CONFERENCE PROCEEDINGS

July 18-20, 2025

Vancouver, Canada

Conference Proceeding

July 18-20, 2025 Vancouver, Canada

Format: Electronic Book

ISBN: 978-1-998259-92-2

Table of Contents

Content Details:

Lingfang Song *ESSCA School of Management, France (Angers Campus)*	**Developing Local Talents for Key Senior Management Positions through Glopatriation: An empirical study of French companies operating in Asia**

ABSTRACT

The term "*glopatriation*", used in this document, has been coined from the following two words: global and expatriation. It refers to the transfer of local managerial talent from the foreign subsidiaries of multinational corporations (MNCs), where they have been recruited and work, to the MNC's headquarters and/or other subsidiaries abroad. In the foreign subsidiaries of MNCs, it is quite rare for locals to occupy key senior management positions, due to the distinct advantages of using expatriates and the absence of certain qualifications in the profile of locals. Following in-depth interviews with 32 directors of French companies operating in Asia, the present empirical study revealed that *glopatriation* is an effective means of improving the transnational capabilities of local managers to make them qualified for high-level key management positions. However, despite the genuine interest in *glopatriation*, a number of obstacles stand in the way of its implementation. Recommendations are made to ensure that the glopatriation program functions effectively.

Key words: *glopatriation*, transnational capabilities, multinationals, inpatriation, local talents.

EXTENDED ABSTRACT

As multinational corporations (MNCs) move beyond national borders and expand into international markets, the configuration of the top management team in overseas subsidiaries becomes a major concern, as it plays a strategically important role in ensuring the successful performance of MNCs (Colakoglu, et al., 2009; Collings, et al., 2008; Gong, 2006; Hyun, et al., 2015; Van & Marsman, 2008).

When composing the management team, MNCs try to achieve the transnational capability by balancing global integration, local responsiveness and organizational learning (Chung & Sparrow, 2024; Hocking et al., 2007; Mäkelä et al., 2009; Williams, et al., 2017). To meet this triple requirement, a hybrid composition of managers with distinct profiles is often privileged. Expatriates and host-country nationals are generally the two main resources deployed (Collings, et al., 2008; Lam & Yeung, 2010; Song, 2015; Tung, 1979, August), as it is believed that headquarters-sent expatriates and local managers are two complimentary resources who bring different skills to the successful management of an international subsidiary. The former facilitates global integration and organizational learning, while the latter improve local responsiveness (Harzing et al., 2016; Riusala & Suutari, 2004; Rosenzweig, 2006; Sparrow et al., 2016).

As operations grow and consolidate in host countries, more and more positions previously held by headquarters-sent expatriates are transferred to local managers (Lakshman & Jiang, 2016, Li & Scullion, 2010; Schaaper, et al., 2013; Song, 2015). Indeed, by implementing management localization, companies can not only achieve local responsiveness, which translates into in-depth knowledge of local markets and customers, access to the local business network and contacts with local authorities, but also make significant savings on management costs, reduce frequent job rotation and improve the retention of local talent (Colakoglu et al, 2009; Keeley, 2001; Hailey & Harry, 2008; Kühlmann & Hutchings, 2010). As a result, the localization of expats' positions as a strategic measure is widely practiced in MNCs' subsidiaries (Lakshman & Jiang, 2016; Li & Scullion, 2010; Schaaper, et al., 2013; Song, 2015).

However, a closer look at the localized positions reveals that the majority of them are mid-level positions. It is quite rare for localization to go as far as key senior management positions. There is some resistance to entrust these positions to host country nationals (Bose & Dey, 2018; Kühlmann & Hutchings, 2010; Li & Scullion, 2010; Jaussaud & Schaaper, 2006; Mellahi & Collings, 2010; Situmorang & Japutra, 2019; Song, 2015). It is believed that that expats enjoy certain specific advantages that are rarely found among host country nationals, such as control, coordination, communication with head office and knowledge transfer (Brock & Hydle, 2018; Edström & Galbraith, 1977; Harzing, 2001; Petison & Johri, 2008). Meanwhile, locals have certain weaknesses, including a lack of sufficient international work experience, coordination and communication skills outside the home subsidiary, which prevent them from being promoted to key senior management positions

(Farndale et al., 2010; Kühlmann & Hutchings, 2010; Mellahi & Collings, 2010; Situmorang & Japutra, 2019).

Despite these above-cited arguments, there exist a genuine interest of promoting high performing subsidiary local managerial talents to the upper echelons of management team, as it can enhance MNC performance significantly (Mellahi & Collings, 2010). Indeed, the culturally diverse top management team can, first of all, reinforce country-specific knowledge, which is particularly important in culturally remote host countries (Frynas et al., 2006; Gong, 2003); secondly, legitimize the company in the host country, which is one of the prerequisites for transforming the company into a genuine transnational enterprise (Kostova & Roth, 2002; Sambharya, 1996); thirdly, effectively motivate and retain local managerial talent in subsidiaries, which are rare and valuable competitive resources for multinationals (Bouquet & Birkinshaw, 2007). It is therefore highly important for MNCs to put in place effective measures to integrate high-performing local managers into the management team, in order to best meet the three major challenges facing multinationals: global integration, local responsiveness and organizational learning.

A review of existing research reveals that management localization as a research topic has either been neglected or studied as the flip side of expatriation. There is a lack of empirical studies devoted entirely to the topic (Banai & Harry 2004; Chan, et al., 2016; Hailey & Harry, 2008; Sparrow et al. 2004; Wang, 2007). In addition, the study of the development of local managers to enable them to qualify for key high-level positions is even rarer, as there is a kind of assumption that these positions can hardly be localized (Chan, et al., 2016; Gamble 2000; Song, 2015; Lam et al., 2004).

To fill the gap, this research focuses on how MNCs can develop subsidiary local managerial talents into valuable, rare, hard-to-imitate and non-substitutable resources, so that they can best fulfill the triple tasks of global integration, local responsiveness and organizational learning, required to fill key senior management positions. More specifically, it seeks to find out,

- whether local managers currently hold key management positions;
- if so, what are the profiles of these people that make companies to entrust them with these important posts;
- if not, what qualities locals lack that prevent them from being appointed to key positions;
- what measures could be put in place to turn them into qualified senior managers.

Given the paucity of existing research on the subject, and in order to gain an intimate understanding of the topic, this empirical study uses the qualitative research method by conducting in-depth semidirected interviews with 32 senior executives working in French companies operating in four Asian countries: China, Japan, India and South Korea. The interviews lasted an average of one and a half hours. Three languages were used for the interviews: French, English or Chinese, depending on which languages the interviewees were comfortable with. The interviews were conducted either face-to-face or online, depending on the geographical constraints and preferences of the interviewees.

This research focuses on companies of the same nationality: French. Indeed, previous studies indicate that the nationality and origin of the company have a significant influence on the strategies of multinationals and the implementation of managerial practices (Kopp, 1994; Pudelko & Harzing, 2007; Tung, 1982; Van & Marsman, 2008). Due to differences in national culture, administrative heritage, tradition and mentality, companies of different nationalities do not always share the same philosophy and management system in the management of their international operations (Goshal & Bartlett, 1998). The choice of companies of the same nationality allows the researcher to exclude factors of cultural influence and to focus essentially on the strategic and managerial aspects.

Four Asian countries were selected for the study: China, Japan, India and South Korea. Three factors contributed to the choice of these countries: firstly, given the significant differences between Western and Asian countries, the challenges of global integration, local responsiveness and organizational learning faced by multinationals are even greater for French companies in Asia; secondly, these are the most important economic powers in Asia; thirdly, French companies are mainly concentrated in these four Asian countries.

The results of the research revealed that in all the companies studied, few local managers currently occupy key management positions. Until now, these positions have mainly been filled by expatriates sent by head office. On the other hand, most of the managers surveyed consider it extremely important and necessary to localize management positions, as this is crucial for the career development of local management talent and for better integration of local operations into the company's global operations.

In line with existing research, the main weaknesses of local managers that prevent them from being promoted to key positions identified by this study are their lack of global vision and insufficient communication skills. These two aspects are essential to facilitating global coordination and knowledge transfer between subsidiaries and head office. In addition, a lack of trust is also an obstacle for local managers, as they are unfamiliar with the key decision-makers at head office and the general managers of other operations abroad.

The research results also revealed that the measure that can improve the qualifications of local talent is *Glopatriation*. The term '*glopatriation*', coined by the author between 'global' and 'expatriation', refers to the transfer of local managers from foreign subsidiaries of multinational companies to their headquarters and/or other foreign subsidiaries for a certain period of time.

During their stay, *glopatriates* will have the time and opportunity to express themselves and demonstrate their skills. Frequent contact and socialization with senior managers at head office and/or in other operations helps locals to be known and gain the confidence of senior management, which is essential for being appointed to key management positions in subsidiaries.

At the same time, *glopatriates* can significantly improve their communication skills in terms of language, English and a second foreign language, and above all the appropriate modes of communication. The internal network built up during their stay helps gain support for their proposals, as they know which door to knock on to get support and to solve problems.

International experience gained at head office and in other foreign operations can broaden *glopatriates*' vision and give them a better understanding of the company's global strategy, which in turn can improve their coordination skills and enable them to better integrate the local operation into the company's overall strategy.

Glopatriation also contributes to organizational learning in two directions: from subsidiaries to headquarters and vice versa. During their stay, *glopatrates* bring with them valuable knowledge gained in local operations and integrate local perspective into the company's global perspective. The presence of intricate knowledge on foreign markets at the headquarters is especially beneficial for MNCs (Tan & Mahoney, 2006; Van & Marsman, 2008). After their stay abroad, the locals will bring back to their home subsidiary the knowledge they have acquired during *glopatriation* in terms of organizational culture, management practices and communication styles.

With international exposure, local managers can be expected to improve significantly their transnational capabilities, which translate into a broader international vision, better communication skills and greater ease of knowledge transfer. These newly acquired skills, combined with their specific advantage in local responsiveness, will ultimately transform them into valuable competitive resources. This experience can also increase their loyalty to the company, as the skills and knowledge acquired through *glopatriation* are company-specific and difficult to use in another company such as the trust gained with top management, the internal network and knowledge of the company culture.

In short, *glopatriation* can be an effective practice of significantly raising the profile of local managers, enabling them to acquire transnational capabilities that can best meet the triple requirements of global integration, local responsiveness and organizational learning, making them ready for key management positions in subsidiaries.

However, despite all the recognized benefits of *glopatriation*, few companies have implemented a welldesigned program that facilitates the systematic transfer of managerial talent across different operations. The main obstacles identified are as follows,

- the difficulty for subsidiaries to strike a balance between the immediate needs of local managers in their current positions and the medium-term career development needs of local managers.

- local mobility constraints. Not all local managers are willing to work for long periods outside their home country due to family problems and the absence of clear prospects for their positions after *glopatriation*.

- lack of sufficient support from headquarters for concrete measures and financial means to systematize the *glopatriation* program.

This research contributes to the existing literature in the field of international human resource management in terms of key senior management localization and the career development of highpotential local talent in MNCs' overseas subsidiaries. It also provides practical advice to HR practitioners in their management of high- potential local managerial talents.

References

Banai, M., & Harry, W. (2004). Boundaryless global careers: The international itinerants. *International Studies of Management & Organization*, 34(3), 96-120.

Bose, I., & Dey, S. (2018). Is localization a strategic response to workforce globalization: Some Reflections? *Pacific Business Review International*, 11(3).

Bouquet, C. & Birkinshaw, J. (2007).Weight versus voice: How foreign subsidiaries gain attention from corporate headquarters. *Academy of Management Journal, 51*: 557 601

Brock, D. M., & Hydle, K. M. (2018). Transnationality–sharpening the integration-responsiveness vision in global professional firms. *European Management Journal*, 36(1), 117-124.

Chan, D., Ye, T., & Xu, H. (2016). Localization of senior managers of international luxury hotels in China:

The current situation and influencing factors. *Journal of China Tourism Research*, 12(1), 126-143.

Chung, C., & Sparrow, P. (2024). Exploring the configuration of international HRM strategies for global integration and local responsiveness in MNEs. *The International Journal of Human Resource Management*, *35*(11), 1943-1969.

Colakoglu, S., Tarique, I., & Caligiuri, P. (2009). Towards a conceptual framework for the relationship between subsidiary staffing strategy and subsidiary performance. *The International Journal of Human Resource Management*, 20(6), 1291-1308.

Collings, D. G., Morley, M. J., & Gunnigle, P. (2008). Composing the top management team in the international subsidiary: Qualitative evidence on international staffing in US MNCs in the Republic of Ireland. *Journal of world business*, *43*(2), 197-212.

Edström, A., & Galbraith, J. R. (1977). Transfer of managers as a coordination and control strategy in multinational organizations. *Administrative science quarterly*, 248-263.

Farndale, E., Scullion, H., & Sparrow, P. (2010). The role of the corporate HR function in global talent management. *Journal of World Business*, 45(2), 161-168.

Frynas, G., Mellahi, K., & Pigman, A. G. (2006). First mover advantage and multinationals firm-specific political resources. *Strategic Management Journal, 27*: 321 345.

Gamble, J. (2000). Localizing management in foreign-invested enterprises in China: practical, cultural, and strategic perspectives. *International Journal of Human Resource Management*, 11(5), 883-903.

Gong, Y. (2003).Subsidiary staffing in multinational enterprises: Agency, resources and performance. *Academy of Management Journal*, 45: 728–739.

Gong, Y. (2006). The impact of subsidiary top management team national diversity on subsidiary performance: Knowledge and legitimacy perspectives. *Management International Review*, *46*, 771-790.

Hailey, J., & Harry, W. (2008). Localization: A strategic response to globalization. In *International Human Resource Management* (pp. 19-38). Routledge.

Harzing, A. W. (2001). Of bears, bumble-bees, and spiders: The role of expatriates in controlling foreign subsidiaries. *Journal of World Business*, 36(4), 366-379.

Harzing, A. W., Pudelko, M., & Sebastian Reiche, B. (2016). The bridging role of expatriates and inpatriates in knowledge transfer in multinational corporations. *Human Resource Management*, 55(4), 679-695.

Hocking, J. B., Brown, M., & Harzing, A. W. (2007). Balancing global and local strategic contexts:

Expatriate knowledge transfer, applications, and learning within a transnational organization.

Human Resource Management: Published in Cooperation with the School of Business

Administration, The University of Michigan and in alliance with the Society of Human Resources

Management, 46(4), 513533.

Hyun, H. J., Oh, C. H., & Paik, Y. (2015). Impact of nationality composition in foreign subsidiary on its performance: A case of Korean companies. *The International Journal of Human Resource Management*, *26*(6), 806-830.

Jaussaud, J., & Schaaper, J. (2006). Entre efficience, réactivité et apprentissage organisationnel: une étude qualitative sur le cas des filiales françaises en Chine. *Management international*, 11(1), 1-13.

Keeley, T. D. (2001). International Human Resource Management. In *International Human Resource Management in Japanese Firms: Their Greatest Challenge* (pp. 98-140). London: Palgrave Macmillan UK.

Kopp, R. (1994). International human resource policies and practices in Japanese, European and United States multinationals. *Human Resource Management*, 33, 581-599.

Kostova, T., & Roth, K. (2002). Adoption of an organizational practice by subsidiaries of multinational corporations: Institutional and relational effects. *Academy of Management Journal*, 45: 215–233.

Kühlmann, T., & Hutchings, K. (2010). Expatriate assignments vs localization of management in China: Staffing choices of Australian and German companies. *Career Development International*, 15(1), 20-38.

Lakshman, S., & Jiang, C. (2016). Nationality choices regarding executives in subsidiaries: evidence from French multinationals in Asia. *Asia Pacific Journal of Human Resources*, 54(4), 498-517.

Lam, S. S., & Yeung, J. C. (2010). Staff localization and environmental uncertainty on firm performance in China. *Asia Pacific Journal of Management*, 27, 677-695.

Lam, S. S., Yim, B. C. K., & Schaubroeck, J. O. H. N. (2004). Effects of staff localization on firm performance in China. *International Association of Chinese Management Research*.

Li, S., & Scullion, H. (2010). Developing the local competence of expatriate managers for emerging markets: A knowledge-based approach. *Journal of World Business*, 45(2), 190-196.

Mäkelä, K., Björkman, I., & Ehrnrooth, M. (2009). MNC subsidiary staffing architecture: building human and social capital within the organisation. *The International Journal of Human Resource Management*, 20(6), 1273-1290.

Mellahi, K., & Collings, D. G. (2010). The barriers to effective global talent management: The example of corporate élites in MNEs. *Journal of World Business*, 45(2), 143-149.

Petison, P., & Johri, L. (2008). Managing local employees: expatriate roles in a subsidiary. *Management Decision*, 46(5), 743-760.

Pudelko, M., & Harzing, A. W. (2007). Country‐of‐origin, localization, or dominance effect? An empirical investigation of HRM practices in foreign subsidiaries. *Human Resource Management: Published in Cooperation with the School of Business Administration, The University of Michigan and in alliance with the Society of Human Resources Management*, 46(4), 535-559.

Riusala, K., & Suutari, V. (2004). International knowledge transfers through expatriates. *Thunderbird International Business Review*, *46*(6), 743-770.

Rosenzweig, P. M. (2006). The dual logics behind international human resource management: pressures for global integration and local responsiveness. In *Handbook of research in international human resource management*. Edward Elgar Publishing.

Sambharya, R. B. (1996). Foreign experience of top management teams and international diversification strategies of US multinational corporations. *Strategic Management Journal*, 17(9), 739746.

Schaaper, J., Amann, B., Jaussaud, J., Nakamura, H., & Mizoguchi, S. (2013). Human resource management in Asian subsidiaries: comparison of French and Japanese MNCs. *The International Journal of Human Resource Management*, *24*(7), 1454-1470.

Situmorang, R., & Japutra, A. (2019). Foreign versus local managers: finding the perfect leaders for multinational hotel subsidiaries. *International Journal of Hospitality Management*, 78, 68-77.

Song, L. (2015). The transfer of expats' managerial positions to Chinese executives. *Management International*, Vol 19, No. Spécial, pp. 184-198.

Sparrow, P., Brewster, C., & Chung, C. (2016). Globalizing human resource management. Routledge.

Tan, D., & Mahoney, J. T. (2006). Why a multinational firm chooses expatriates: Integrating resourcebased, agency and transaction costs perspectives. *Journal of Management Studies*, 43(3), 457-484.

Tenzer, H., Schulz, M., Klier, H., & Schwens, C. (2020). Sending expats or hiring locals? The impact of communication barriers on foreign subsidiary CEO staffing. *European Journal of International Management*, 14(5), 891-923.

Tung, R. L. (1979, August). US Multinationals: A Study of Their Selection and Training Procedures for Overseas Assignments. In *Academy of Management Proceedings* (Vol. 1979, No. 1, pp. 298-301).
Briarcliff Manor, NY 10510: Academy of Management.

Tung, R.L. (1982): Selection and Training Procedures of U.S., European, and Japanese Multinationals, *California Management Review*, vol. 25 no. 1 (Fall), pp. 57-71.

Van Veen, K., & Marsman, I. (2008). How international are executive boards of European MNCs? Nationality diversity in 15 European countries. *European Management Journal*, *26*(3), 188-198.

Williams, C., Colovic, A., & Zhu, J. (2017). Integration-responsiveness, local hires and subsidiary performance amidst turbulence: Insights from a survey of Chinese subsidiaries. *Journal of World Business*, *52*(6), 842-853.

Wang, C. H. (2007). Talent localization of multinational companies. Beijing: China Machine Press.

Global Conference Alliance Inc.

★★★★★

Please Take a minute & Review Us on Google

www.globalconference.ca
contact@globalconference.ca

Contact
+1 236 477 8411 (Customer Service)
+1 672-971-2088 (Hotline & WhatsApp)
Mon to Fri (10 am – 6 pm PST)