

Global talent management in an age of disruption

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ARTICLE INFO

Keywords:

Talent management
 Disruption
 Sustainability
 Dualities
 Organizational capabilities
 Global organization
 Skills-based management
 HRM

ABSTRACT

What principles should guide talent management in global organizations in our age of disruptive change? We briefly outline five trends affecting talent management, leading us then to present five guiding principles at the heart of a conceptual wheel: Profit with purpose at the core; building capabilities; navigating dualistic tensions; nurturing alignment and differentiation; and ensuring shared responsibility. The conclusion summarizes the implications: In this volatile age, global talent management must evolve towards purpose driven and capability focused people management, with an emphasis on skills rather than jobs.

Introduction

Talent management (TM) is generally defined as a strategic approach to attracting, developing, retaining, and deploying employees with the necessary competencies to meet current and future organizational needs, involving a set of interrelated processes—attraction and selection, performance management, development, and mobility. Talent management is crucial for global organizations because it ensures that the right people with the right competencies are positioned to drive the company’s strategic objectives, though traditional exclusive approaches to TM focus on a small number of “talented” employees to staff key positions for value creation.

However, in today’s turbulent and unpredictable world, rapid and deep change makes TM difficult. A current headline example is the protracted delays in the \$65 billion project of Taiwan’s TSMC to build a greenfield fab near Phoenix to produce highly advanced computer chips. Even with strong support from the US government, eager to rebuild the country’s chip capacity, and with the full cooperation of Arizona colleges and universities as well as sending US engineers for extended training in Taiwan, this project still required bringing in over 2000 technical professionals from Taiwan to cope with major delays due to challenges of recruitment, training, and cultural integration. Perhaps the local employees are just not used to the stringent working conditions in an ultraclean plant, the demands of a company culture where people are

expected to work outside job descriptions, and the “excessive” meetings necessitated by complex coordination across the global organization?

The problems that workers and engineers in the Arizona plant are having in adapting to the high-tech world of modern manufacturing are just one manifestation of challenges that are shifting the landscape of talent management.

Our focus here is on the implications of trends and global disruptions for TM in companies that operate across diverse cultures, legal systems, and market conditions. What works in practice depends on context, so the focus should be on underlying principles to guide action rather than on copying practice. Many executives and academics found our 2012 article on six guiding principles for global TM practices to be useful. But it may be time to revisit these principles given the disruptive changes that organizations face today. Let us first look at some of the major trends and disruptive challenges for TM.

Key global trends and challenges affecting talent management

In our work with leading multinationals around the world, we observed five trends affecting TM in global organizations: global economic realignments; sustainability pressures; digital transformation; diversity, equity and inclusion; and the need for strategic agility.

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<https://doi.org/10.1016/j.orgdyn.2025.101149>

The reshaping of globalization

The globalization of the world economy over the last half century has had an enormous effect on the practice of talent management—from how to define talent and where to find it, to what are the key competencies of future global leaders and how to develop them. Yet, the meaning of globalization is now being reshaped by multiple, often conflicting, political and economic forces. As a result, globalization activities which were essentially steered by West/East supply chains are being reoriented in East/South and South/South directions—with new challenges and opportunities.

The emerging multipolarities threaten the traditional dominance of Western multinationals in the global “talent war”—in the past, they had the first pick. Also, the weaponization of global interdependencies through tariffs and sanctions—described by one southern hemisphere CEO as “blowing-up bridges by a retreating army”—brings to the surface critical credibility issues: Why sign up (or stay) with the losing side which cannot be trusted, when new opportunities emerge? As a result, the rules on the playing field for global talent may be changing dramatically.

Emphasis on sustainability

In the light of two decades of market excesses, financial turmoil and escalating climate change, the awareness is growing that “more of the same” is no longer an option if our children are to have a future on this planet. The complex array of economic, social, and environmental challenges we face today—often referred to as *societal grand challenges*—have increased expectations that businesses and their leaders take a more active role in contributing to society than they did in the past. There is a growing recognition that corporations have the potential to be a positive force for change, particularly through the lens of the United Nations’ 17 Sustainable Development Goals (SDGs). Embracing corporate sustainability also makes good business sense because it fosters alignment with the needs of diverse stakeholder interests.

As we will explore further, numerous prominent global companies, including Unilever, Danone, Novo Nordisk, Natura, and Tata, have implemented ‘profit-with-purpose’ strategies aimed at addressing some of these critical societal challenges. This shift reflects changing generational values and priorities among the workforce, underlining the

necessity for businesses to pursue a mission that transcends mere profit maximization. Within this context, people management—specifically the TM field—plays a crucial role. Corporate sustainability initiatives can in turn strengthen employer branding, enhancing the ability to attract and retain skilled individuals.

Digital transformation

Digitalization is transforming TM by applying generative AI tools to talent acquisition, training and development, through data analytics to predict talent trends, and via the implementation of digital platforms for many purposes, including the remote work and collaboration that is so important in global organizations. This is accelerating a progressive shift from focusing on jobs that are defined by CV qualifications and titles to matching work needs with skills, behaviors and aptitudes, a shift that is already marked in vocational and continuing education. As we will discuss, these competencies must be linked closely by the firm to the capabilities that it wants to develop.

Benefiting from digital transformation requires upskilling of staff, with more emphasis on people coordination and business skills as opposed to technical competencies. In widely dispersed organizations such as a typical multinational corporation, leaders at all levels must be aware that generative AI may improve efficiency in some parts of the organization, but it is not a substitute for human touch. Digital transformation also raises questions of inclusiveness since this, together with globalization, may disempower large segments of society, with lower education and skills, creating divides that may fuel populism in many regions of the world.

Continued focus on diversity, equity, and inclusion

In spite of disruptions caused by the recent reversals in US government policy, companies worldwide are learning how to capitalize on the positive sides of diversity (wider perspectives for decision making leading to creativity and innovation) while avoiding the negatives sides such as interpersonal conflict. The focus today is on building more inclusive organizational cultures, shifting attention away from managing demographic diversity to fostering fair treatment, opportunity, and advancement for all people among a diverse workforce worldwide. This includes appropriate metrics to monitor how various groups of employees perceive their treatment and that of their colleagues.

However, from a broader perspective there is still a wide gap. Inequality is again widening across the globe, accelerated by technological change and AI. The benefits of economic growth (or company success) are perceived by many as being unfairly distributed, while pushbacks against diversity and other initiatives are increasing (we are especially troubled by attempts in some quarters to set aside concerns about inequity). Indeed, when pluralism becomes wokeism and when many voices and constituencies advocate conflicting priorities, the tensions may lead to fragmentation and paralysis.

Need for strategic agility

With rapid change and uncertainty, strategic agility becomes more important for organizations. The ability to respond quickly and effectively to changes in the external and internal environments depends in part on TM issues, notably flexible talent deployment and sensitivity to strategic trends (which is linked to transparency and empowerment). Additionally, ambidexterity or the ability to cope with dualities has long been shown to be a property of agile organizations.

In most Western organizations, TM in the past was based on jobs and positions. Today, skill sets (competencies linked to capabilities) are becoming more important in defining talent, deploying talent, managing careers, and valuing employees. To increase agility, many firms are experimenting with AI-based internal talent marketplaces using skills matching. Skill sets become more important as the unit of analysis in TM

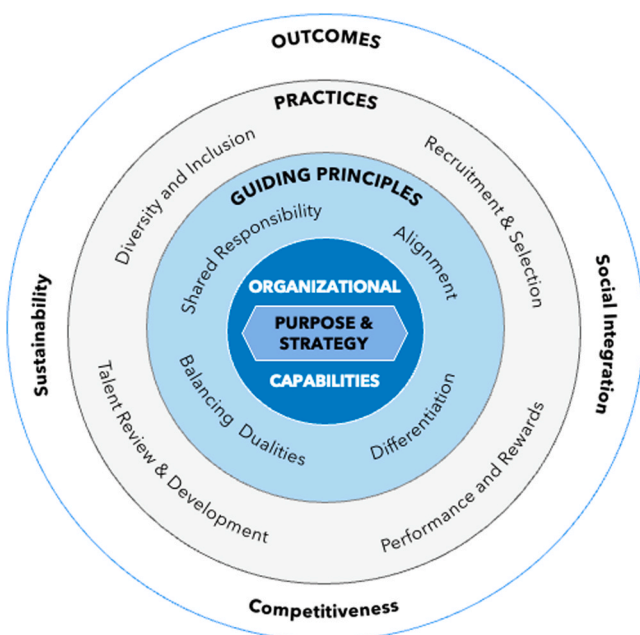


Fig. 1. The people management wheel.

(as practiced for decades in some Japanese organizations, such as Toyota), rather than formal qualifications and job experiences, and surveys suggest this improves the work experience of most employees. However, vertical promotions still tend to follow the traditional job-based career model.

Guiding principles revisited

What are the implications of these trends for TM? Some years ago, when one of us took on the role of head of talent management at a major global corporation, the Chief Human Resources Officer offered crucial advice: “This is a large and complex company, with operations throughout the world, and we face increasing uncertainties. When things get complex, simplify, simplify, simply ... take things back to basics as a torch to guide you through the fog of complexity”. We have heeded that advice since, but with a twist—those basics should be principles that are rooted in robust research.

In 2012, we introduced six fundamental principles derived from the practices of 18 leading companies. Building on our collaboration for our fourth edition of “The Global Challenge” book, we now reexamine and update these principles as contemporary guides for TM in an age of disruption—indeed to people management in general since we need a more inclusive definition of “talent.”

The five guiding principles are illustrated in a framework we term the **People Management Wheel**, shown in Fig. 1, to capture the dynamic and interconnected relationships among the elements of people management in multinational enterprises. We focus now on exploring these five principles, illustrating their implications for TM practices while emphasizing that this framework is underpinned by three key outcomes: a firm’s capacity to remain competitive; its sustainability, or its ability to meet current needs without jeopardizing those of future generations; and its social integration or ability to ensure a high degree of engagement among employees and key stakeholders.

Principle 1: profit with purpose at the core

At the heart of the People Management Wheel lies purpose—an organization’s *raison d’être*. The core purpose gets at the deeper reasons for an organization’s existence beyond mere profit-making and shareholder gains. Twentieth century capitalism, with its obsession for shareholder value and unfettered markets, has reached its limits. What drives organizations at times of sweeping change and turbulence is not looking back to yesterday, but values that inspire people who find meaning as they connect to their organization’s mission.

Given the wicked societal challenges discussed earlier, companies across sectors and industries are forced to engage in business model innovation to become more sustainable, grounded in inspiring corporate values that are encapsulated in purpose. To foster radical innovation necessary to achieve goals such as getting to net zero emissions by 2050, organizations need to embed purpose at the core of their operations while meeting financial objectives. It is not purpose or profits but purpose AND profits. Studies show that companies where middle managers are guided by a clear sense of purpose tend to generate higher market shares, grow faster, and are more likely to be profitable, while fostering employee engagement and satisfaction. But the dismissal of the food giant Danone’s CEO, Emmanuel Faber, in 2021—the architect of its sustainable, socially responsible business strategy—showcases the complexities of aligning purpose with profitability within corporations. The CEO of a leading global biotechnology firm, Novozymes (now Novonosis), refused to encourage creative cross-functional collaboration for a decade until his organization showed rigorous productivity on financials since the former would distract from fiscal discipline. A strong sense of mission is unlikely to help a corporation with productivity and profitability problems.

There is a rising trend of corporations worldwide embracing the dual approach of Purpose AND Profit, some by undergoing certification or

adopting new legal forms with an explicit commitment to a higher societal purpose (such as Danone in France, Novo Nordisk in Denmark, and Brazil-based Natura), while others like PepsiCo, IKEA, and Schneider Electric commit their companies to advance specific SDGs. TM is critical in the ongoing transformative journey to tackle these grand societal challenges so that the firm moves beyond the all too prevalent “greenwashing”.

TM can significantly contribute to substantive (as opposed to merely cosmetic) environmental and social efforts. One approach is through skill-building initiatives, such as training programs designed to heighten employee awareness regarding environmental issues and develop competencies to promote sustainability (e.g., reducing waste and emissions). Such training should also extend to suppliers; for instance, Schneider audits all their first-tier suppliers on their adherence to human rights standards. Another approach is through incentive systems that celebrate innovative contributions—like the recognition programs at 3M that honor teams implementing effective waste reduction strategies.

At a deeper level, this requires alignment of all TM processes with both performance and purpose—selection and recruitment based on attitudes and cultural fit, performance management that reflects respect for values as well as performance, and promotion practices that ensure that individuals who successfully innovate on both fronts are those who advance. In traditional 9-box schemes for evaluating managers, adherence to company core values becomes the key element of “potential”, while innovation in support of Profit and Purpose becomes the hallmark of excellent performance.

Novo Nordisk exemplifies this approach with its *Novo Nordisk Way of Management* – a set of guiding principles linked to the triple bottom line concept it pioneered. Compensation is tied to performance on non-financial as well as financial indicators on a balanced scorecard, including the socio-economic impacts on job creation, environmental impact, resource efficiency, and the well-being of employees, patients, and communities.

Top management commitment and shared responsibility play a key role in creating a purpose-driven organization. A recent large-scale study showed that if the company has a higher purpose beyond maximizing profit—for instance contributing to preserving our planet for current and future generations—its employees will feel greater meaning and impact in their jobs. However, the faster growth and higher profitability of such companies only occurs if senior management is successful in diffusing that sense of purpose down in the organization, and in providing strategic clarity throughout the organization on how to achieve that purpose.

Principle 2: building capabilities

A firm’s success hinges not only on a compelling purpose and a well-defined strategy but also on possessing the necessary organizational capabilities, both currently and in the future. In essence, organizational capability encompasses an integrated blend of employee skills, processes, and technology that enables a company to outperform its rivals—consider Amazon’s swift order fulfillment or Netflix’s global distribution of locally developed content driven by a deep understanding of customer preferences (the Korean made *Squid Games* being a recent global hit). Such capabilities are fundamentally tied to the skills of the workforce, highlighting the vital role of talent management.

To foster a solid TM system that aligns with strategic goals and capabilities, leaders must proactively address several critical questions:

- What core elements define the purpose, strategy, and business model?
- Which capabilities are essential to reinforce the strategy?
- What competencies and behaviors are necessary to cultivate these capabilities?
- What talent management strategies will facilitate these objectives?

Organizational capabilities vary in complexity, particularly regarding their foundational processes and routines. Some capabilities comprise mainly independent activities within certain segments of the value chain—we call them *functional* capabilities. Let's return to the example of TSMC, which over a thirty-year period in Taiwan established a comprehensive framework for advanced training in semiconductor manufacturing, at the level of the best educational institutions worldwide. Its current challenge lies in replicating this training structure internationally, as transferring hundreds of technical experts from Taiwan to new sites in Arizona, Saxony, and Kyushu is not a feasible long-term strategy.

While functional capabilities are typically vertical, *coordination* capabilities span the organization horizontally, for example between central R&D and local operations. These require a comprehensive set of aligned practices across the organization (sometimes involving external partners) to support global customers. Coordination capabilities are generally more complex and harder to replicate, making them critical for achieving sustainable competitive advantage.

Talent management plays a pivotal role in nurturing coordination capabilities, which are rooted in individual experiences and interactions—knowing where to seek information, whom to collaborate with, and how best to share knowledge. In the case of TSMC, its experience illustrates that extending an advanced Taiwan-centric supply chain ecosystem to new global locations primarily hinges on managing people and talent, rather than simply establishing IT infrastructure.

Another notable example is Danaher, an industrial conglomerate known for its consistent profitability. Its journey towards capability enhancement began with the implementation of continuous improvement processes (*kaizen*) across its manufacturing facilities throughout the US. This initiative evolved into the Danaher Business System (DBS), extending to various processes and functions. With over 60 interconnected elements now in place globally—accounting for more than 60 % of Danaher's \$24 billion revenue generated outside the US—talent management has been integral. For instance, initial engagement with potential hires provides clear pathways for their advancement—offering everything from three months of training for new operators to a six-year leadership development program for aspiring MBAs. It's crucial to note that training aligned with DBS is an ongoing process, as capabilities are continuously refined.

These examples underscore an essential insight: differentiated capabilities cannot be built through one-size-fits-all or generic talent management practices. The increasing focus on skills-based talent management supports the development of capabilities that set firms apart.

Principle 3: navigating dualistic tensions

Talent management (TM) is inherently complex, characterized by many dualistic tensions such as stability versus change, soft versus hard skills, individual versus team dynamics, local versus global priorities, and planned versus emergent strategies. These dualities prompt critical inquiries in TM, such as the desirability of transparency in identifying leadership potential. Being labeled as high potential can lead to increased development attention and opportunities, while not being identified increases the probability of disengagement.

Historically, these dualities have been addressed through gradual shifts in focus, as demonstrated by literature reviews that trace movements from hard to soft approaches, local to global considerations, and performance to innovation. Insightful CEOs understand that success often hinges on timing. Today's tech entrepreneurs should heed what the CEO in a cyclical industry told us: during prosperous times, his role was to advocate for caution to prevent rash decisions that could deepen the inevitable downturn, while in difficult times, he encouraged optimism to prepare for future opportunities.

The volatility inherent in today's business environment disrupts these gradual adjustments, intensifying the need to address underlying

dualities. The greater the rate of change, the quicker the future becomes the present, the more we must grapple with the tensions between short-term financial goals and long-term goals of development and innovation. This is serious for TM since much of the domain is premised on actions with long-term returns. With disruption and change, it becomes imperative to adopt a paradox lens in which a BOTH/AND perspective is taken rather than undertaking an either/or analysis to manage the tensions and ambiguities that are inherently part of managing talent, and indeed organization. Purpose AND Profits is one notable example of this.

With the duality/paradox lens, let us consider the exclusive-inclusive duality at the heart of TM. The field has never resolved the debate over whether "talent" refers to the critical few or to everyone—fortunately and quite understandably. TM systems are exclusive in nature, focusing on high potential or strategically important people. But research shows that this has perverse effects (known as Pygmalion vs Golem effects) unless there are actions to build inclusiveness. People who contribute in important ways to the firm as indispensable B-players who value their private lives may build grievances, feeling that they are neglected second-class citizens with few opportunities. Indeed, the so-called meritocracy for the few may come at the expense of empowerment of the many, leading to reduced motivation and performance, hostility to the firm in the shape of union action, and employee turnover. Organizational programs for diversity and inclusion may in turn exacerbate these perverse consequences.

The paradox lens means that we must find "hybrid" ways of living with the exclusive-inclusive duality, rather than trying to ignore the contradictions. For example, this means viewing the whole workforce as talent, but then paying high potential individuals more; prompt dialogue with people who are viewed as underperforming; limiting high potential programs to a few key people with strategic positions in mind, as indeed corporations are doing; creating multiple talent pools in firms, as in some law firms; treating young early career employees inclusively (emphasis on development) but longer-term staff more exclusively (emphasis on performance); and repositioning the TM domain as a "people management" function, as a growing number of firms are doing, because TM has too many elitist connotations.

Another key duality is local-global orientation. Balancing corporate integration—acting as one with the global interests of the firm in mind—with responsiveness to local needs and context has long been recognized as a core strategic challenge. TM is at the heart of this duality, by developing leaders and senior executives with a shared global mindset through carefully orchestrated cross-boundary mobility and teamwork. For future leaders, cross-border mobility should facilitate a BOTH/AND global perspective rather than a home-country or host-country focus. Capabilities in learning and coordination ("learn locally and act globally") are essential to ensure that global integration and local responsiveness do not go to extremes. At Netflix, as we pointed out earlier, the development of "local content that travels" has been the driver of its global growth.

Principle 4: nurturing alignment and differentiation

Alignment refers to how the firm's TM practices fit with each other, and with the work organization. The alignment of practices should strengthen the organizational capabilities supporting the company strategy. For example, Danaher's significant investments in employee development bolster retention by integrating feedback mechanisms, competitive pay, and effective career progression.

Alignment plays a crucial role in driving organizational performance. When employees receive clear, consistent, and aligned messages through the company's TM practices over time, it typically fosters positive attitudes and behaviors among staff. In contrast, when employees perceive inconsistencies—whether due to poor design, conflicting management priorities, or inadequate implementation—overall performance may decline.

Table 1
An implementation checklist for global talent management in an age of disruption.

PROFIT WITH PURPOSE AT THE CORE

- Do we integrate social, environmental, and governance concerns into all our TM processes (recruitment, training, remuneration, etc.), without prioritizing one aspect of ESG over the other?
 - Do top executives and line managers visibly demonstrate their commitment to sustainability and social responsibility?
 - Do both our internal and external stakeholders worldwide (including suppliers and the communities we serve) have a clear sense of our social and environmental mission?
- NB: A strong sense of mission is unlikely to help an organization with fault lines in terms of productivity and profitability.

BUILDING CAPABILITIES

- Do we have a clear sense of the functional and coordination capabilities needed to support our strategy and mission?
 - Do we clearly develop the competencies and behaviors to drive those capabilities?
 - Is our TM strategy closely aligned with our desired capabilities?
- NB: You cannot build differentiating capabilities with generic TM strategies.

BALANCING DUALISTIC TENSIONS

- Do we balance well the short-term and long-term in our talent management practices?
 - Do we view the whole global workforce as talent AND fairly develop and promote high potentials into leadership roles?
 - Do locals around the world feel respected AND part of an integrated team?
- NB: Constructive debate around conflicting issues, based on diversity and respect for differences, is key to living with paradox and uncertainty.

NURTURING ALIGNMENT & DIFFERENTIATION

- Do staff feel that our people management practices are clear, aligned with the business, consistent over time AND also sensitive to local context?
 - Do TM practices vary from one group of employees to another ... in a fair way?
 - Does our firm stand out on managing talent from others in the labor market?
- NB: The hallmark of cross-cultural understanding is knowing where one must conform to the local context and where one can be different.

ENSURING SHARED RESPONSIBILITY

- Is TM genuinely experienced as a shared task of the line and top management, the HR function, and the employees themselves?
 - Do we have regular and effective talent reviews as an integral part of our business planning?
 - Are consequences clear for managers who do a good (or poor) job in managing talent?
- NB: HR professionals have a crucial role in supporting managers and employees with respect to key talent management issues.
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Achieving this coherence is not without challenges, especially in multinational corporations that operate across diverse cultural and institutional landscapes. While organizations may espouse worldwide management philosophy and policies, actual practices often vary significantly. Local managers sometimes bluntly ignore global guidelines, leading to uneven implementation of TM practices, eroded trust, hindered collaboration, and weakened global cohesion amidst regional strongholds.

At the same time, an overemphasis on alignment can backfire. Companies that solely prioritize a seamless integration of TM practices risk creating rigid systems that struggle to adapt to shifting competitive environments. Therefore, while alignment is generally beneficial, it must be balanced with the principle of differentiation. Three key aspects of differentiation in TM should be considered: across employee groups, between business and geographic units, and from other firms.

Uniform TM practices across all employee segments may lead firms to underinvest in critical talent essential for long-term success while conversely overinvesting in roles that are easily replaceable or less impactful. Moreover, practices suitable for one workforce segment might not be advantageous for another.

Differentiation across units is particularly important for multinational firms. Companies with a successful track record in their domestic markets sometimes mistakenly apply a one-size-fits-all TM strategy internationally. Experience reveals that some level of local customization is essential, which may require adjusting the company's TM approach. For instance, TSMC's expansion beyond Taiwan necessitated a reevaluation of its recruitment criteria for technical talent and the provision of additional training to bridge gaps induced by educational differences across countries.

Distinctive management practices can be also instrumental in attracting and retaining local talent, attracted by the unique features of the firm. The hallmark of cross-cultural understanding is being able to go beyond basic stereotypes, knowing when one must conform to the

environment and where one can be different. Understanding where to push local cultural and institutional expectations and where to conform to them is part of the core TM know-how in international firms.

This brings us to the third aspect of differentiation, focusing on the distinctiveness of the firm's TM approach—one that goes against the widespread tendency to model "best practice." Competitive advantage rarely comes from copying others; it invariably comes from being different. As we explored in our book, one source of differentiation is how the firm's unique combination—and alignment—of TM practices makes it stand out from other organizations, often in subtle and invisible ways that are embedded in its culture. Unless the firm stands out from its competitors in the labor market, it is unlikely to appeal to potential employees with the desired skills and attitudes. Consequently, recruitment and development are two TM processes with great potential for creating differentiation.

Principle 5: ensuring shared responsibility

Who is responsible for talent management in global organizations? The specialized HR department is undeniably expected to carry some of the load, and many multinational firms appoint a dedicated global talent management director. However, leaders and managers at every level must recognize that talent management is a fundamental part of their role that cannot simply be relegated to HR. Research indicates that the extent of this shared responsibility depends on the specific context of the organization. Furthermore, employees themselves also bear responsibility for their personal development and employability, increasingly supported by digital platforms that have taken over many functions traditionally performed by HR staff. Therefore, we propose that responsibility for talent management should be distributed among three key stakeholders: the HR department, supervisors and executives, and the employees.

Executives and managers are ultimately responsible for delivering

the firm's strategic objectives, including talent management and its role in developing organizational capabilities. They must demonstrate visible endorsement of the company's policies regarding people management. As Henrik Ehrnrooth, the former CEO of KONE, articulated: "The area directors and I have to show how important HR issues are. When we do business reviews of individual countries ... we also go through their leadership and talent review plan—everybody knows this is on the agenda and how important it is."

While there has been a trend toward shifting people management responsibilities to line managers, this transition comes with its own set of challenges. Line managers might lack the necessary skills, interest, or time to manage talent effectively, particularly in cross-cultural contexts. Their focus often leans toward immediate performance outcomes rather than long-term development of personnel and the organization. Consequently, the HR function remains vital in ensuring that both employees and managers possess the essential knowledge to navigate key talent management issues and receive concrete assistance.

Referring back to KONE, when the company rolled out its strategy centered around service transformation and "winning with customers," it identified four essential organizational capabilities: collaborative innovation and new competencies, customer-centric solutions and services, a true service mindset, and fast and smart. The HR team was pivotal in implementing this strategy by adapting recruitment practices to attract talent from outside the industry, refining criteria for recognizing potential leaders within the company, and creating a leadership development program designed to nurture the required mindset.

Conclusion

So what do these disruptive trends and principles mean for global TM, traditionally defined as a strategic approach to attracting, developing, deploying, and retaining people in multinational organizations, using a set of interrelated people management processes? We summarize the practical implications of our five principles in Table 1.

The unit of analysis in TM has shifted over the last twenty years from individuals in jobs to skill sets embedded in fast moving teams, linked to distinctive organizational capabilities. We believe that the trend toward developing, deploying and rewarding people for their skills rather than the jobs they hold will continue, closely linked with strategic capabilities that differentiate the global firm. AI will facilitate this development, with skills and teams becoming more important than the credentials and job experience of individuals, although new firms may pave the way since most established firms are handicapped by job-centricity and non-systemic HR structures. Hierarchy and job grades are likely to fade into the background, but not disappear as they will continue to reflect the intransitive challenges of the leadership development pipeline (people who are capable at one level may not be capable at the next), particularly in global firms.

A TM architecture of both skills and jobs is one of the many dualities that global firms need to manage, and both managers and researchers are beginning to appreciate the importance of managing such paradoxes. Attention in TM must focus more on inclusive people management while maintaining the necessary attention to exclusive leadership development — perhaps leading to a reconceptualization of the TM field?

The dualistic interplay between long-term and short-term objectives is particularly important for TM, especially for HR leaders aspiring to be trusted advisors to the CEO and executive team. We are reminded of the CHRO of the French cosmetics firm, l'Oréal, when it was at his heyday. He saw his role as advocating for the often-overlooked aspects of significant dualities to legitimize attention and debate on key decisions. For multinational corporations, this might involve emphasizing the significance of talent mobility for long-term growth, even when immediate profitability is under pressure, or promoting targeted investments in global training initiatives during periods where the emphasis is on cost reduction.

Underlying these efforts is the importance of professional management practices. Extensive international research conducted by prominent labor economists has demonstrated that higher productivity is closely linked to effective and professional management practices. Whether in Canada, China, India, Mexico, Sweden, or the United States, productive firms tend to exhibit the characteristics of professional management, such as regular performance tracking, reviews and dialogues around performance, a commitment to attracting and retaining talent, and fostering an environment conducive to innovation.

A "strategic approach" used to imply one maximizing shareholder value, but today we have fortunately returned to a broader stakeholder view of what "strategic" implies, albeit with some backlash in segments of society who dismiss concepts such as purpose, ESG, or equity and inclusion as woke capitalism. Our People Management Wheel implies attracting, inspiring, and developing people worldwide through a purposeful mission AND rigorous attention to productivity; it means developing leadership talent for the future AND maintaining an inclusive and equitable culture of respect for contributions at all levels. It means navigating the tensions between inevitable dualities embedded in TM and building alignment with all other aspects of people management. It means that senior executives and line management have the responsibility for ensuring that the global firm has the talent it needs—with highly professional functional support.

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Human Resource Management Review, 33. For a readable review of what dualistic thinking means, see Smith W.K. & Lewis M.W. (2022). *Both/And Thinking: Embracing Creative Tensions to Solve your Toughest Problems*. Harvard Business Review Press. For an assessment of dualities in TM such as exclusive-inclusive, see Tahmasebi, R., & Nijs, S. (2024). "A paradox perspective on talent management: A multi-level analysis of paradoxes and their responses in talent management". *The International Journal of Human Resource Management*, 35:3, 507–62.

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between firms and countries across the world, summarized in our Conclusion, see Bloom, N., & Van Reenen, J. (2010). "Why Do Management Practices Differ across Firms and Countries?". *Journal of Economic Perspectives*, 24 (1): 203–24. 15 out of 18 indicators of professional management practices directly relate to TM/HRM.

Declaration of Competing Interest

All authors have no conflicts of interests to declare.