ECMs was largely driven by the pursuit of a crossvergence management practice. Indeed, for most Indian managers, a modern and globalised business world requires their ECMs to extend beyond their home market boundaries to embrace different values and cultures in order to adapt and survive in a rapidly aggressive competitive marketplace.

The quantitative and qualitative data revealed there is a distinct crossvergence of HRM practice in the studied Indian ECMs. For example, the quantitative results
shown in Table 4.7 suggested that while the studied Indian ECMs maintained some of the traditional HRM practices of selecting and recruiting talents within the organisation, a preference towards external selection and recruitment techniques is becoming a sign of adopting contemporary HRM initiatives. Furthermore, one middle manager reflected on the notion of crossvergence management being implemented when operating business overseas with the words: “… sending a whole team initially from India to develop the local people and hire in the local market and... a crossvergence management approach, half being managed by Indians and the other half by the Indigenous people within the local market … it is crossvergence, in terms of HR managing…”[RI9]. Another female manager, who has been involved in the industry for more than 20 years provided similar comments: “… so our person is a specialised person and has been delivered to these organisations to run their operations effectively... it is crossvergence, basically the person in charge will be sent from India, and yet the employees will be recruited through the country where we are operating…”[RI2]. The results of the study demonstrate an interesting transition towards a hybrid crossvergence talent management approach in the investigated Indian ECMs, and this view is documented in Figure 4.11. Overall, a strong inference of these results is the organisational processes and approaches of the studied Indian ECMs were transforming towards a crossvergence value system, which is strongly influenced by the rapid growth of international business along with India’s increasing engagement in the diverse cross border investment activities.

**IMPLICATIONS**

The results of the study have several theoretical and empirical implications. For example, the results obtained could offer insightful information to enrich the understanding of the global ambitions of the emerging countries multinational corporations in general, and the Chinese and the Indian ECMs in particular. More specifically, a salient theoretical constituent of the study was to evaluate Western based theoretical concepts in Eastern contexts. This endeavour was achieved by developing seven point Likert scale instruments for assessing the sub variables of talent management, and the variables of global business system development as well as the construct of global ambition in the studied Chinese and Indian ECMs. The newly developed instruments are likely to facilitate practical contribution to the
development of universal scales to minimise the current knowledge gap in the related research fields. Hence, this study, which is deemed as an exploratory nature, may provide a platform for future researchers to further examine the obtained findings, such as newly developed instruments in a different context to test their credibility. A more elaborate evaluation of the theoretical and the empirical implications of this study are presented in the following section, starting with the theoretical implications.

Theoretical Implications

The first contribution of this study is advancement to the existing theories and models for internationalisation that were outlined in Chapter Two. Despite the existing frameworks of internationalisation providing insightful knowledge to the understanding of the international engagement of multinational corporations (MNCs), some of the theories, such as OLI theory, have limited dynamic content in explaining the main rationale behind a firm’s globalisation initiatives. This view was shared by Mathews and Zander (2007), who contended that the OLI theory fails to acknowledge, in some instances, a firm’s global expansion is driven by acquiring resources that were unavailable in the domestic market to enhance existing resources and capabilities to gain competitive advantage. In this respect, the studied Chinese and Indian ECMs became engaged in the global marketplace to acquire skills, knowledge, advanced technology as well as resources in order to sustain competitive advantage. Arguably, the Western developed and tested theories, that were documented in Chapter Two, can be utilised to explain the internationalisation activities conducted by the Chinese and the Indian ECMs, but certain unique features, such as the institutional environments in which the ECMs were operating need to be carefully considered. Furthermore, the evidence obtained from both the quantitative and the qualitative data is that the theoretical conceptions will benefit by a greater inclusion of the national country nuances and the notion of knowledge transfer more as mainline central dimensions of the model rather than as mediating influences. Hence, this study provides some fundamental underpinnings for a better integration of theories and practices to explain the international business engagement of the studied Chinese and Indian ECMs.

A second theoretical contribution of the study was to evaluate the credibility of Western assumptions in non Western contexts. For instance, this study has tested
several Western assumptions with two separate sets of samples of the Chinese and
the Indian respondents, whose organisations are already conducting business
overseas, but the level of internationalisation varies. Furthermore, the theoretical
assumptions of the current relevant literature (mainly Western) were employed to
develop a research model for assessing the relevance of these suppositions in non
Western contexts. The study concluded while the internationalisation theories
provided useful foundation for their translation in explaining business philosophies
in non Western economies, these notions of abstraction will require greater
development to focus on elements of cultural relativity in terms of strategic human
resource orientations and business practices.

This study can potentially make a third contribution in providing valuable
information for gaining a more comprehensive and systematic understanding of
business concepts in the Eastern business environments, especially the Chinese and
Indian contexts. In a relatively narrow focus, this study offers useful insights to
advance the understanding on the talent management philosophies in the Chinese and
the Indian ECMs. Given the substantial international involvement by China and India
along with their increasingly importance as economic role players there is a high
potential for Chinese and Indian ECMs to become leading global investors. Indeed,
China and India are driving an unprecedented transformation in the global economy
(Gittins, 2011; Kulkani & Bougias, 2008; Pradhan, 2011), and the findings of this
study provides foundation for international scholars and researchers to gain a deeper
understanding of the globalisation strategies taken by the studied Chinese and Indian
ECMs. On a broader scale, the findings of the study may be important for decision
makers in China and India to better incorporate the organisational resources such as
talents when developing global business systems to achieve strategic ambitions.
Indeed, effective implementation and usage of talent management approaches may
potentially enhance organisational competitiveness (Cooke, 2009), and hence, the
study findings offer an unique contribution to the relevant literature.

**Practical Implications**

Three empirical benefits were also acquired in this study. The first empirical
contribution is the generation of sound inaugural seven point Likert scales,
constructed especially for this study from the relevant literature, that can be used in
Chinese and Indian institutions. For instance, this study adapted and developed the scales, based on the internationalisation theories and a large number of existing and relevant studies, for measuring the investigative variables. Despite a relatively small sample sizes from both China and India, satisfactory psychometric properties were attained for the developed scales, which were found to have acceptable internal consistencies. Indeed, the results generated through the quantitative data provided supports for the validity and reliability of the instruments used (see Chapter Four). This research has potential to minimise the existing knowledge gap, as the findings of this study lay some ground works for future researchers to further investigate the creditability of the study variables with a large sample size. However, future researchers may need to be aware of the usage of qualitative technique to complement the quantitative approach, and this view is documented in Chapter Six to give a more succinct delineation.

A second empirical contribution of the study is a lack of transition of Western management strategies and approaches to the Eastern contexts. For instance, in this study the employed array of talent management scales, which were founded on instruments used in a number of previous Western based studies (Barlow, 2006; Boudreau & Ramstad, 2005; Bryan, et al., 2006; Burbach & Royle, 2010; Byham, 2001; Chowanec & Newstrom, 1991; Collings & Mellahi, 2009; Groves, 2007; Heinen & O’Neill, 2004; Hilton, 2000; Jackson & Schuler, 1990; Lewis & Heckman, 2006; Mercer, 2005; Michaels, et al., 2001; Olsen, 2000; Smart, 2005), did not always have high correspondence with the Chinese and Indian samples. A lack of correspondence was demonstrated, for example, by the factor analysis for the selection variable, shown in Table 4.2, obliging the deletion of items that did not register in both the Chinese and the Indian factors. The creation of new scales or the adaption of the Western scales necessitated not only the recasting of the words (when the principal language of the study site is not English), but considerable attention was given to the meanings of the phrases when the English version was translated into the Eastern contexts. Given the complex and dynamic business nature of the study institutions, it was suggested by the respondents (of the qualitative study design feature) the differences in patterns of operations in their countries were substantially influenced by political restrictions and regulations that allowed organisations to embark on business destinies. Undertaking systematic and empirical investigations to
determine how talent management strategies elicit business functions to facilitate the Chinese and the Indian ECMs reaching global stance is a worthwhile ambition considerably challenged by the employment of instruments assessing the perceptions of managers operating in Eastern contexts.

A third practical contribution is to provide a greater complete and dynamic picture of how firms in emerging countries develop their strategies for pursuing global ambitions, and especially the Chinese and the Indian ECMs. This research was undertaken to provide additional insights by examining managerial viewpoints of whether the global business system development of the studied organisations had an impact on achieving global ambitions. A number of the hypotheses were confirmed with quantitative data, but difficulties of logistical administration of the instrument, the unfamiliarity Asian managers have with completing written questionnaires and nomenclature constraints even with the back translation process encourages a mix study design by incorporating the qualitative technique to give a more pragmatic approach when undertaking cross cultural studies.

The findings indicated both Chinese and Indian ECMs placed a strong emphasis on the development of managerial talents through different training programmes and yet a lack of formal evaluation procedures were undertaken to investigate how the training programmes affect the job performance of the managers and outcomes. Indeed, Altarawmneh and al-Kilani (2010) suggested that a greater emphasis was placed on informal training evaluation as large number of the managerial decisions was made based on subjective assessments rather than objective criteria. Nevertheless, this observation highlighted future research merits further exploration of HR practices of training and evaluation mechanisms especially in the Chinese and Indian organisations, and a detailed explanation of this observation is presented in Chapter Six. In conclusion, the findings of this study have potential to be incorporated into the formulation and implementation of internationalisation strategies for Chinese and Indian ECMs endeavouring to integrate into the global marketplace in the quest to achieve their global ambitions.
REVIEW

Explaining how the studied Chinese and Indian organisations were engaging in pathways to acquire global status is a central quest of this study. The processes and sequencing of the transitional practices were evaluated by quantitative and qualitative assessments. Table 4.17 presents the extent of support for the study hypotheses that was found by the quantitative statistical procedures. Examination of the five research questions was directly undertaken with qualitative procedures that were more comprehensive than these specific more narrowly aligned linkages of the questionnaire items. Thus, the information provided by the two analytical procedures has to be expertly evaluated by the researcher. The employment of this methodology encourages the borrowing of variety of theories and concepts. These elements interplay to provide a more comprehensive understanding of organisational life. The distinctiveness of integrating the quantitative and the qualitative processes considerably departs from isolated lines of research and perspectives that do not enrich understanding when information from different disciplines is compartmentalised.

Employment of quantitative and qualitative techniques lessens constrictions on evaluating the investigated model. The social reality and embracement of a cosmopolitan outlook in the domain of human nature and organisational frameworks by pluralist research paradigm profoundly evades an epistemological crisis. Organic and biotic limits are effectively excluded allowing a more comprehensive examination of organisational environment boundaries.

EMERGENT INCIDENTS

There has been ongoing interest for understanding the business practices of Asia Pacific Corporations. Since the 1990s and by the close of the decade the focus has been on Chinese and Indian organisations, scrutiny that has been trigged by the unexpected and national adaption of market economic orthodoxy as there has been a transition from centrally planned bureaucratic frameworks. Indeed, appreciating cross business success has attracted the minds of business executives and scholars across a wide spectrum. The increasing complexity of global business and the intensity of economic activity in China and India have provided the motivational
impetus for the study reported in this Dissertation. A feature of the work, which has been undertaken to better understand how regional firms are becoming integrated into the global economy, has given incumbency to reframe the original tenets. Adoption of the new pathways sanctions greater respectability of the study findings and observations. In fact, it is inexcusable to retain a ‘closed mind’ and not embrace the new knowledge that was acquired as the investigation advanced.

The transformation of China and India has raised considerable challenges for regional economies as well as the political and business systems. Stabilising exchange rates, reducing currency risk, and attracting foreign capital, while encouraging the local marketplace to borrow international capital are some of the critical challenges, that have to be grappled with during the process of reformation. Empowering enterprise managements to undertake vital business decisions requires administrative, political and managerial will to refocus interest on issues of corporate vitality, institutional architectures as well as various organisational policies and practices to embrace commercial prudential supervision. The shift to rejuvenate corporate arrangements for building contemporary, competitive, international marketplace strategies requires dedication to installing systems for accessing institutional identity. However, at this time these notions are cursory and are but blunt conceptions.

Generating an investigative paradigm for Chinese and Indian institutions of today is a task made more difficult by a veil of secrecy. Seagrave (1995) observed that the ‘mythical’ Sun Tzu never believed in fair rules or a level of playing field in contexts predating modern organisations by several thousand years. A most significant Indian cultural notion to influence institutional practices of recruitment, promotion and work allocation is the caste system that has been embedded in organisational thinking for centuries. Consequently, providing a linkage between these ancient (unwritten) philosophies and the modern business practices of Chinese and Indian capitalism has led to relatively vague and simplistic appropriations from the primal roots (Pan, 1994). Thus, patterns of contemporary HRM practices, operational procedures, and commercial achievements are provoked from the more contemporary concepts of divergence, convergence and crossvergence.
Understanding the business environment of national culture obliges consideration of important approaches within cultural differences. The convergence approach argues that with the spread of information technology, learned managerial acumen, and industrial information managers will exhibit common attitudes, and behaviours, while corporations will install relatively similar operational procedures and homogenous architectures (Child, 1981; Webber, 1969). In contrast, the seminal work of Hofstede (1980; 1994) provided substantial evidence that individuals will retain national similarities. This feature of divergence was illustrated with two dimensional maps revealing the identification of different countries in terms of their strengths on two of the four constructs of 1) Individualism – collectivism, 2) Masculinity – femininity, 3) Power distance, and 4) Uncertainty avoidance. The third, more recent perspective is there is likely to be a blending of the convergent and divergent practices/managerial behaviours to result in hybrid business arrangements and this notion was coined as crossvergence by Ralston and colleagues (1993). Thus, the initial and central tenet of the Dissertation (shown in Figure 1.1) is convergence, divergence, and crossvergence are the dependent variables of the investigative framework.

Scales for accessing the phenomena of convergence, divergence and crossvergence are yet to be created. However, the problem was addressed in the Dissertation by evaluating the extent of difference of institutional practices between Chinese and Indian organisations, with surrogate variables. This technique is acceptable in contemporary society for example when evaluating the level of bureaucracy of common place companies. While bureaucracy is commonly experienced in the Western nomenclature the construct can only be scored with surrogate, as there is no unitary instrument for accessing bureaucracy. For instance, the extent of formalisation (number of rules, rule observance), centralisation (location of decision making authority) and other organisational concepts such as complexity can be examined to reveal the level of organisational informality, impersonality and inflexibility of engagements with stakeholders; which are the dimensions of bureaucracy.

In terms of this Dissertation convergence, divergence and crossvergence are descriptors of organisational phenomena that are gauged by surrogate variables.
Convergence is revealed in HRM activities when exposure to international business practices leads to universal forms of recruitment, which contrasts with divergence when there is a reliance on historical forms of personnel acquisition. Crossvergence reflects a blending of contemporary and traditional approaches. Therefore, the investigated model was accessed with independent, intervening and dependent constructs as shown in Figure 2.1. The central core of a Dissertation is the investigative framework, which provides the variables and their predicted connections known as the hypotheses. After a comprehensive review of the relevant literature it was found recruitment and team working have emerged as primary challenges for Chinese and Indian organisations engaged in cross cultural business interactions. Initially, there were four independent variables 1) selection and recruitment, 2) pools of talent, 3) talented pool, and 4) pivotal talent. In addition, there were three intervening variables 1) innovative activities, 2) productive activities, and 3) customer relationship activities, and four dependent variables 1) global player, 2) regional player, 3) global exporter, and 4) global sourcer. This framework is succinctly presented as Figure 2.1. Hence, there were 24 primary hypotheses (4 dependent variables x 3 intervening variables = 12 hypotheses, plus 3 intervening variables x 4 dependent variables = 12 hypotheses). Moreover, there were three mediating variables 1) industry type, 2) knowledge transfer, and 3) cultural priority. Therefore, the inaugural proposition was to evaluate 72 hypotheses (24 primary hypotheses x 3 mediating variables = 72 hypotheses).

Evaluation of the quantitative (and the qualitative) data showed the assumption of four independent variables warranted extension. Whereas the literature exposed the practice of selection/recruitment in Chinese and Indian organisation was an amorphous activity (i.e., one variable) the questionnaire information (i.e., quantitative data) revealed there were two dimensions of selection and two dimensions of recruitment (internal and external). This finding was later confirmed in the intensive qualitative data that were obtained from the interviews. It became apparent there were not four, but seven independent variables (e.g., two selection, two recruitment, pools of talent, talented pool, and pivotal talent). Then, the primary hypotheses were increased from 24 to 33 (7 independent variables x 3 intervening variables + 3 intervening variables x 4 dependent variables = 33 hypotheses), which was presented as Figure 4.1. With this evidence the total number of predicted
statements to be evaluated was raised from 72 to 99 hypotheses (33 primary hypotheses x 3 mediating variables = 99 hypotheses).

The mediating variable of culture presented a distinctive enigma. Succinctly summarised Foley (2006) contends “…cultural values are often elusive, complex and contestable.” (p.15). Not unexpectedly a plethora of classifications have been employed by a great number of researchers from different disciplines to assess global beliefs referred to as culture. Within this huge body of literature the Indian caste system has been loosely interpreted as a cultural divisor of national society. The system of caste based societal functioning dates back to thousands of years and in spite of powerful social movement by reformers like Mahatma Grandhi and decades of legal changes, its observable presence can be noted. Indian constitution abolished caste system in 1950 and a significant number of alternative actions have been introduced over the past decades. The most powerful of these changes has been the implementation of the recommendations of a national commission called ‘Mandal Commission’ in 1989. A positive discrimination to ‘right’ the past ‘wrongs’ has been in force in Indian business organisations for over 60 years, which is often called the world’s oldest system of affirmative action (Saha, 2012). These alternative actions have a profound impact on the managerial practices in India. This research highlights some of the changes in beliefs and values underpinning managerial practices in India, specifically in relation to diversity. This thesis posits that globalisation has presented India an opportunity to address this issue with serious commitment to redress the injustice of the caste system as global accountability essentially validates the caste system in a negative light.

Although a controversial topic according some scholars the Indian caste system is believed to have originated in the Hindu Scriptures based on ‘Guna’ (Saha, 2012). The concept of ‘Guna’ is an old Indian philosophical doctrine of human quality development. The doctrine highlights three key forces of human motivational dynamics. These three forces are: 1) Sattva: enlightened and refined, 2) Rajas: energy without a noble purpose and 3) Tamas: narrow goals of self gratification. Indian ethos underpin the belief that an individual (or a company) needs to grow from narrow profit orientation (Tamasic Guna) to pragmatic (Rajas Guna) and finally achieve enlightened and socially sustainable ethos (Sattva) (Chatterjee, 2009).
In terms of the comparison of the ‘Guna’ concept of the Indian tradition to the value or the personal trait in Confucianism as suggested by the examiner 2, it can be emphasised that the roots of the Indian tradition has been deeply religious while the Chinese Confucian perspective has been mostly secular. As Chatterjee (2009) has pointed out “While the absence of religious core did not mean lack of moral basis in the early treatise from China, the preoccupation of the religious overtone in the Indian tradition has also not clouded the overwhelming secular nature of many of the early concepts and wisdoms.” (p.136). Foundations of both ‘Guna’ concepts as well as Confucian concepts underpin a ‘holistic’ view of societal, organisational as well as individual harmony.

What has emerged over time is there are three recognised main scales for accessing culture in frameworks of international business activity, but all suffer from idiosyncrasies. Firstly, the Hofstede instrument (1980; 1994) attracts criticism in terms of the same items being employed within the assessments of a) masculinity – femininity, and b) individualism – collectivism, while the scales for power distance and uncertainty avoidance are devoid of theoretical underpinning. Secondly, comparisons of the individualism – collectivism construct have been undertaken with the 56 item Schwartz value survey (1992), but this single bipolar measure has not attracted widespread popularity. Lastly, is the Chinese value survey (CVS). As a global reference point, this Dissertation reports data of the international cultural instrument; the CVS.

In this study, culture is measured by the extent of Chineseness. This international construct was developed in the late 1980s by Bond and colleagues (1987) when an investigation was conducted in 22 countries with an instrument of 40 items that had been created from a Delphi design with eminent Chinese people. Data reduction with factor analysis revealed four constructs to create a parsimonious scale of 17 items from factor scores greater than 0.50. These four factors are 1) Confusion dynamism, 2) Human heartedness, 3) Integration, and 4) Moral discipline. Subsequently, the short form of the instrument has been employed in a number of cross cultural studies and this scale is nominated as the CVS. The CVS has been employed to compare dimensions of Western based measures. For instance, it has been contrasted with the four Hofstede dimensions as well as the Rokeach Value Survey. Consequently, the
CVS, which was developed primarily to identify values indigenous to the Chinese culture, is a suitable scale for comparing responses in other countries with lesser intensity of a Chinese world view. The CVS acknowledges values may differ between groups within a country or between nations. The CVS has relevance in cross cultural studies conducted in India. A majority of the empirical measures used in the contemporary management literature have originated in North America and European contexts. Because of a measure has originated in China, Western Europe or the USA it is not a hindrance to its wider application. Indeed, one of the most significant empirical works namely in the international management the Globe study (House, et al., 2004) recognises the CVS as a valid measure beyond the Chinese context. Hence, the CVS was adjudged to be suitable for employment in the study reported in the Dissertation.

CONCLUSION

This section draws together a number of prominent features that emerged when the research objectives and the investigated framework were evaluated. The salient observations focus on the relationships among the variables of talent management, global business system development as well as global ambition; and how the industry type, knowledge transfer, and cultural priority mediate the investigated interactions. The quantitative findings indicated few connections were found to be significantly related. Similarly, the mediating effects of industry type, cultural priority as well as knowledge transfer on the tested connections were largely non significant with few exceptions. These findings highlight the penetrating influence of the concept of national cultures. More importantly, the unique political environments within China and India require their ECMs to operate under the similar institutional frameworks, such as providing government support for international engagement. Based on the study quantitative and qualitative findings, it becomes apparent a more comprehensive model is needed to incorporate the themes of national culture and the institutional dimensions to better facilitate the understanding of the global strategic ambitions of the Chinese and the Indian ECMs, and this information was initially documented.
In this Chapter, a comprehensive assessment of the research model was generated through both quantitative and qualitative techniques. These data provide material for a lengthy response to the four research objectives. More specifically, an indepth elucidation of the four main objectives was documented incorporating both the quantitative and the qualitative findings. However, a relatively large amount of discourse leaned towards the qualitative results as these outcomes give a great deal of rich information, and the dominant features were captured through interviews with both the Chinese and the Indian managers. While these observations made several important theoretical and practical implications to a number of interested groups, such as executive managers of the Chinese and the Indian ECMs, the exploratory nature of this study also provides a fruitful foundation for future studies. Chapter Six will present a concluding commentary, that summarised the key features of the study, with the objective of indicating future research directions.
Chapter Six

CONCLUSION

PRELUDE
The purpose of this Chapter, which is presented in three sections, is to conclude the thesis, and in particular indicate the directions for future research. In the first section, three salient features that can be drawn from this study, will be presented. In the second section, the constraints and the potential of this study is indicated. The third section elucidates the future research directions that relate to the issues of talent management, global business system development as well as the global strategic ambition of the Chinese and the Indian ECMs. The core dimension of the concluding section is to summarise the dissertation. An important component of the first section is to consider the key features, as derived from this study.

SALIENT FEATURES
A total of three prominent features were observed from this study. The first salient feature is that the phrases and terminologies being developed in the Western literature have potential to be adapted for using in the Eastern contexts, provided attention is given to importance of the cultural nuances as well as the macro and meso institutional forces together with embracement of the micro personal attributes. One possible assumption is that some of the Chinese and the Indian participants may not have completed an extensive questionnaire before this study. Often these business executives were information rich individuals, who were involved in strategic decision making rather than administration management of their respective organisations. The second explanation is that the cultural setting within China underpinned the possibility that the study questionnaire may be deemed as too academic, and the meaning of particular words and phrases may be lost in translation such as knowledge transfer and pools of talent, that were not commonly employed. There is a general consensus that the Chinese culture is ‘secretive’ and the possibility of disclosing sensitive information to ‘outsiders’ may lead to the national or international competitors outperforming the respondents’ organisations. In contrast to the Indian scenario a similar observation may be drawn as the Indian culture is
perceived to be complex and dynamic as different cultural backgrounds exist within India. For example, people from different parts of India dress differently and also the foods as well as eating habits are different in the western part of India when comparing to other regions of the country. Well documented is the caste system of India, which relegates people to a stratum of lifestyle and mindset. Arguably, the distinctive cultural diversities across different regions of India may result in unique individual behaviours, and consequently, underpin how organisations that reside in the country operate. Indeed, there is a need to consider the entire elephant rather than judging the animal when blindfolded. Therefore, it is reasonable to assume that the cultural aspect needs to be taken into account when conducting cross cultural studies, especially in the Asian contexts in general and in the Chinese and the Indian contexts in particular.

The second feature is that this study intended to test the credibility of Western developed constructs of talent management practices, global business system development and global ambitions in the Eastern contexts of both China and India. In spite of generating robust instruments the quantitative assessments revealed the linkages between the constructs did not fully address the talent management issues in the studied Chinese and Indian ECMs, and such an observation may be linked to the independent cultural differences of these two nations. Speculatively, the cultural settings may determine how organisations in general operate in these contexts. In other words, the cultural philosophies and beliefs affect how individuals behave in particular circumstances. For example, despite the push factor of the Chinese and the Indian governments promoting learning and considerable investment to improve English proficiencies, the likelihood for individuals to practice English outside universities or in their working environments is relatively low, as the surroundings have constrained how each individual should act. The education systems in both China and India may have emphasised more on theories than practices, and, therefore, this artificial norm may have led to a shortage of talents, and this issue remains a dominant challenge among many studied Chinese and Indian ECMs.

A range of institutional strategies is being installed to address a widespread lack of managerial talents in both China and India. At the macro level, both the Chinese and Indian governments have implemented different initiatives to address the problematic
issues regarding the shortage of managerial talents. Specifically, at the pragmatic level both China and India have installed government schemes to increase the linkages between universities and local industries for developing and acquiring talented personnel. At the meso level across the respective industry sectors cooperative arrangements with local universities are being undertaken to better prepare members from the organisational cadres for future managerial positions, which include formats for regular guest lecturers from industry and local universities to engage with organisational personnel. The scope of these broad approaches is flavoured by government vision and constraints. The Chinese government holds an outward proactive looking viewpoint towards global talents together with the accumulation of skills capital by parochial enterprises. In contrast, the Indian quota system is designed to assist students from the lowest castes and poorer economic classes. These cautious reforms are two diverse philosophical vicissitudes that significantly affect the delineation of the proactive measures to develop human resources in these countries. At the operational level organisations operate within an array of perspectives to create different training programmes that incorporate personal needs and are closely aligned with the goals and objectives of the prominent stakeholders to enhance the integration of different working skills and capabilities of high potential candidates.

Contemporary Chinese and Indian organisations devote an inordinate amount of time on talent management practices and a feature of endeavours to assess these arrangements was the observed semantical constrictions. In spite of the English language being relatively commonplace in the Indian higher castes, and also permeating Chinese business society, the words and phrases, that were employed in the study questionnaire, may affect how the responses were captured when individual participants answered the survey questions. Indeed, the literal meaning of the words and phrases might not have been entirely transmitted and conceptualised when the questionnaire was administrated to capture the Chinese responses. Although an array of phases within a comprehensive study design incorporated both qualitative and quantitative features as well as the three stage back translation procedure were employed to ensure the translated questionnaire closely aligned with the protocols of the Chinese language, the complex, dynamic and rich semantics may significantly affect the meaning of the words and phrases being used. For example, the personal
background of the professional translators may be different as the English proficiency level varies among these interpreters, and it was found some interpreters had a wider nomenclature range than others. In addition, the interpretation of the same words and phrases may be different across subjects as the knowledge background of individual Chinese and Indian respondents might have impacted on the understanding of the different talent management practices. For instance, in some cases the concepts, such as talent management practices, may have been studied to a larger extent in the Western contexts, and yet these constructs are likely to have only been introduced in recent times to the Chinese ECMs, and for equivalence in understanding there is a need to have more time to adapt and learn the new concepts. In the case of India, some of the management phrases or sector jargons may have been used extensively by the Indian ECMs that are likely to have heritage in the past colonial period that has led them to inheriting British management systems and philosophies. A lack of statistical support for several of the research model hypotheses suggests the notions and perceptions held by the study managers about how the variables and concepts were linked was considerably dissimilar across the Chinese and Indian managerial quantitative data sets. This observation was then extensively discussed in the qualitative interviews with Chinese and Indian business managers, who provided insightful comments, that are particularly beneficial to cross cultural study analyses.

The study data showed a crossvergence management approach was being implemented in the Chinese and the Indian organisations. A number of the interviewed managers acknowledged some of the Western management approaches had a significant impact on their global operations, but traditional Chinese and Indian management practices still play a major role in the company operational procedures. For example, the hierarchical management structure was utilised in the studied Chinese ECMs, but the level of empowerment to employees and junior managers was practiced extensively as ‘freedom to exercise their powers’ was given at the operational level. There was evidence a number of the studied Chinese organisations are promoting the crossvergence managing structure with the intention to complement the convergence and divergence approaches. Similarly, it was found although there is a strong control at the upper level management in the study Indian ECMs employee empowerment was exercised to some extent. The hierarchical
management was still employed in the study Indian ECMs. This organisational framework may constraint the Indian ECMs to operate under the same principles and philosophies of top to lower level management structures. Overall, the Chinese and the Indian ECMs are acknowledging potential benefits from adapting Western well developed and advanced management practices with the condition that these management philosophies fit into the contemporary cultural principles.

The third salient observation is that the combination of both a quantitative and a qualitative study design in cross cultural setting studies provides stronger foundations for gaining a comprehensive understanding of the study findings. The use of a questionnaire to generate numerical outputs, that can be viewed as an universal language, allows for deeper interpretation and understanding of particular results across geographical boundaries. The quantitative assessments of factor analysis and reliability tests provided robust results for the instruments that were used to measure the research model variables, but the findings revealed there was a lack of statistical support for a large number of hypotheses. An observation of the forecasted variable connections, that were generally predicted from the relevant Western literature, were unsubstantiated. These associations were then extensively discussed in the qualitative component of the study. This activity led to the production of figures depicting concepts are likely to maximise the possibility of gaining more dynamic mental images that are particularly beneficial to cross cultural study analysis. Furthermore, the adoption of a qualitative approach as a complimentary method can potentially widen the knowledge as this technique provides an opportunity to strengthen and deepen the appreciation towards a particular research observation. Given the rich and long history of both China and India, a qualitative approach in the form of interviews enabled the newly gained knowledge to be acquired through latent messages, that were given by the interviewees. Arguably, the quantitative and qualitative approaches are complementary to one another encouraging the prospect cross cultural studies can be better and more meaningfully facilitated when the two approaches are combined.
CONSTRAINTS OF THE STUDY

When interpreting the findings and conclusions caution may need to be exercised due to the following three constraints. The first constraint of this study is related to the quantitative sample, which was limited to 50 Chinese and 51 Indian business managers. Although these business managers were information rich individuals involved in strategic decision making processes, further examination of the research model or equally complex arrangements of variables does not preclude the employment of larger and more diverse samples.

In addition, the data were collected by adopting a convenience sampling method. This procedure endorsed the guanxi ideology in China, and complemented the relationship orientated nature of Indian society when the sponsoring institutions assisted the data collection. This sampling method is acceptable given the exploratory nature of this study, but a larger sample with participants of executive managerial positions, who have corporate decision deciding power, and are from different regions of the investigated countries is likely to establish more comprehensive generalisations. Thus, future researchers may wish to examine the research model in different sectors across various economic regions in China and India, and such endeavours have greater potential for advancing understanding of talent management practices in facilitating the development of global business system to reach global ambition in the Chinese and the Indian organisations.

The second constraint of this study was the lack of objective data to corroborate the assessed talent management, global business system development as well as the global ambition measures. This limitation could not be addressed in this study because of constraints dictated by the study respondents. Often, there was a lack of access to the business practices and operational procedures in China and India as the respondents were concerned about the confidentiality factor and privacy issues. Other constraints of this study lie in the selective examination of variables, and mediating variables that have been more commonly reported in the relevant literature. There may be other factors, such as political frameworks and institutional forces affecting the formulations of talent management practices, the development of global business system, and the success of global ambitions of the Chinese and Indian
ECMs. Furthermore, other demographic elements and organisational structural properties that affect the interactions among the examined variables may be given consideration in future assessments. Arguably, the context plays a major role in the outcome of a limited number of significant relationships. The contextual influences such as culture underpinned the fundamental management philosophies and practices are often embedded in the societal heritage. Hence, future researchers may wish to examine the study model by treating the cultural priority as a primary investigative variable rather than a mediating variable. These suggested lines of enquiry are intimately connected with conveniently available software yet to be commercially available. Overall, the selected mediating variables were unable to be tested with all the hypothesised relationships of the study model due to pragmatic restrictions. Despite such shortcoming as in other behavioural science studies, it is impossible to test all the antecedents and outcomes in a single study design. Nevertheless, given the pioneering nature of this study several potential points, which were listed as items one to four, compensated the constraints.

1. A prominent feature of this study was that the research was undertaken in the organisations of China and India. These two nations are predicted to be future economic powerhouses, which made the study implications more practically relevant. An immediate pragmatic benefit was to provide a comparative empirical examination of the similarities and differences in the business management philosophies and practices of the Chinese and the Indian ECMs.

2. Collective thoughts and perceptual views given by the Chinese and the Indian business managers, whose managerial positions ranged from the middle management level to the Presidents of the organisations, yield formidable insights of the dynamics of global ambition initiatives of the investigated organisations. In addition, the use of a network approach in assisting data collection encouraged respondent participation rates, and it is advanced that a network web is likely to ensure ‘quality’ data to be captured in a short time span.

3. The newly developed instruments were uniquely relevant in the contemporary Chinese and Indian organisations as these scales were found to have robust validities and reliabilities. More importantly, these scales may provide future studies with a new point of departure for assessing the credibility of these instruments in a different context. The choice of modified subscales was found
to be practical, which indicated the data were acceptable. This notion is particular evident as an integrated number of statistical analyses were employed to evaluate the study data. The use of multiple statistical tools has enhanced the confidence in the interpretation of the results.

4. The qualitative study that involved 21 Chinese and 21 Indian business managers, who were independent of the respondents providing the quantitative data, offered two main benefits. First, these interviews encouraged a different number of representatives of the business professionals to share their valuable insights, which provided great opportunities for the researcher to capture information that was unobtainable through the obligatory more narrowly focussed format of a quantitative survey instrument. Second, the extensive qualitative data, that were acquired from independent interviewees, was complementary to the interpretation of the quantitative results. The most predominant feature of the qualitative interviews was the direct outcome of the network web, which the researcher had access, to gain more practical views of the concerns related to the study. It is believed the network web increases the confidence level of the interviewees to disclose the business operational strategies of their organisation.

FUTURE RESEARCH DIRECTION

Several extensions of this study could make significant contribution to the relevant knowledge. For example, it is noteworthy for future researchers to examine the concept of talent management, which is likely to affect the development of global business systems, and in turn facilitate the global ambition of the Chinese and the Indian ECMs. Future researchers are encouraged to consider factors such as national culture affecting talent management practices. In addition, the global business engagements of the Chinese and Indian ECMs are largely promoted by their governments, and the examination of the institutional arrangements under the complex and dynamic political frameworks has potential to guide scholars to gain further appreciation of corporate architectures within the cultural nuances of these two developing nations. Thus, there is ample opportunity for researchers to explore the core properties of global strategic ambition in the contemporary Chinese and Indian ECMs.
Although a number of studies have attempted to examine the theoretical construct of talent management, there is a compelling need for further research to continuously examine this concept. More specifically, there is a fascinating opportunity to investigate the issues related to talent retention and training outcome evaluation procedures, which might contribute to the efforts of minimising the impacts of shortage of managerial talents, and in turn aid the implementation of talent management practices. Future research might continue to improve the quality of the measures of the sub constructs of talent management into a contemporary context in accordance with the Chinese and Indian national cultures. More importantly, these instruments were developed specifically for this study, and the extension to include more data from different industries across regions of China and India may be worthwhile for gaining more insightful appreciation of whether the findings can be replicated nationally and internationally. Such research initiative has great potential in advancing the understanding of the notion of talent management.

Another very worthy challenge for future researchers is to refine and test the instruments for measuring the constructs of global business system development and global ambition. There has been a discernible absence of robust instrumentation vital for comprehensively assessing the domains of internationalisation strategies and international management. Future researchers may wish to empirically test the validities and reliabilities of the delineated instruments in Appendix One with a larger and more diverse sample in order to shed some light on the credibility of the newly developed instruments. For example, comparison of learning organisations from different industrial sectors in developing global business systems to reach global ambitions has the potential to allow a greater depth of inquiry into organisational differences. Pragmatic information gained could assist in minimising or even closing the current knowledge gap.

There are numerous avenues for future research into the effects of demographic characteristics on the pursuit of an organisation’s global ambition. For instance, the use of personal attributes (e.g., age, gender and managerial level) and organisational attributes (e.g., firm size, organisational ownership structure) might provide meaningful perspectives for understanding how individual and organisational similarities and differences influenced the business strategies of an organisation.
Clearly, the new generation of managerial talents, who are young, well trained, and skilled personnel, are more likely to transform the leadership style and shape the formulation of global business system in the contemporary Chinese and Indian organisations. Furthermore, the ownership of the organisational structure is uniquely different in China and India, and the influence of organisational ownership (e.g., private, public and State owned) may affect how individual firm use resources to form globalisation strategies. Hence, an assessment of comparison the homogeneity/heterogeneity across personal and organisational characteristics would offer a more dynamic picture to organisational decision makers in the Chinese and Indian ECMs to successfully engage in the global marketplace.

A particular interesting extension is to consider how knowledge is being transferred and managed in the Chinese and Indian organisations. More specifically, the rapid economic integration of the Chinese and Indian ECMs into the global marketplace prompts further studies to systematically evaluate the concepts of knowledge management and knowledge transfer. Indeed, the use of Western theory of knowledge management, particularly knowledge transfer requires a careful consideration of the generalisation of theory and practice in the non Western countries. Furthermore, although Western culture has a significant impact on the business management philosophies of the Chinese and Indian ECMs, the underpinning of national cultures formulated specific features in the practices of knowledge management and transference. Based on the results of this study the transference and management of knowledge were uniquely different in the examined Chinese and Indian ECMs entail further research endeavours to critically investigate the concepts of knowledge management and knowledge transfer both at societal and organisational contexts. With a better understanding of these theoretical perspectives, business practitioners and Western executives would be able to gain valuable information to strengthen their organisations’ global competitiveness.

EPILOGUE

Globalisation has offered a platform for the Chinese and the Indian ECMs to seek investment opportunities abroad. Indeed, the rapidly unfolding events in the world economy with substantial investments by China and India, their establishment of
strategic alliances with different countries and organisations worldwide as well as the need for development in much of the world further underline the importance of these two nations. Moreover, the economic and political influence of China and India at a world level has been widely recognised by different stakeholders. For example, the search for natural resources, talented personnel, advanced technologies and customers has transformed the global visions of many Chinese and Indian ECMs. Arguably, a growing and long term need for raw materials, intermediate goods or even finished products accompanied by the government political emphasis is dictating the two nations’ strategic direction in terms of their FDI and other strategic efforts and decisions. Together, these aspects merit serious consideration from the academic community, especially because of the potential socio economic and political implications of China and India.

The primary purpose of this study was to explore an integrated model that was developed after a thorough review of the relevant literature with a purpose of gaining additional information to assess the four research objectives as suggested in Chapter One. This research framework allows for the explanation of the relationships among talent management, global business systems development and global ambition. Specifically, the influences that the industrial type, knowledge transfer and cultural priority have on the examined relationships were evaluated, simultaneously. To systematically examine the research model, this study employed a quantitative and a qualitative research design. The quantitative evaluations were achieved when employing particular types of advanced statistical tests that incorporated both the exploratory and confirmatory analytical methodologies. In addition, the qualitative assessments were accomplished by numerous in depth interviews involving 21 Chinese and 21 Indian business managers. The qualitative approach was employed to complement the quantitative assessments. Hence, the mix method study design allowed for gaining a more comprehensive insight of the investigated study model, and most importantly, enabled the generational of a conceptual perspective to conclude the findings of the study.

The quantitative and qualitative findings provided some foundation for the claim that the contemporary research has developed conceptual frameworks and theories pertaining to FDI in a rather ‘static’ or sequential manner. Indeed, the current
developments in the world economy and FDI may require a much more intensive and constant examination of the constantly unfolding events, including those related to the international engagement of the Chinese and the Indian ECMs. More specifically, the study quantitative findings have conveyed that a large number of the predicted relationships were non significant. In order to gain insights into why certain patterns were obtained in the quantitative element of the study the qualitative responses that were gathered through open discussion with the respondents to gain their views and perspectives from the independent information rich Chinese and Indian business managers were evaluated. Collectively, the study results demonstrate that a comprehensive cross cultural study requires a more systematic consideration of the imperatives of contextual complexity. Therefore, the contextual factors such as culture play an influential role in the organisational operations of the contemporary Chinese and Indian ECMs.

The rapid global expansion and exposure to the international arena in recent years has broadened the horizons of the Chinese and the Indian business managers. Such exposure may contribute to an increase in the level of cultural awareness, and this notion may be further enhanced as the availability of different media (e.g., Internet, broadcasting channels), which transformed how the information was transferred and shared across the globe. Also, the studied Chinese and Indian business managers were relatively young (see Table 4.1), and arguably, these participants may hold a different view on the global orientation of their respective organisations. The evolving dynamism of these young business managers may be considered as an alternative reason why several of the forecasted relationships were found to be non significant. All these developments are occurring at a very fast pace, which potentially affect how an individual ECM in China or India operates in their respective cultural and institutional contexts. Consequently, there is a need for further academic research to systematically examine the operational arrangements for facilitating the global ambitions of ECMs as these knowledge is likely to have serious implications for world trade, FDI, procurement of resources, government policies, and for the formulation of business strategies by company managers in China and India.
Equally important is to continue empirical investigations of internationalisation strategies of the Chinese and Indian ECMs. There is need for a more robust development of frameworks and theories that would contribute to the understanding of the strategic ambitions of emerging countries multinationals and governments. Specifically, on a theoretical level, the study serves as underpinnings for the crystallisation of global strategic orientation of Chinese and Indian ECMs. In addition, this study may serve as a source of theoretical variety and sound bulwark for gaining comprehensive and dynamic portrayals of more specialised approaches that were employed by the Chinese and Indian ECMs to engage in the global marketplace. Indeed, the conceptualisation of the internationalisation approaches implemented by the studied Chinese and Indian ECMs provides valuable concepts, which may enrich other theories and allow for the integration of knowledge to form more specialised theories for the Eastern contexts. On an empirical level, the empirical adaption and development of different scales may be applied to a bigger size samples of Chinese and Indian organisations or to different industrial sectors. A particular application may be the observation of incorporating organisations from different regions of China and India to provide a more dynamic sketch to investigate whether a common framework can be employed within the respective countries despite the regional cultural differences. Therefore, this study offers alternative heterogeneous future research opportunities for different stakeholders to further examine the efforts and policies to capitalise on emerging opportunities, while at the same time addressing contemporary challenges that the Chinese and Indian ECMs are facing.

It is important to note that the findings reported in this study are provisional and suggestive, not definitive. Indeed, the knowledge developed in this dissertation provides a point of departure for researchers and practitioners as investigation of the modern concepts of talent management, the global business system development and global ambition is a contingent requirement for future academic and vocational investment within the differences that exist across industries and countries. A distinct possibility of a comprehensive and complete model to incorporate the contextual influences of culture or institutional dimensions may be exposed and eventually consolidated. Within these paradigms entrants to the global marketplace, and particularly China and India can be expected to endorse crossvergence management.
practices as a predominant contingency of their operations. Integration of these notions stimulates the imperative need for the current study to be extended by rigorous research that further refines the theories, measures and designs in relation to the concepts of the global business system development and global ambition.
REFERENCES


Economist Intelligence Unit (2006). *The CEO’s role in talent management: How top executives from ten countries are nurturing the leaders of tomorrow*. The Economist: London.


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Managerial Perspectives in Emerging Global Companies in China and India

The Survey Instrument
Dear Manager,

I am currently enrolled in a doctoral programme at Curtin University in Western Australia. The project is titled: An exploration of the global development of emerging country multinationals: A study of strategic ambitions and talent management in China and India.

This study has potential to considerably add to the existing literature. Indeed, these two countries emerge as a significant economic force, but the dominant managerial frameworks, that are undergoing renaissance need rethinking. This research aims to inform global management scholars, students and practitioners about exciting innovations occurring in comparative from these two countries.

I am deeply grateful to Professor Song Hua of Renmin University, Beijing, China and Professor Panduranga Bhatta of Indian Institute of Management, Calcutta, India for kindly agreeing to be my honouring international advisors. My supervisors in Australia, Professor Samir Ranjan Chatterjee and Dr Cecil A. L. Pearson would be very thankful to you if it was possible for you to complete this questionnaire. The instrument is divided into seven sections and should take approximately 20 - 25 minutes of your time.

This questionnaire has been approved by the Curtin University Ethics Committee. Two of the key elements of the process are anonymity of respondents, and an invitation to voluntarily participate. These two features are compliant with the Curtin University policy, and responses from managers would be stored with strict confidentiality. As per the university’s thesis policy results would only be reported in aggregate and no individual managers or organisation will be identified.

On behalf of my supervisors I extend my appreciation for your kind assistance in completing this survey.

Yi Liu

PhD Candidate
Curtin University
Perth, Australia
Building 408 Room 3006A
Phone: (08) 9266 1340
Email: Yi.Liu@curtin.edu.au
SECTION 1: DEMOGRAPHIC DATA

Personal Attributes
1. Age in years (tick one):
   - Under 30
   - 30-39
   - 40-49
   - Above 50
2. Please indicate your gender.
   - Male
   - Female
3. What is the highest level of education you have completed?
   - University qualification
   - Non university qualification
   - Other (please specify)
4. Which institution awarded this highest qualification?
   a. (Name)
   b. (Country)

Affiliation Attributes
5. What is the type of global organisation you manage?
   - Private company
   - State owned company
   - Government department
   - Other (please specify)
6. How long have you been a manager in this organisation?
   - Less than 6 Years
   - 6-10 Years
   - 11-15 Years
   - More than 15 Years
7. How many employees are there in your organisation?
   - Less than 500
   - 500-1000
   - 1001-1500
   - More than 1500
8. What is your role in the organisation?
   - Strategic Management
   - Functional Management
   - Operational Management
9. To what industry is your organisation affiliated?
10. Please indicate the length of your career in this global industry.
    - Less than 6 Years
    - 6-10 Years
    - 11-15 Years
    - More than 15 Years
11. Please indicate the extent your organisation engages with the international arena.
    - Extensive
    - Moderate
    - Very little
12. Which of the following categories best describes the market orientation of your organisation?
    - Local
    - Regional
    - Global
13. Please indicate your organisation’s distribution of revenue among the following world regions (the total should add up to 100%)
    - North America
    - Europe
    - Asia
    - The Rest of the world
### SECTION 2: MANAGERIAL PERSPECTIVES

1. What are the challenges and barriers that your organisation has to overcome in order to be sustainable in today’s competitive global arena?

   ...  

2. In what ways does your global organisation contribute to the profile and image of your country?

   ...  

3. What are the strategies (e.g., exporting, joint venture or business process outsourcing) employed by your organisation that contribute to international activities?

   ...
SECTION 3: GLOBAL AMBITION

Using the scale below, please indicate your level of agreement regarding the global ambition of your organisation. Please circle as applicable.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Slightly disagree</th>
<th>Neither disagree nor agree</th>
<th>Slightly agree</th>
<th>Agree</th>
<th>Strongly agree</th>
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</table>

**Global Player**

1. My organisation has a strong intention to be involved in doing business in North America, Europe, Asia and the rest of the world.

2. In the next five years my organisation’s business ambition is to establish credibility as a sustainable competitive global player in the world’s key markets.

3. The main strategic ambition of my organisation is to be a global player of the world.

**Regional Player**

4. The strategic ambition of my organisation is to have a strong presence in only one of the four key regions of 1) North America, or 2) Europe, or 3) Asia, or 4) the rest of the world.

5. My organisation has a strong interest in capturing a sustainable competitive advantage in 1) North America, or 2) Europe, or 3) Asia, or 4) the rest of the world.

6. Being a regional player is one of the main strategic ambitions of my organisation.

**Global Exporter**

7. The main strategic objective of my organisation is to be a global exporter.

8. My organisation’s strategic ambition is to be a global exporter by selling home country products/services to North America, Europe, Asia and the rest of the world.

9. The intention of my company is to be a global exporter in the next five years with sales distribution in the key regional clusters of the world.
<table>
<thead>
<tr>
<th>Global Sourcer</th>
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<tbody>
<tr>
<td><strong>10.</strong> As a global sourcer my organisation acquires a large proportion of the product components in overseas markets and concentrates the sales in the domestic market.</td>
</tr>
<tr>
<td><strong>11.</strong> My organisation’s strategic ambition is to procure a large fraction of the product components from world markets to sell domestically.</td>
</tr>
<tr>
<td><strong>12.</strong> The focus of my company is to be a global sourcer.</td>
</tr>
</tbody>
</table>

**SECTION 4: SOCIETAL VALUES IN THE WORK SETTING**

Using the scale below, please score each of the 17 items to indicate the importance of societal values in the work setting for the global operations of your organisation. Please circle as applicable.

<table>
<thead>
<tr>
<th>Extremely unimportant</th>
<th>Unimportant</th>
<th>Slightly unimportant</th>
<th>Neither unimportant nor important</th>
<th>Slightly important</th>
<th>Important</th>
<th>Extremely important</th>
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</table>

1. Value the tolerance of work colleagues.  
2. Developing a harmonious relationship with others.  
3. Supporting the notion of non-competitiveness.  
4. Maintaining a close, intimate friendship with work colleagues.  
5. Call for the belief of filial piety/follow parental guidance.  
6. Uphold kindness in the working setting.  
7. Encouraging employees to be patient.  
8. Being courteous at work.  
9. Promote patriotism within the organisation.  
10. Monitoring personal steadiness and stability on a regular basis.  
11. Protecting your ‘face’ within the organisation.  
12. To sustain the philosophy of ordered relationships.  
13. Having a vision of thrift for the organisation.  
14. Adaptability to the work environment.  
15. Focusing on having few desires.  
16. The existence of moderation/eliminating or lessening extremes.  
17. The recognition of prudence/sound judgement in practice.
SECTION 5: HUMAN RESOURCE PRACTICES
Using the scale below, please indicate the extent of your level of agreement regarding the impact that each item has had on your organisation’s international operations. Please circle as applicable.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Slightly disagree</th>
<th>Neither disagree nor agree</th>
<th>Slightly agree</th>
<th>Agree</th>
<th>Strongly agree</th>
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**Selection**

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<tbody>
<tr>
<td>1.</td>
<td>The selection process in my organisation requires managers to complete an application form.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>2.</td>
<td>In my organisation an interview panel is involved in the selection process of managers.</td>
<td>1</td>
<td>2</td>
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<td>4</td>
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<tr>
<td>3.</td>
<td>The selection process for managers in my organisation places importance on external References and comments from Referees.</td>
<td>1</td>
<td>2</td>
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<td>4</td>
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<tr>
<td>4.</td>
<td>In my organisation the selection process for managers frequently uses psychometric testing (e.g., aptitude tests).</td>
<td>1</td>
<td>2</td>
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<tr>
<td>5.</td>
<td>References are relatively <strong>unimportant</strong> when selecting managers in my organisation.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>6.</td>
<td>In my organisation the selection process requires managers to undertake a medical examination.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>7.</td>
<td>A one to one interview is a dominant selection technique for managers in my organisation.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>8.</td>
<td>In my organisation a curriculum vita is a requirement in the selection process for managers.</td>
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**Recruitment**

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<tr>
<td>9.</td>
<td>External recruitment agencies are extensively used for the selection of potential managers in my organisation.</td>
<td>1</td>
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<tr>
<td>10.</td>
<td>Guanxi/networking is the dominant recruiting method in my organisation.</td>
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<tr>
<td>11.</td>
<td>A job centre is a main recruitment method used by my organisation for attracting managers.</td>
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<tr>
<td>12.</td>
<td>In my organisation managerial recruitment is mainly done by internal appointments.</td>
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<td>2</td>
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<tr>
<td>13.</td>
<td>In my organisation management recruitment through connections/ networking is <strong>seldom</strong> done.</td>
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<tr>
<td>14.</td>
<td>In my organisation managers are often recruited from referrals by existing senior/executive managers.</td>
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<tr>
<td>15.</td>
<td>It is <strong>NOT</strong> a common practice in my organisation for managers to be recruited by referrals from existing staff.</td>
<td>1</td>
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<tr>
<td>16.</td>
<td>Often my organisation recruits managers by advertising in the national press.</td>
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<td>17.</td>
<td>Many of the managers recruited in my organisation are from government agencies.</td>
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### Pools of Talents

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<tbody>
<tr>
<td>18. In my organisation managers with similar competencies/abilities are grouped into a unit/team/pool (i.e., pools of talents).</td>
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<tr>
<td>19. A feature of my organisation is the pools of talents, which have a number of specialist managers from similar disciplines.</td>
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<tr>
<td>20. My organisation has pools of talents where managers with compatible competencies are accommodated in one department.</td>
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<tr>
<td>21. My organisation does <strong>NOT</strong> have pools of managers with similar talents (i.e., pools of talents).</td>
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<tr>
<td>22. In my organisation projects are undertaken by forming a team of managers (talented pools) who have been selected from groups with similar talents (pools of talents).</td>
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### Talented Pools

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<tr>
<td>23. A hallmark of my organisation is the use of talented pools which have a variety of managerial skills/competencies.</td>
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<tr>
<td>24. In my organisation highly talented and performing managers are collectively grouped into talented pools to complete a project.</td>
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<tr>
<td>25. My organisation does <strong>NOT</strong> use talented pools that have combinations of high levels of particular skills/competencies to attain strategic goals.</td>
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<td>26. In my organisation projects are undertaken by a talented pool that has a collection of different skills and abilities.</td>
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<tr>
<td>27. In my organisation managerial talented pools (i.e., groups with a mix of abilities/skills) are essential assets for reaching strategic business goals.</td>
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### Pivotal Talent

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<tbody>
<tr>
<td>28. My organisation has pivotal positions in which each individual manager makes a substantial contribution to organisational performance.</td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>29. There are individual pivotal managers, who are identified as substantial contributors to the high performance of my organisation.</td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>30. In my organisation there are specific pivotal managers whose work has a significant impact on the competitive advantage of the firm.</td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>31. In my organisation there are <strong>NOT</strong> individual pivotal managers who have skills and competencies that add value to organisational competitive advantage.</td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>32. In my organisation pivotal positions are identified as high performing managers whose role is to foster organisational competitiveness.</td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>
SECTION 6: GLOBAL STRATEGIC DIMENSION

Using the scale below, please indicate your level of agreement regarding the impact that each item has had on the global operations of your organisation. Please circle as applicable.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Slightly disagree</th>
<th>Neither disagree nor agree</th>
<th>Slightly agree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

**Innovative Activities**

1. The global business system of my organisation has R&D activities, that are designed to give customer valued service products.

2. My organisation does NOT deploy considerable resources in innovative activities to design outputs valued by the customers.

3. In my organisation, knowledge creation is a feature of the development of the global business system for designing valued added products and services to meet customer needs.

4. The development of global business system in my organisation is undertaken with innovative activities (e.g., R&D) that design customer valued products/services.

**Productive Activities**

5. In my organisation the global business system has productive activities (e.g., procurement, manufacturing, logistics) for producing quality products/services.

6. The global business system of my organisation has productive activities for the procurement of quality resources (e.g., materials, information) for producing customer valued outcomes.

7. Investment in logistics is a feature of how my organisation develops a global business system.

8. My organisation does NOT have operational facilities as a feature of the productive activities of the global business system.

**Customer Relationship Activities**

9. In my organisation a feature of the global business system is processes for developing internal customer (i.e., employee) relationship activities.

10. The external customer relationship activities in my organisation are NOT enhancing the development of the global business system.

11. My organisation has a global business system that incorporates operational procedures for building quality internal customer relationship activities.

12. In my organisation there is a strong connection between the global business system and the building.
13. An important element of the global business system in my organisation is strengthening external customer relationship activities.

14. Delivering value added outcomes to internal customer relationship activities is NOT provided in the global business system of my organisation.

15. Developing internal customer relationship (i.e., with employees) activities are an important outcome of the global business system of my organisation.

SECTION 7: KNOWLEDGE TRANSFER

Using the Table illustrated below, please score each of the 4 items to indicate the extent to which your organisation transfers knowledge. Each cell of the Table is to have ONLY one score (1 or 2 or 3 or 4 or 5 or 6 or 7). If unsure or not at all put a 4 in the cell. Each of the 28 cells is to have ONE score.

<table>
<thead>
<tr>
<th>Never</th>
<th>Almost never</th>
<th>Infrequently</th>
<th>Neither infrequently nor frequently</th>
<th>Frequently</th>
<th>Almost always</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Procedural Types of Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing know-how</td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>1. Knowledge outflows to sister subsidiaries.</td>
</tr>
<tr>
<td>2. Knowledge outflows to parent corporation.</td>
</tr>
<tr>
<td>3. Knowledge inflows from sister subsidiaries.</td>
</tr>
<tr>
<td>4. Knowledge inflows from the parent corporation.</td>
</tr>
</tbody>
</table>

Thank you for your participation
中国和印度新兴跨国公司的管理观念

问卷调查
尊敬的管理者，

我目前在位于西澳大利亚的科廷大学攻读博士学位。我所研究的课题是：对新兴国家跨国公司的全球发展的考察：关于中国和印度战略目标和人才管理的研究。

毫无疑问，这两个国家正在成为极其重要的经济力量，而且占主导地位的管理框架正在经历变革和反思。这项课题的研究可能会大大丰富这一领域的现有文献，为关心国际管理的学者、学生以及实践者们阅读发生在这两个国家的令人振奋的创新提供参考。

本问卷已获得科廷大学道德委员会的支持。本调查的两个重要原则是匿名访问和自愿参与。而且管理人员的回馈问卷将会被严格保密保存。同时根据大学在论文方面的规定，此课题的研究结果只会以统计报告的形式出现在论文里，任何个体管理者和组织都不会被透露。问卷调查共分为七个部分，大概需要您20-25分钟的时间去完成。您的参与将为课题的研究提供宝贵的材料。

我非常感谢中国北京人民大学的宋华教授和印度加尔各答印度管理学院的Panduranga Bhatt教授同意作我的国际顾问。我在澳大利亚的导师，Samir Ranjan Chatterjee教授和Cecil A. L. Pearson博士也同样感谢您能协助完成这项调查。

在这里我谨代表我和我的导师感谢您对此项调查的参与。

申请博士学位

刘怡，女士，澳大利亚，佩斯，科廷大学
408号楼3006A室
电话：0061892661340
邮箱：Yi.Liu@curtin.edu.au
第一部分：个人基本资料

个人情况

1. 年龄（选一项）：
   30 岁以下 □  30-39 □  40-49 □  50 岁以上 □

2. 请注明您的性别。
   男 □  女 □

3. 您所完成的最高学位？
   大学 □  非大学 □  其他 ____________________________
   （请注明）

4. 哪个教育机构授予了您最高学位？
   a. (名字) _____________________
   b. (国家) _____________________

工作单位情况

5. 您管理的是什么类型的跨国机构？
   私人公司 □  国有企业 □  政府部门 □  其他（具体填写）

6. 您在这个机构的管理层工作了多少年？
   少于 6 年 □  6-10 年 □  11-15 年 □  15 年以上 □

7. 您所在机构有多少员工？
   少于 500 人 □  500-1000 人 □  1001-1500 人 □  1501 人以上 □

8. 您的职位是什么？
   战略管理 □  职能管理 □  运营管理 □

9. 您所在机构涉及哪个行业：____________________

10. 请说明您在这个行业中的任职时间。
    少于 6 年 □  6-10 年 □  11-15 年 □  16 年以上 □

11. 请说明您所在机构涉及国际领域的程度。
    广泛 □  一般 □  很少 □

12. 以下哪项最符合您所在机构的市场定位？
    地方性 □  区域性 □  全球性 □

13. 请说明您所在机构在世界各区域的营业收入比例（总计 100％）
    北美 ____％  欧洲 ____％  亚洲 ____％  在世界其它地区 ____％
第二部分: 管理者的观点

<table>
<thead>
<tr>
<th>1. 请问，为了在当今竞争激烈的世界舞台上持续发展，您所在机构必须克服哪些挑战和障碍？</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>2. 作为国际化的组织，您的机构为树立您所在国家的形象做了哪些贡献？</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>3. 您所在机构现行的哪些经营策略是有助于国际业务的？ (例如，出口、合资或业务流程外包)</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
</tr>
</tbody>
</table>
第三部分：全球目标

使用如下所示的模式，有关您组织的全球志向，请注明您的认同度。请选择最适合您的答案。

<table>
<thead>
<tr>
<th>强烈反对</th>
<th>反对</th>
<th>稍有不同意</th>
<th>不同意也不反对</th>
<th>些许同意</th>
<th>同意</th>
<th>完全同意</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

### 国际参与者

1. 我所在机构有很强的意愿去发展在北美、欧洲、亚洲和世界其他地区的业务。 | 1 2 3 4 5 6 7
2. 在未来五年，我所在机构的商业目标是在全球关键市场上成为一个可持续的有力的竞争者。 | 1 2 3 4 5 6 7
3. 我所在机构的主要战略目标是成为一个全球性的企业。 | 1 2 3 4 5 6 7

### 地区参与者

4. 我所在机构的战略目标是在以下四个关键地区的其中一个着重发展 1）北美，2）欧洲，3）亚洲，4）世界其他地区。 | 1 2 3 4 5 6 7
5. 我所在机构有强烈意愿在以下地区获得可持续的竞争优势 1）北美，2）欧洲，3）亚洲，4）世界其他地区。 | 1 2 3 4 5 6 7
6. 我所在机构的主要战略目标是成为一个区域性的企业。 | 1 2 3 4 5 6 7

### 全球出口商

7. 我所在机构的主要战略目标是成为一个全球性的出口商。 | 1 2 3 4 5 6 7
8. 我所在机构的战略目标是成为一个出售本国产品和服务到北美，欧洲，亚洲和世界其他地区的全球性出口商。 | 1 2 3 4 5 6 7
9. 在未来五年，我所在机构希望成为在世界主要区域都有销售渠道的全球性出口商。 | 1 2 3 4 5 6 7

### 全球性采购商

10. 作为一个全球性的采购商，我所在机构的大部分产品组件是在海外市场采购的，然后主要在国内市场销售。 | 1 2 3 4 5 6 7
11. 我所在机构的战略目标是从国际市场采购很大部分的产品组件，然后在国内市场销售。 | 1 2 3 4 5 6 7
12. 我所在机构的发展重点是要成为一个全球性采购商。

第四部分：企业的社会价值观

请用以下的标准给下面 17 条项目评分，以表明您的机构在全球业务中对社会价值重要性的认识。请在合适的选项上打圈。

<table>
<thead>
<tr>
<th>非常不重要</th>
<th>不重要</th>
<th>一定程度的不重要</th>
<th>既不是不重要也不是重要</th>
<th>一定程度的重要</th>
<th>重要</th>
<th>非常重要</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

1. 重视同事间的宽容。 1 2 3 4 5 6 7
2. 发展同别人的和谐关系。 1 2 3 4 5 6 7
3. 支持非竞争力的概念。 1 2 3 4 5 6 7
4. 保持与同事间亲密的友谊。 1 2 3 4 5 6 7
5. 提倡孝敬和尊重父母的理念。 1 2 3 4 5 6 7
6. 保持友善的工作环境。 1 2 3 4 5 6 7
7. 鼓励员工要有耐心。 1 2 3 4 5 6 7
8. 工作中保持礼仪。 1 2 3 4 5 6 7
9. 在组织内弘扬爱国主义精神。 1 2 3 4 5 6 7
10. 经常关注个人的稳定。 1 2 3 4 5 6 7
11. 保持您在组织中的形象。 1 2 3 4 5 6 7
12. 维持尊卑有序的关系哲学。 1 2 3 4 5 6 7
13. 在组织里提倡节俭的观念。 1 2 3 4 5 6 7
14. 工作环境的适应性。 1 2 3 4 5 6 7
15. 控制贪欲。 1 2 3 4 5 6 7
16. 消除或者减轻极端的情绪。 1 2 3 4 5 6 7
17. 鼓励在实践中慎重和周全的判断。 1 2 3 4 5 6 7
第五部分：人力资源管理

请用以下的标准，注明下面每个选项对您所在机构的国际业务所产生的影响。在合适的选项上打圈。

<table>
<thead>
<tr>
<th>强烈反对</th>
<th>反对</th>
<th>稍有不同意</th>
<th>不同意也不反对</th>
<th>些许同意</th>
<th>同意</th>
<th>完全同意</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**遴选**

1. 我所在机构在管理人员的遴选过程中申请人需要填写表格。  
   1 2 3 4 5 6 7

2. 我所在机构会有面试小组参与经理人挑选。  
   1 2 3 4 5 6 7

3. 在管理人员遴选过程中，我所在机构很重视外部的推荐和推荐人的评价。  
   1 2 3 4 5 6 7

4. 在管理人员遴选过程中，我所在机构经常会使用心理测试（例如，能力倾向测验）。  
   1 2 3 4 5 6 7

5. 我所在机构在对经理人的遴选过程中并不重视外部的推荐。  
   1 2 3 4 5 6 7

6. 我所在机构在对经理人的遴选过程中应聘者需要进行体检。  
   1 2 3 4 5 6 7

7. 我所在机构管理人员的遴选过程中一对一的面试方法占据主导地位。  
   1 2 3 4 5 6 7

8. 我所在机构在对经理人的遴选过程中需要个人简历。  
   1 2 3 4 5 6 7

**招聘**

9. 我所在机构广泛使用外部招聘机构来挑选潜在的经理人。  
   1 2 3 4 5 6 7

10. 我所在机构主要通过人际关系网来招聘经理人。  
    1 2 3 4 5 6 7

11. 人才交流中心（交流市场）是我公司采用的一个主要吸引候选管理者的招聘方式。  
    1 2 3 4 5 6 7

12. 我所在机构对管理层的任命主要通过内部任命来完成。  
    1 2 3 4 5 6 7

13. 我所在机构很少通过人际关系网来招聘经理人。  
    1 2 3 4 5 6 7

14. 我所在机构招聘的经理人经常是由资深经理推荐的。  
    1 2 3 4 5 6 7

15. 我所在机构招聘的经理人很少是由在职人员推荐的。  
    1 2 3 4 5 6 7

16. 我所在机构经常采用在全国性的报纸上发布  
    1 2 3 4 5 6 7
17. 我所在机构的管理者很多是从政府机构招聘的。

<table>
<thead>
<tr>
<th>一池人才（即，同一类专业的人才）</th>
</tr>
</thead>
<tbody>
<tr>
<td>18. 我所在机构把有类似经验和能力的经理人归类到一个小组或团队（例如，一池人才）。</td>
</tr>
<tr>
<td>19. 我所在机构的一大特点是有一批在特定领域有特长的经理人。</td>
</tr>
<tr>
<td>20. 我所在机构把有相似能力的经理人放在同一部门。</td>
</tr>
<tr>
<td>21. 我所在机构没有把有相似能力的经理人归类在一起（即，一池人才）。</td>
</tr>
<tr>
<td>22. 我所在机构的项目是由从不同类的人才库中挑选出来的一个团队（即）有相似能力的管理者从事的。</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>人才库（即，不同类型专业的人才）</th>
</tr>
</thead>
<tbody>
<tr>
<td>23. 我所在机构的一个特点是有一个拥有各种管理技能和能力的人才库。</td>
</tr>
<tr>
<td>24. 我所在机构会把有才华和能力的管理人才集中一起去完成一个项目。</td>
</tr>
<tr>
<td>25. 我所在机构没有使用人才库把那些具有特殊技能和能力的高层人才组织起来实现战略目标。</td>
</tr>
<tr>
<td>26. 我所在机构的项目都是通过人才库把那些具有不同技能和能力的人才组合在一起完成的。</td>
</tr>
<tr>
<td>27. 我所在机构管理层人才库（即拥有不同能力和技能的团体）是实现企业战略目标的重要保障。</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>关键人才</th>
</tr>
</thead>
<tbody>
<tr>
<td>28. 我所在机构中，在关键职位上的每个经理都为企业的业绩作出了重大贡献。</td>
</tr>
<tr>
<td>29. 我所在机构中一些个别关键的管理人员对企业的优良业绩作出了重大贡献。</td>
</tr>
<tr>
<td>30. 我所在机构中个别关键管理人员对企业的竞争优势产生了重大的影响。</td>
</tr>
<tr>
<td>31. 我所在机构没有有能力的关键管理人员能增加企业的竞争优势。</td>
</tr>
<tr>
<td>32. 我所在机构的关键职位要求由业绩突出并能增加企业竞争力的经理人来担任。</td>
</tr>
</tbody>
</table>
第六部分：全球战略规模

使用如下所示的模式，以下每个项目对您组织的全球业务运行中的影响，请注明您的认同度。

<table>
<thead>
<tr>
<th>强烈反对</th>
<th>反对</th>
<th>稍有不同意</th>
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<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

### 创新活动
1. 我所在机构的全球业务中有研发活动，这是为了给客户提供有价值的服务和产品。
2. 我所在机构没有在创新活动方面投入太多资源来设计那些被客户认为有价值的产品。
3. 在我所在机构中，知识的创造是全球业务系统发展的一大特点，并以此来设计满足客户需求的增值产品和服务。
4. 我所在机构的全球业务系统的发展是依托创新活动（如研发）来设计客户认可的产品和服务而实现的。

### 有效的生产力
5. 我所在机构的全球商业系统拥有有效的生产力（如，采购、制造、物流）用于提供高质量的产品和服务。
6. 我所在机构的全球业务系统拥有有效的生产力，通过采购高质量的原材料（如资源、信息）来生产被客户认可的产品。
7. 物流方面的投资是我所在机构的全球业务系统发展的一大特点。
8. 我所在机构的全球业务系统中没有作为生产经营活动的设施。

### 客户关系活动
9. 我所在机构的全球业务系统的一大特点是发展内部客户（即员工）之间的关系。
10. 对外的客户关系在我所在机构的全球业务系统发展中没有得到提高。
11. 我所在机构的全球业务系统中有一套用以提高内部客户关系的营运制度。
12. 我所在机构的全球业务系统和外部客户关系的建立之间有很强的联系。
| 13. 我所在机构的全球业务系统中的一个重要内容是加强外部客户关系活动。 | 1 2 3 4 5 6 7 |
| 14. 我所在机构的全球业务系统没有对内部客户关系活动提供有价值的提升。 | 1 2 3 4 5 6 7 |
| 15. 发展内部的客户关系（即与员工）是我所在机构的全球业务系统的重要成果。 | 1 2 3 4 5 6 7 |

第七部分：知识传递

请用以下的标准，给下面四个有关知识转移的条目打分。表格中有 28 个单元格，每个单元格里只能填写一个分数（1 至 7）。如果不是很确定就在格中填写 4。

从不    很少    不经常    一般    频繁    很频繁    一直
1  2  3  4  5  6  7

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<td>营销技巧</td>
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<tr>
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<td>2. 向母公司的知识输出</td>
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<td>3. 来自姊妹子公司的知识输入</td>
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感谢您的参与