

Talent Management in an Age of Digital Disruption

Implications for Skills Policy

Phillip Brown, Cardiff University
Sahara Sadik, Institute for Adult Learning
Hugh Lauder, University of Bath
Manuel Souto-Otero, Cardiff University
Johnny Sung, Institute for Adult Learning
Simon Freebody, Institute for Adult Learning

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Address

11 Eunos Road 8
#07-04 Lifelong
Learning Institute
Singapore 408601
research@ial.edu.sg

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Executive Summary

Singapore is seen as having one of the most sophisticated skill formation systems in the world, and consistently tops global education league tables. However, recent research suggests that Singaporeans are failing to demonstrate the behavioural competencies used to benchmark top corporate talent. Given that the country's industrial policy is based on anchoring global jobs in the city-state, and the aspiration of the SkillsFuture movement of individual skills mastery, it is imperative that Singapore's skills policy facilitates the development of top corporate talent.

This study was commissioned by the Institute for Adult Learning to gain a better understanding of how leading companies define and manage corporate talent in a context of rapid technological change. Based on interviews with 146 senior corporate executives and high potential talent in 21 leading transnational corporations (TNCs) and nine local enterprises and start-ups in Singapore, China and India, the study found that Singapore's skills policy has overlooked a vital issue, namely the role of *talent markets* (i.e. how firms configure their demand for talent, and how this demand interacts with national skill formation systems). The following are the main findings:

The 'War for Talent' model dominates Singapore's corporate landscape and creates its own scarcity. Rather than simply viewing talent as a set of individual attributes to be nurtured through education and training, talent can be understood as the product of corporate talent management that can be organised differently in different contexts. The current dominant model in Singapore's corporate landscape is characterised by a 'War for Talent' mindset. Companies deliberately keep their talent pool small at typically 10–20 percent of the workforce. Those defined above the talent radar command the lion's share of resources in terms of compensation, benefits and developmental opportunities. Based on perceived potential, as much as individual performance, this talent management model creates its own scarcity.

Recruitment into this narrow talent pool is typically through elite university recruitment and hiring from leading competitors. Unlike in China and India, where the national skill formation systems signal a narrow base of elite universities that companies could target easily, Singapore's university system is far less stratified and thus incongruent with the 'War for Talent' model. As a result, local university graduates are not favourably positioned as talent in corporate recruitment. With a global plug-and-play business environment in Singapore, where local knowledge has less of a premium, companies often opt to bring in their sponsored elite from elsewhere to occupy senior jobs in Singapore. This implies segmentation in terms of how firms demand local versus foreign talent in Singapore's labour market.

The 'War for Talent' model is under significant pressure in the context of rapid change. The study also found that the 'War for Talent' model assumes that companies can predict individuals who will have the appropriate potential, knowledge, and skills to take the business forward. This narrow pool of talent enjoys significant investment on joining the company, but this model is being challenged in a context of rapid change, where enterprises are finding it increasingly difficult to plan their skill needs beyond the short-term. Consequently, there is evidence that leading TNCs are experimenting with alternative ways of managing their talent pipeline, but the fundamental assumptions of the stratification of their workforce remain. There is also evidence of experimentation with human resources (HR) analytics in some companies, which has led to surprising findings that cast doubt on the perceived higher marginal productivity of those identified as talent.

The 'War for Talent' model does not capitalise on the full potential of its workforce. The study additionally found that despite the significant resources invested in high potential talent and the developmental opportunities they are given, the 'War for Talent' model does not enable self-actualisation, even among those in this privileged group who feel they are in an intense struggle to position themselves and conform, rather than drive actual change. In all, companies are not getting the best of the workforce in a sustainable way, with implications for retention and the exercise of discretionary effort. In addition, the likely consequence of a firm's deployment of digital technologies in the context of a narrow talent model is that of labour reduction, as well as the deskilling of higher-level skills through automation for those below the talent radar.

This study thus concludes that the alleged Singaporean talent deficit at higher skill levels relates to the institutional structuring of opportunity for Singaporeans in a corporate landscape characterised by 'War for Talent' practices, rather than any actual talent deficit. A 'War for Talent' corporate landscape seriously undermines the high levels of societal investment in education in Singapore, and the aspirations of the SkillsFuture movement to support Singaporeans in their journey towards skill mastery, regardless of their starting points. The alternative to a 'War for Talent' organisation is a 'Wealth of Talent' organisation that creates jobs with high levels of discretionary effort for a broader proportion of its workforce, along with demands for corporate performance rather than conformance.

The core recommendations from this study for the SkillsFuture movement are as follows:

Shift Singapore's corporate landscape towards 'Wealth of Talent' practices. The SkillsFuture movement has to encourage and incentivise organisational shifts from a 'War for Talent' model to a 'Wealth of Talent' model. That the latter is under significant pressure in the context of rapid change potentially opens up new ways for Singapore's skills and industrial policies to support the reconfiguration of talent. In particular, the character of industrial policy has to shift to work in tandem with skills policy to prioritise companies that are already operating or are willing to operate with a wider view of talent ('Wealth of Talent'), independent of their market power. In parallel, Singapore's foreign worker policy needs to be adjusted significantly, as this study has clearly shown that foreign talent do not merely augment the local workforce but directly shape perceptions of skill shortages. Considerations of firms' stratification of labour also have to be incorporated into Singapore's Industry Transformation Maps to ensure that the deployment of digital technologies takes place in ways that are skills-enhancing for a broader proportion of the industry workforce.

Move from TNC-focused skills development to broad-based capacity building. The SkillsFuture movement has to take bolder steps towards broad-based capacity building ahead of time. TNCs are struggling to define their skill requirements beyond the short-term, making the tight integration between a firm's needs and skills development programmes, which has shaped much of Singapore's skills formation strategies in the last fifty years, no longer tenable. Singapore's skills policy thus has to develop more sophisticated forecasting models that deliberately go beyond immediate enterprise needs. Building and sustaining capabilities also requires working with a wider base of organisations such as local enterprises, universities, centres of excellence, and other not-for-profit organisations to nurture capabilities in non-traditional ways. It also entails social dialogue with firms, trade unions and related stakeholders, whereby the existing workforce are supported to develop skills and capabilities currently not demanded in their day-to-day work. Industrial policy has to complement skills policy to enable the deployment of these capabilities.

Incorporate labour market positioning in SkillsFuture programmes. SkillsFuture programmes need to incorporate considerations of how labour markets are constructed to sufficiently enable individuals to take greater control of their employability. Currently, a significant proportion of SkillsFuture programmes involve the curation of quality courses or training opportunities based largely on technical skills, in a criteria-referenced model that assumes skills alone will enable individual workers to build their expertise and be demanded in the labour market. The hiring practices

of companies demonstrate that workers will need more support in constructing their employability, including aspects related to market positioning, targeted mentoring, networking, labour market information systems and other interventions rooted in their positioning in the labour market.

In all, the research findings show that the 'War for Talent' corporate landscape in Singapore seriously undermines the potential success of the SkillsFuture movement. The positive relationship undergirding Singapore's industrial policy, job creation and local employment, which has been the hallmark of the country's post-independence economic success, is at risk if talent management involves artificially limiting access to high-end jobs in ways that disadvantage Singaporeans. The way forward is for skills policy to twin with industrial policy to incentivise expanding opportunities in companies, while shifting the character of supply to an approach that also tackles the positioning of Singaporean workers in local and global labour markets while building capabilities ahead of time.

1. Introduction

1.1 Singapore's talent deficit

A commissioned study by the Institute for Adult Learning (IAL) of skill webs embedded in the global value chains of leading transnational companies (TNCs) found that senior managers and executives in TNCs viewed Singapore as a global talent hub, but expressed concerns that Singaporeans were failing to adequately demonstrate the behavioural competencies that are used to benchmark top corporate talent (Brown and Lauder, 2014; Brown, Lauder and Sung, 2017). This is despite Singapore being widely recognised as having one of the most sophisticated skills formation systems in the world, and consistently ranked at the top of major education league tables.¹

This follow-up study seeks to examine corporate talent management practices in leading TNCs to shed light on the alleged Singaporean talent deficit. In particular, it aims to gain a better understanding of talent and talent management – along with its relationship to skills – in four key industry sectors of the Singapore economy, namely banking and finance, infocomm, professional services, and pharmaceuticals and biotech. All four industry sectors are widely seen as trailblazing in their adoption of digital technologies, and therefore this study also seeks to understand how TNCs in these industry sectors are responding to digital disruption and the likely impact their digital strategy would have on talent management practices.

There are significant policy implications on the study of talent and talent management for Singapore's skills policy in the context of SkillsFuture. First, Singapore is increasingly hosting global jobs, with a greater concentration of its economic activities in regional head office functions, research, and advanced manufacturing. Both established TNCs like GSK, and new entrants like Google and Twitter, have set up Asian headquarters in Singapore. New Asian TNCs also see Singapore as a gateway for global expansion. The ability of Singapore's skills policy to nurture a pipeline of top indigenous corporate talent is absolutely critical in ensuring that local workers have access to quality jobs generated by the country's industrial policy. The strong coupling among industrial policy, job creation and local employment that has been the hallmark of Singapore's economic success may erode if skills policy cannot support the development of a pipeline of top indigenous corporate talent. For instance, the projection by the Economic Development Board (EDB) of the creation of 2,000 digital economy jobs in Singapore over the next four years, carried with it a cautionary note that more efforts were required to ensure that Singaporeans have the skills to take up these jobs (*The Straits Times*, 27 July 2017). A 2017 study by talent outsourcing firm KellyOCG, likewise found that C-suite leaders in Singapore had an acute awareness of talent shortage, relative to the rest of the Asia-Pacific region (Hamilton, 2017). It is clear that Singapore's success in its next phase of development rests significantly on ensuring that the quality jobs created are accessible to Singaporean workers.

Second, SkillsFuture aims to provide Singaporeans with greater control over their skills and career development, marking a significant shift from the top-down approach of past skills policies, where educational planning and vocational training were tightly integrated to prepare workers for jobs. Built on a vision of skills mastery for longer-term employability, the empowerment of individuals should genuinely enable them to develop the expertise to be the

¹ Singapore students were ranked top in collaborative problem-solving by the Organisation for Economic Co-operation and Development (OECD) under its Programme for International Student Assessment (PISA). In 2016, OECD likewise ranked Singapore students top in reading, mathematics and science. The Times Higher Education World University Rankings has ranked the National University of Singapore as Asia's top university since 2015.

top of their fields, and be demanded in the labour market. The success of SkillsFuture, therefore, hinges on the ability of Singapore’s skills policy to nurture a cadre of top-notch talent. There is thus an urgent need to develop a deeper understanding of how talent is being defined, managed or measured, or what distinguishes talented employees from the rest of the workforce in local and global talent markets.

1.2 Methodology and sampling frame

The methodology employed is a comparative analysis of the talent management models of leading TNCs operating in Singapore, China and India in four sectors: banking and finance, infocomm, professional services, and pharmaceuticals and biotech. To provide contrasting perspectives, a handful of local enterprises and start-ups in all three locations in the four sectors were included in the sample.

Interviews were conducted first with senior corporate executives (CEOs, regional heads, and directors) in Singapore. These interviews were based on “conversations with a purpose” (Burgess, 1988; p. 102), to uncover strategic developments in the sectors being studied, including the actual and potential game changers. The senior leaders were then requested to nominate high potential talent for the research team to conduct interviews on the latter’s career journeys. These individual narratives allowed for the corroboration of the perspectives gathered from corporate leaders to appreciate the extent to which corporate, as well as national talent management approaches, are played out at the individual level.

Half of the TNCs from the Singapore sample were then selected for further study in China and India using the same interview schedules. Policy reviews were also undertaken in each of the three countries to understand national approaches to talent management.

In total, eighty-two senior corporate executives and sixty-four high potential talent were interviewed in thirty organisations across Singapore, China and India. Of these organisations, twenty-one were TNCs with eleven of them interviewed across all three locations that yielded highly insightful evidence of different talent management approaches of the same TNC across the three countries. The remaining nine organisations were local enterprises/start-ups who were interviewed to provide contrasting perspectives.

Table 1 provides a summary of the interviews conducted by country. Table 2 provides a summary of the interviews conducted by sector.

Table 1: Summary of interviews conducted by country

	Singapore	China	India
TNCs	20	12	12
Local enterprises/start-ups	6	2	1
Senior corporate executives (TNCs)	34	20	18
High potential talent (TNCs)	30	12	9

	Singapore	China	India
Senior corporate executives (Local enterprises/start-ups)	7	2	1
High potential talent (Local enterprises/start-ups)	10	3	0

Table 2: Summary of interviews conducted by sector

	Banking & Finance	Infocomm	Professional Services	Biotech & Pharma
TNCs	5	7	6	3
Local enterprises/start-ups	2	2	1	4
Senior corporate executives (TNCs)	18	22	17	15
High potential talent (TNCs)	12	13	14	12
Senior corporate executives (Local enterprises/start-ups)	2	2	1	5
High potential talent (Local enterprises/start-ups)	2	3	2	6

1.3 Business Performance and Skills Study

IAL recently carried out a nationally representative study, the Business Performance and Skills Study (BPSS), to investigate the demand side of the skills market in Singapore by surveying more than 3,000 commercial establishments on their business strategies, business performance, skills utilisation and talent management practices. The data related to talent management practices in the BPSS study is also analysed in relation to the qualitative findings from the project.

1.4 Structure of report

Chapter 2 reviews existing approaches to understanding talent and introduces an alternative conceptual framework to the study of corporate talent. Chapter 3 identifies the dominant corporate talent model in Singapore, and highlight the key finding that this model is being undermined by ongoing digital disruption. Chapter 4 details how talent management practices vary across Singapore, China and India, challenging the rhetoric that TNCs operate on a universal talent model, and highlighting the contextual factors around the alleged Singaporean talent deficit. Chapter 5 discusses the key findings in relation to BPSS data. Chapter 6 discusses the implications of the study's findings to Singapore's skills policy.

2. Theoretical Frameworks

2.1 Dominant framework: Talent management as the study of individual talent

Dries (2013) identifies six theoretical perspectives: talent as capital; talent as individual difference; talent as giftedness; talent as identity; talent as strength; and talent as impression management. All of these refer to the attributes and skills of individuals, which continue to frame much of management and policy discussions on talent and talent management. The primary focus is on supply-side issues of individual employability, and the reform of education and training to match the changing requirements of employers.

Indeed, in virtually all the TNC corporate interviews across the three locations, talent is defined in terms of individual attributes, competence or giftedness. It relates to individual qualities and abilities, which some of those interviewed explicitly linked to genetic endowment, demonstrated or imputed to individuals in the performance of specific activities or roles. Here performance is not potential. It is through the “act of performance” that potential is revealed to senior management. There is also reference to “raw talent” that has been successfully nurtured through the education system and multiple references to targeting elite or top-rated universities as a way of reducing the inherent risks in occupational selection, as these are viewed as the people who have proved themselves to be the best, if not the best of the best.

However, high academic grades, good technical skills, or consistently high performance, are not the sole criterion of talent. Companies use an inventory of traits, characteristics or competences in an attempt to articulate the essence of organizational talent. The Korn/Ferry’s *Learning Agility Framework* (De Meuse et al., 2009), for instance, was referred to by several of the TNCs that were interviewed to identify high potential talent.

The emphasis on individual attributes is consistent with the idea that talent is an empirical reality; it is ‘out there’ reflected in individual differences, if only we can find better ways of nurturing and identifying it. This focus is also mirrored in national policy responses, as various employer surveys are used to gain a better understanding of the needs of industry, or what the signifiers of corporate talent are. Achieving a more accurate or nuanced picture of employer requirements is then used to tailor education, training and career development programmes to meet employer requirements.

A key problem is that this talent contest, or skills competition approach, ignores the fact that talent management is a relatively recent innovation in corporate human resources (HR). Consultants at McKinsey (Michaels et. al., 2001) have perhaps done the most to promulgate the ‘War for Talent’ that they regard as a strategic business challenge and a driver of corporate performance. They argue that business success increasingly depends on the contributions of 10–20 percent of the workforce, as it is top talent (including high potential talent) that is believed to add much of the value to the organisation. This view fundamentally challenges the idea that individual marginal productivity is based on investment in education and training, given that the model presupposes that particular employees may perform at a much higher level than others of the same academic standing. The limited supply of top talent justifies income differentials as productivity comes to depend on a limited pool of exceptional talent.

Becker et al. (2009) takes the stratification of the workforce further, to include the differentiation of jobs in an organisation. In this model, companies distinguish between “A” jobs (strategic), “B” jobs (support), and “C” jobs (surplus) based on their business strategy. Talented employees are spotted and groomed into A jobs. This disproportionate investment in certain employees to fulfil particular strategic roles is justified in relation to the organisation’s strategy, moving the focus beyond just people.

The differentiation of the workforce raises fundamental questions about the relationship among individual skills, productivity, and corporate opportunity. Both the approaches proposed by McKinsey et al. (2001) and Becker et al. (2009) in fact draw attention to a forced differentiation of the workforce as the models cannot accommodate the plentiful supply of such individuals.

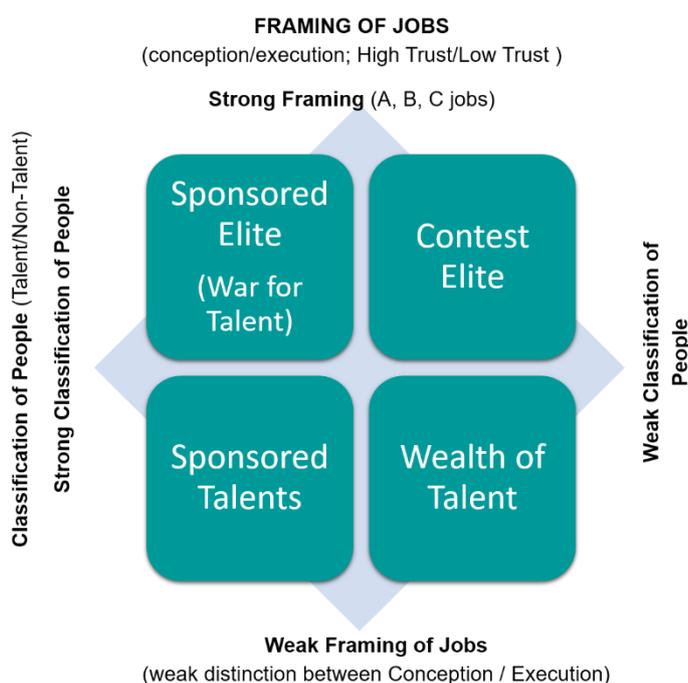
2.2 **Alternative theoretical framework: Talent as the product of corporate talent management**

An alternative paradigm is not to restrict our focus on individual talent (along with talent gaps or deficits), but to see **corporate talent as the product of talent management**, which can be organised in different ways. In contrast to the 'War for Talent', companies could adopt a 'Wealth of Talent' approach, which values the contribution and skills development of the whole workforce. The idea of a corporate talent market, therefore, includes both the character of supply and the institutional structuring of demand: how companies organise the people who work for them, both nationally and globally. This obviously depends on what needs to be done, which typically involves organising the workforce to do different things where some people need to be more or less skilled or knowledgeable than others. Although people doing the same job may be paid the same as in systems of mass production, in more skilled forms of work it is often viewed that some people are better or more efficient at their jobs than others. The best are typically the people companies want to retain and ways are found to maintain their loyalty to the company, for example, by offering career advancement and/or a higher salary. How these issues are addressed shape the way companies organise themselves to distribute training and career opportunities, along with the distribution of the profits created by the workforce.

Corporate talent markets are thus not spontaneous distributions based on differences in investment in human capital or in organisational performance. In many of the companies we interviewed, talent management is characterised by forced distributions, justified in the language of a "limited special breed" or "war for talent", that draws on the technologies of incessant measurement, comparison, ranking, potential, reputation, and market value. This distinction between a spontaneous and forced division of labour draws on Emile Durkheim's 1893 classic study *The Division of Labour*.

Figure 1 presents a framework for mapping corporate talent management. It is based on a distinction between the classification of people and the framing of jobs. The concept of classification is employed to refer to the way it is used by employers in hiring and talent management. To what extent do companies have a narrow or wide conception of 'high potentials' or 'talented performers'? Basil Bernstein (1971) suggested that it is not what is classified but boundary strength, such as the strict classification of high potentials or executive talented' as distinct from other categories of employees. A strong classification indicates a narrow view of talent restricted to an elite of employees, categorised and treated very differently from other employees ('War for Talent'). A weak classification of people indicates an extended view of all the talents where there is far less boundary maintenance between categories of employees ('Wealth of Talent').

Figure 1: Framework to understand corporate talent management (ideal types)



The vertical dimension relates to the framing of jobs in terms of control over content, organisation and sequencing of work tasks. It relates to the framing of *conception* and *execution*, which determines how people do their jobs and the value attached to specific roles. Therefore, evidence of strong framing of job roles is where companies adopt a centralised model of organisation control where “permission to think” is restricted to people occupying strategically important positions in the organisation. Weak framing is where permission to think is extended through the organisation, where jobs are not framed in terms of the distinction between conception and execution.

Framing is closely related to the question of high or low workplace discretion and the related idea of high and low trust organisations. Here, the ‘War for Talent’ is a low trust organisation because it does not trust the abilities of a large proportion of the workforce given the early identification and sponsoring of a narrow pool of talent to take on selected strategic job roles. Although the rest of the workforce may be valued within the organisation, they are not seen to be people that truly add value to the organisation or are capable of taking the business forward. Organisations that fall under the heading of ‘Contest Elite’ have a more generous view of the abilities of its workforce, eschewing early identification and sponsoring of talent. However, it similarly considers only a small group of individuals to be capable of taking the business forward through the strong framing of job roles.

Those categorised as ‘Sponsored Talent’ have jobs that are weakly framed to provide a high level of workplace discretion, but where particular individuals may have preferential treatment creating a low-trust environment. ‘Wealth of Talent’ organisations take a generous view of the abilities of their workforce, offering both a high-trust environment with a limited classification of their workforce, and a high level of workplace discretion with limited stratification of job roles. In the interview data, the sole company demonstrating characteristics of a ‘Wealth of Talent’ organisation does not use the term “talent” at all, referring to its workforce as “its people” and entrusting them with significant job autonomy. As one of its employees highlighted, “it was easier to apologise than to ask for permission”.

2.3 **Corporate talent markets and national contexts**

The focus on corporate talent markets enables us to look at the way these markets are constructed in different national contexts. Are corporate talent markets national or global? Do TNCs manage talent in the same way in different countries and are the same signifiers of talent applied across the three countries? Although our fieldwork was mainly focused on corporate approaches to talent management, the data sheds light on the contrasting role of higher education and company recruitment practices in each country. Significant differences between corporate and national talent markets are also revealed. The remaining chapters explore the construction of talent markets, first within TNCs and then across the different national contexts.

3. Crisis of Talent Management

3.1. 'War for Talent' as the dominant talent management model

By and large, the TNCs that were interviewed operate using the 'War for Talent' model. Almost all TNCs operate with a normative view of talent, where between 5–30 percent of the workforce is considered talented, with organisationally created differentiation. An HR manager in a leading TNC in the banking and finance industry explained:

The performance is run as a normal curve. The talent designation is a little bit along the line of [where] we only expect the 10 to 15 percent to be... And we don't use that high designation right down through the organisation. Some businesses cut it off at the middle level, our vice-president level. *(HR Manager, Banking & Finance, Singapore)*

This talent designation privileges a select few, who receive the lion's share of resources and support in terms of developmental opportunities, or what is termed "sponsored elite". The HR manager went on to explain:

It's like the vital many and the vital few. And we do some things for the vital few which sits now in [the] talent population and they tend to get the lion share of resources, senior leadership time, senior leadership advocacy sponsorship et cetera...our finite resources tend to get more focused on the vital few. *(HR Manager, Banking & Finance, Singapore)*

There is convergence across all the four industry sectors that whatever talent is, it is more than skills, and that it is more than performance; the focus is on potential. A leading TNC in the pharmaceutical sector is not alone in using Korn/Ferry's nine-box grid to categorise workers based on a performance-potential matrix. Its HR director shared:

One of our standard lines is that not all high performers are high potential, but high potentials generally are high performer. In the Korn/Ferry framework, the results show agility...So you have to have performance first, and then we look at potential. *(HR Director, Biotech & Pharmaceutical, Singapore)*

In the banking and finance industry, there is a clear delineation of the workforce based on a combined measure of performance and potential. In one bank, the performance rating explicitly included both a performance and potential component:

So we have a dual rating. So if I am a triple A four, it means I am in the very top echelon, the top sort of 5 percent to 10 percent of our talent...The triple A being your past performance, the four – one, two, three or four – being your potential to do more... So if you are a C one, you are in the bottom sort of 5 percent. If you are a triple A four, you are in the top 5 percent or 7 percent. *(HR Manager, Banking & Finance, Singapore)*

Yet, corporations found it difficult to articulate clearly how they assessed potential. The HR manager in the same bank candidly admitted:

So we have some templates around [potential], and they are not very scientific. And you can never be scientific about future potential, obviously. It is more around managers' assessment based on past performance and ability to do things that are probably the next level up or the next job up...It is not sort of calculated or scientific. It is hard to be. *(HR Manager, Banking & Finance, Singapore)*

Interestingly, there is some recognition that the skills base of the workforce has, in fact, increased substantially, but this has the effect of making employers become more

discriminating of whom they regard as a talent. A medical director in the pharmaceutical industry explained:

The actual pool of talent has grown. Over time, you have more people [with a] medical background [or] scientific background joining the pharmaceutical industry today in Asia. More people coming in helps increase the level to which you can now raise the bar. *(Medical Director, Biotech & Pharmaceutical, Singapore)*

In the 'War for Talent' model, sponsored elites are nurtured in a limited number of ways. A well-established approach is through recruitment from elite universities feeding into management associate or fast-track programmes. A regional director in a professional services company shared:

Anyone we interview is going to [come from] a top-tier university, has a grade point average that is kind of second-upper, around 3.6 or higher, [and] has some remarkable type of extracurricular activities. *(Regional Director, Professional Services, Singapore)*

The strategy of hiring from elite universities is complemented by a 'buy' strategy, where perceived talented individuals are hired from brand-name companies, even though companies are not entirely sure if the investment will bring about the desired performance outcomes. A chief executive in the banking and finance industry was candid in criticising the practice of hiring bankers from competitors with the expectation that they would help the banks get new clients, even though the client's relationship is increasingly with a bank and not the banker. He explained:

The client's relationship is increasingly with the institution. Although the industry knows it, because they don't have much of an alternative, they will still bid higher and higher for those bankers on the expectation that they would come with their clients. And the bankers would be asking for a higher and higher compensation. *(Chief Executive, Banking & Finance, Singapore)*

When his new data mining team started experimenting with running performance data, the results were shocking. He added:

[The bankers were] the least successful at client acquisition. In a way, these are your more expensive people and you are paying them to farm your clients as opposed to go and hunt. You would want them to be best at going and hunting for new clients but over the years they have become lazy. *(Chief Executive, Banking & Finance, Singapore)*

There is, in fact, a genuine attempt to identify viable techniques for predicting which hires will add value and have managerial potential. However, at best, companies still recruit based on promises conveyed in CVs and utterances in job interviews, rather than actual performance. This recruitment model provides individuals identified as talent with considerable market power, which may bear little relationship to individual marginal productivity. This is not to say that those identified as talent are not good at their jobs, however that is measured, but there is little to suppose that they are the only ones who can do them. Rather, the 'War of Talent' model serves to legitimise the disproportionate reward of a small proportion of the workforce in terms of remuneration and developmental opportunities.

3.2. **Crisis in talent management I: digital disruption**

Even on its own terms, a crisis in corporate talent management is evident as companies are finding it difficult to define future requirements as a result of digital disruption and its impact on market competition, business process innovation, and product markets. The sentiments of the

following HR manager in a professional services company were possibly exaggerated, but signal the perceived pace of change in the business environment:

Just two years back I could do a long-term planning for one year and a short-term planning for six months. Today long-term planning is not more than six months; short-term planning is a month because you never know what happens in the next months... Things are getting disrupted so fast, so there is no long-term planning of two years, three years. One year is a very long-term plan. You never know what happens next one year. *(Regional HR Manager, Professional Services, Singapore)*

The perceived rapid pace of change has led to considerable disruption in the way companies describe talent and how best to manage it. The signifiers of behavioural competencies and character are often described in vague and imprecise ways, with terms such as “agility” widely used in our interviews that points to the uncertain conditions companies now find it difficult to plan for. Their concerns seem to be less with technical knowledge or skills, although corporates are struggling to keep pace with the threat posed by new and existing competitors who they see as applying innovative business practices to undermine established approaches. In one bank, the descriptor of talent is so inflated that it appears impossible to identify any such person:

...the talent of the future, because of the big disruptor that technology can bring, must understand, and actually can see, you know, in the crystal ball that this is going to come, and I have to prepare my men, or I have to do something different. *(HR Manager, Banking & Finance, Singapore)*

In the context of rapid change, the ‘War for Talent’ model is being disrupted because the model requires a moderate level of stability due to the enormous investments placed on individuals in the early years of their career. As a hiring manager of a bank in a TNC in India explains:

Banking cycles have only gotten shorter and shorter, and shorter, [and] with that, the skills required to be successful. It used to be derivatives... If I were to play the larger game, now it looks like it's going to be technology... The best banker is going to be a technocrat, and not a person who understands the markets business. Because markets, I needed to trade well, now probably the computer can do it better... I need to understand how to get the technology right on the computer. So I feel like the base of this place changes so... that's one of the struggles in defining a successful [talent] programme. Because you need to have longer-term measures, and there is no long-term in banking. *(HR Manager, Banking & Finance, India)*

The lack of stability means how companies define talent changes far more frequently. A regional HR director in an infocomm TNC highlighted the following:

What we suddenly find is that the people that used to be seen as high performers – great leaders, they no longer are because the market demands them to be completely different. Not every individual is able to make that switch in the timeframe that we have to work with. *(Regional HR director, Infocomm, Singapore)*

There is some indication that high performance is increasingly seen to reside in diverse teams, rather than particular individuals. A Japan-based regional head of HR overseeing the Singapore operations of a TNC in the infocomm sector suggested the following:

Everybody sees the world differently and has a different point of view on the challenges. So, the environment, if it's collaborative enough and you have the right diversity that's sitting around, that's a multicultural [team with] men and women, then

what you're getting, you're getting different points of view that allow sharper decisions to be made. *(Regional HR Manager, Infocomm, Singapore)*

A regional HR director in a TNC in China makes a similar point:

The hierarchical structure will definitely change. No one will be looking at who's the boss. People will be working in more like teams or groups, and really leveraging on each other's expertise or strength. And then it will more be a team effort and not an individual effort. The way I look at it is [that the] possibility of having a single hero...being the hero of the organisation might have gone. [It] is more like how the entire team can collaborate and work together. *(Regional HR Director, Infocomm, China)*

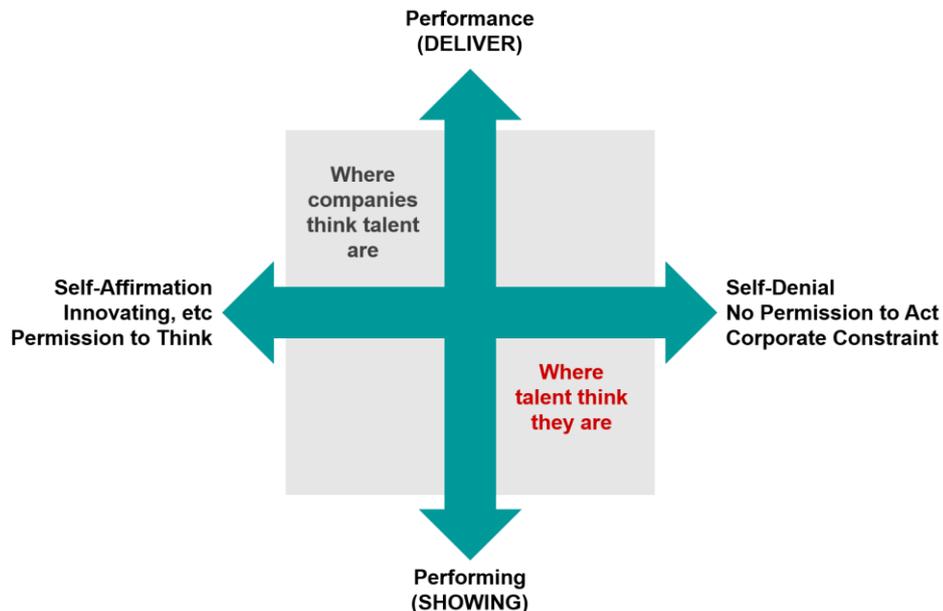
Despite the sense that it was necessary to move towards new ways of working that focus on the team, rather than individual talent, there was little evidence of significant shifts from the 'War for Talent' approach. On the contrary, the ongoing digital disruption has led to greater convergence in recruitment practices across key industries, as they tap from the same pool in the labour market. For instance, banks are now competing for the same pool of engineering talent as infocomm industries. Even the pharmaceutical sector, which has traditionally restricted hiring to fellow competitors, has begun to hire talent from non-pharmaceutical sectors, such as the fast-moving consumer goods (FMCG) industry. Notably, among nine local enterprises and start-ups that were interviewed, with the exception of one firm, the 'War for Talent' model is similarly entrenched through a buy strategy of hiring TNC talent.

At its core, the 'War for Talent' view is a weak model for capability development in times of rapid change, given that it is based on the principle of a scarcity, assuming that companies can make predictions on a small group of talent to respond successfully to the disruptions they encounter at the expense of the broader workforce.

3.3. **Crisis in talent management II: misalignment between corporate talent management and individual talents**

The looming crisis in corporate talent management is made more profound because of evidence of significant misalignment between the purported objectives of corporate talent management, and the experience of those identified as corporate talent. Companies justify the 'War for Talent' model as giving protected space to a small pool of talent to lead the company in new innovative ways while demanding high performance from them. Based on our analysis of the experiences of high potential talent identified by the companies, these individuals see themselves as being embroiled in a complex process of "performing" rather than "performance", where they are in a positional competition, and judged and ranked in relation to others. There is an almost unanimous consensus on the importance of "playing the game" to secure the confidence of senior colleagues, given the latter's role to "decipher" the difference between high performance and high potential. Figure 2 highlights the misalignment between individual talent experiences and corporate expectations.

Figure 2: Misalignment between corporate talent management and individual talents



From experiences articulated by high potentials, corporate talent is not viewed as a list of attributes (hard or soft), but instead depends on how an individual is perceived to perform on the job or in the workplace, which brings into play issues of how the performance is staged where senior staff are looking for clues or evidence of a certain personality, character, disposition, or mindset, that reveals more than functional performance. As one Singapore-based respondent from the pharmaceutical sector says of the oft-cited presentation skills:

Presentation is a form of perception. A lot of time you don't get to perform first. You get to form perception first. *(Career Journey Respondent, Pharmaceutical, Singapore)*

A career journey respondent from the professional services industry expressed similar sentiments:

A person might be good at their job but they are not good at reporting it. So maybe they are really good at doing it but they don't know how to showcase their work...If you don't know how to show to your bosses that you have done something to contribute to the organisation, then you are probably not so talented. *(Career Journey Respondent, Professional Services, Singapore)*

The articulation of the importance of impression management by many career journey respondents is corroborated by the following candid reflection by a regional supply chain director in the pharmaceutical industry:

Unfortunately, a lot of times, talents are identified because the senior management observed certain colleagues in the very short window of time through certain presentations that they are doing. And they decided that hey, this is a talent that we want to pursue. And that is maybe just 5 percent of the time that they saw of the person's entire time with a company. It can be extremely biased. *(Regional Supply Chain Director, Pharmaceutical, Singapore)*

Given that the 'War for Talent' model is typically justified to give high potential candidates space to drive change, this also seems far removed from the experiences of those interviewed. Many career journey narratives indicate that working in TNCs is "more or less executing the

strategies, the instructions”. As one career journey respondent in the banking and finance industry in Singapore explained:

A lot of them, I would say, are just “don’t fight the status quo, toe the line, don’t rock the boat, try your best”. Yes, show that you’re thinking out of the box – and sometimes they do which is good – but by and large, it’s become less entrepreneurial in the way you think of how you want to run the business. *(Career Journey Respondent, Banking & Finance, Singapore)*

This is a sentiment expressed by career journey respondents in India and China as well. A Singaporean working in the finance industry in China shared the following:

If you’re a corporate talent, you may have your own thoughts but then you also need to bear in mind that there is already a sort of a framework there that you have to sort of fit in whilst changing. *(Career Journey Respondent, Banking & Finance, China)*

A career journey respondent from the infocomm sector in India was more specific in suggesting that organisations merely want workers who are able to fulfil key performance indicators (KPI):

I would say in this current situation, the organisation does not need talents. The organisation need people who can fulfil the KPI. [Fulfilling KPI]...it’s not talent. It’s an attitude of a person towards work, commitment. If you are talented, organisations these days do not know how to use your talent. They need you because you can fulfil their task. Even if you’re talented or not, it doesn’t matter. *(Career Journey Respondent, Infocomm, India)*

This self-corporate misalignment does not mean that all career journey respondents were unhappy. Some clearly are, while others were matter-of-fact about their experiences. Unfortunately, the signals for corporate success in the ‘War for Talent’ model may ultimately undermine the skills or technical base that companies need to drive change. A career journey respondent in the pharmaceutical industry in Singapore explained how the model privileges the development of managerial talent at the expense of the technical base needed for product innovation:

For all companies, it is the people who are closest to the product that’s most valuable from the eyes of the customer...[However], currently, the value given to the technical role is far too low in comparison to that given to a managerial role... Technical people who [are] experts, they do not want to continue on the path of becoming an expert. They want to become a manager for [a] very easy reason. The perks are much, much better and the perceived social status is much better as well. *(Career Journey Respondent, Pharmaceutical, Singapore)*

The above comment corroborates the perspectives of a handful of senior corporate executives in our dataset who are beginning to question the alleged higher marginal productivity of sponsored elite. Our evidence, although not without its limitations, suggests that even on its own terms the ‘War for Talent’ is being lost as a consequence of its own internal (organisational) contradictions. What the experiences of our career journey respondents indicate is that rather than a talent strategy that limits the pool of talent based on differentiated job roles, there needs to be higher trust and workplace discretion afforded to a wider proportion of the workforce that provides a stronger base for firms to deal with digital disruption. In other words, a ‘Wealth of Talent’ model is more desirable in the context of digital disruption, contrary to the corporations’ preference to limit the pool of talent that is entrusted to drive change.

3.4. **Modifying performance management systems**

Indeed, in our interviews with senior leaders, there was evidence of discomfort with the talent management system, and a range of reasons was put forth. One was the purported inefficiency of the system. A Singapore-based regional HR manager in the professional services sector noted that its headquarters was leading change to “blow-up performance management”. She highlighted the enormous amount of investment that went into sustaining the complex machinery undergirding the performance management system:

We actually sat down and counted how many hours were spent on the performance management process, something like \$500 million of payroll a year. The worst thing was 75 percent of that time was spent talking about people behind closed doors, sitting in meetings, arguing about the rating, the distribution, who is above the line, below the line, versus actually coaching and talking to someone about their performance, their priorities, help people, getting their feedback so they actually improve their performance. *(Regional HR Director, Professional Services, Singapore)*

For another HR regional head in a pharmaceutical TNC, what required urgent fixing was the timeliness of the talent management system, specifically how to improve “the visibility to where’s the talent in the organisation and when you need them”. A retired regional chairman from the same company similarly highlighted that current arrangements were incompatible with dynamic corporate change as the pipeline of talent pool being built was “too few, too late, too infrequent”.

Another set of enhancements being adopted is the use of HR analytics to make more “scientific” predictions on the selection and development of high potential talent to overcome some of the current uncertainties of identifying talent. This was something that virtually all the firms in our study are now exploring, although some were more advanced in their experimentation with HR analytics than others. This experimentation also includes trying to understand the marginal productivity of high potential talent versus the rest of the workforce, which often leads to surprising findings. In section 3.1, we outlined how a Singapore-based chief executive officer found out that according to data mined by his data analytics team, the company’s top bankers actually performed poorly. In section 4.3, a professional services TNC in China similarly related that its use of data analytics showed that recruits from non-elite universities performed as well as those from top-end universities.

A handful of senior leaders also highlighted the issue of motivation for a large proportion of the workforce not labelled as talent. However, despite the range of issues surfaced and modifications introduced to modify performance management systems, there was no mention at all of the relationship between the narrow conception of talent adopted by these companies, and changes to the structure of rewards and incentive that would indicate companies moving towards a different model of talent management.

3.5. **Digital technologies and the future demand for a talented workforce**

None of the TNCs interviewed indicated that they would increase the number of highly-skilled/talented employees in their ranks. Based on the current narrow talent model, the likely consequence of the use of digital technologies is labour reduction and standardisation or deskilling of higher-level skills through automation. Companies also thought that those remaining would need to move to higher value-added services. When talent is seen as residing in a few people/job roles, it makes it easy for firms to simply consider automation to be the replacement of humans with technology. Important skills are lost, rather than repurposed. It is worthwhile quoting at length an anecdote about the conversations occurring during talent meetings at a bank:

Maybe one day we'll be operated (solely) by robots. Who knows? This is the topic whenever we are in so-called career discussions or development discussions. We always ask the people that question, "Why you? Why do we need you? What exactly are you offering?" And I think this is a topic that actually everybody, every employee should ask themselves. What exactly is the value you're bringing? If you have this value, which is very easy to be replaced, so be it. You either try to invent yourself to have another set of values which is not so easy to be replaced, or then unfortunately this is the path, whether you like it or not. (*HR Manager, Banking & Finance, Singapore*)

3.6. Summary

In summary, the dominant talent management model of TNCs in our dataset is 'War for Talent'. In this model, jobs roles are clearly differentiated as either conception or execution, and workers are separated into two groups – a small group of high potential talent and the rest of the workforce. This model creates its own scarcity, but more importantly is not sustainable, as it demands a high level of stability not possible in the context of digital disruption.

The model also does not enable self-actualisation, even among the privileged group and more so for the rest of the workforce that is not labelled as talent. While there is evidence of a high level of discomfort with the current performance management system and some efforts to modify the system, the fundamental assumptions of the disproportionate reward of a narrow pool of elite remain. In the next chapter, a comparative examination of talent management practices across Singapore, China and India shed light on the purported Singaporean talent deficit.

4. Asia's Ascent & Universal Talent Management

4.1. Universal talent management

This study found that the talent management practices in Singapore, China and India largely take a predominantly Western perspective, although this is slowly changing with the economic rise of Asia. The rhetoric in interviews with TNC senior leaders was that the talent management system in their companies is a universal one, although they noted local adaptations, especially at lower levels of leadership.

However, of the three countries, Singapore is the most Westernised because of the disproportionate representation of foreign TNCs in the economy. Singapore offers a plug-and-play model that makes it attractive for both Western and Asian TNCs to anchor their global roles in Singapore. As a result, a segmented labour market is evident in Singapore, where foreigners are systematically preferred over locals because of how talent markets are constructed. In contrast, China and India have been able to build an indigenous corporate talent pipeline. Particularly in China, TNCs feel compelled to make significant adjustments to their talent management model. We can understand these differences better by studying how corporate talent models interact with national contexts, which also put the spotlight on the role of higher education in each of these countries.

4.2. India's talent market

In India, there is a clear tiering of universities, with the Indian Institutes of Technology (IITs) and the Indian Institutes of Management (IIMs) positioned at the very top of the hierarchy. The sixteen IITs take in only 10,000 undergraduate students each year, while the twenty IIMs take in around 4,000 students each year. Entry into these universities is thus highly competitive. There are very close links between the leading companies and these universities, mainly in the form of sponsorship arrangements aimed at profiling companies to prospective hires. These arrangements tend to include internships and industry projects, rather than direct involvement in teaching and learning. There is intense competition for top talent from the IITs and IIMs. Leading TNCs are tiered in regards to how they can participate in campus recruitment activities, with top-end corporations participating in Day 1 of graduate recruitment, which allow them early access to the very top level of students. The offer these companies make the students is typically a management associate position with premium pay and specialised developmental or "stretch" opportunities, including international postings within the first few years. The next rung of corporations participates in Day 2 and so forth. Competition is so stiff that Day 0 has emerged, whereby the very top-end of TNCs have the option to recruit the best students before campus recruitment even starts. An HR director in a leading bank described the intense competition among top TNCs in India to recruit from India's Tier-1 universities:

There is a war and it is pretty well-established. Even before it starts, you sneak in on Day 0 to ring-fence your pool. It is a huge matter of prestige. *(HR Director, Banking & Finance, India)*

The sentiments are echoed by another HR director in a TNC in the infocomm industry:

The talent pool is very small today. The biggest of corporations, MNCs, start-ups are vying for the same talents... We are trying to go to the top five or six IITs. The competition is really hot because you are competing with the best brands, so it's very, very hot. *(HR Director, Infocomm, India)*

Companies feel compelled to offer special developmental opportunities to attract Tier-1 recruits. The above-cited HR director in a TNC in the infocomm industry explained further:

For the rest of the colleges, we are pool-hiring, which means we hire from a pool and then we distribute based on what is required. For IITs, we go for a special job description [for] a role which is created for them. For IITs, we cannot go for pool-hiring. They would want to know what are we, how are we going to work, and all that because otherwise, they will not join. *(HR Director, Infocomm, India)*

When asked the reason for recruiting from these universities, there are references to the “intellectual horsepower” of these students, but more often than not, interviewees indicate that these students have been thoroughly tested through the highly competitive examination system and therefore “must be talented”. Such discussions typically include reference to the fact that entry into IITs and IIMs is harder than getting into elite American or British universities, and that there are many notable alumni who are running global companies. An R&D director in infocomm in India provided the following explanation:

It's simply [because] the entry criteria is so high. [The applicant acceptance rate at] Harvard [University] is about five and a half percent. For IITs in India, [it] is less than one and a half percent. The course curriculum, there will be some differences...but it's not dramatically different. I think the filtering process they go through...is what sets them apart. *(R&D Director, Infocomm, India)*

Consequently, there is very little evidence provided in terms of the marginal productivity of these students that justifies the huge investments in them. In some cases, the performance expectations are in fact waived. An HR manager in a TNC in India in the pharmaceutical industry described a new programme she designed to recruit these IIT graduates who earn salaries comparable to those with six to eight years of experience in the organisation:

The trainees don't know the industry, [they] don't know the products but they are not expected to know. We take off the performance. *(HR Manager, Pharmaceutical, India)*

There is evidence that the high demands from these elite university students, who tend to leave the organisations after a few years, are frustrating to the very top-end of corporations. As such, they increasingly experiment with recruitment from Tier-2 universities, who are seen to be just as good, given time. For instance, The HR manager of a leading bank in India lamented:

There is prima-donna behaviour among Tier-1 graduates. Some demand to get sent overseas within 6 months of joining, as well as hefty salary hikes. They are a very bright lot to be sure, with the ability to question and challenge the status quo. What we can't manage is 80 percent in that category and compensate them in that way. Because a lot of them leave to join start-ups and Ivy League universities, they typically stay for two years. That's why we have to alter the strategy to look into Tier 2. These recruits stay on. They do similar jobs; we won't differentiate. The pay scales are different but it will normalise over time. *(HR Manager, Banking & Finance, India)*

Still, these Tier-1 campus recruitment activities continue to feature high on the talent programmes of leading TNCs in India as part of cementing their corporate reputation. The competition for these top students is also driven by the fact that there are significant cultural as well as cost differences in India, which make it difficult to substitute foreign talent for Indian employees. TNCs also tap on the Indian diaspora to take on important positions in India. These recruitment practices are very well-internalised among Indian employees, who are savvy enough to seek out international postings by way of enhancing their prospects to employers.

In short, the 'War for Talent' model thrives in India, tapping on the narrow talent pool signalled by India's elite skills formation system.

4.3. China's talent market

In China, there is also a clear tiering of universities through the 985 and 211 programmes initiated by the Chinese government to promote the development of world-class universities, where large amounts of funding are allocated to these universities. Leading TNCs tap into these universities the same way they do in India.

However, the widening economic base in China has meant that foreign TNCs have lost some of their lustre within a short span of only ten years, which impacts their ability to recruit from top universities. There are increasing numbers of Chinese TNCs and others with global ambitions that offer good opportunities and high salaries in top Chinese cities. The salaries are sometimes significantly more than what is offered by foreign TNCs. There also seems to be a greater willingness among top-ranked Chinese workers to consider working for a local SME or business start-up. Part of this preference for working in local enterprises stems from the recognition that top jobs in Western TNCs will not be in China. Decisions made in TNC subsidiaries in China often require signing off by the company's headquarters. This gives rise to the perception that personnel in such roles are mere "pen pushers", as one of participating companies shared which slows down the pace of innovation in China's rapidly changing market conditions. In other words, working in a Western TNC does not offer the career progression desired by truly top talent. Thus, within a decade, Western TNCs moved from being the employers of choice to having to fight for so-called talent. The HR manager of a Western TNC in the infocomm sector explained:

We are facing very fierce competition with the local competitors. In the past, if you look at the top ten employer name list, the majority will be multinational [companies]. Right now, [in] the top ten, I am sure seven or eight will be the Chinese local enterprises. So the benefits or the attractions of working for multinational companies is not as great as before. *(HR Director, Infocomm, China)*

The Western model of talent management, based on 'War for Talent', cannot thrive in such an environment and requires significant adjustment to the local context. This reflects the fact that doing business in China is not the same as doing business in the United States (US), Singapore or the United Kingdom (UK), as significant local connections and knowledge are required. As a result, Western TNCs are constantly in danger of losing their best people to competitors and have to ensure they invest in significant efforts to build a local talent pipeline. The general manager of a Western professional services company in China explained:

On the one hand, we promote global citizens, but on the other hand, we also want to make sure that there is a chance for local employees to progress, instead of all the important positions being occupied by the Americans, by the Europeans, etc. So we got to strike a balance. We put the assignees here because there is...a gap in the skill, alright, then this person will come over for assignment for two years but in the process, he or she has to...be a mentor to a couple of local future stars, so that one day when this person leaves then there is a local person to pick it up. So that has to be in place. *(General Manager, Professional Services, China)*

There was also some evidence in China of a small number of companies looking to extend their approach to talent management to a wider range of employees due to deep concerns of labour retention. In another professional services company, its China office had to abandon the 'War for Talent' model, and operate with a wider view of talent that puts the company closer to the 'Contest Elite' model:

Previously, we divide our talent as...those [with] high potential. Let's say, what we call in the 20th and 25th quartile, those are the high potential [talent] that we retain. However, we find that actually if we put a lot more resources and emphasis on that, what about the remaining 70 percent? So to answer your question, I think 80 percent of our people will be treated as talent. (*HR Manager, Professional Services, China*)

By adopting HR analytics, the above-cited company also found that candidates from elite universities may not be the best option for the company as many of them eventually leave, given their significant market power. He explained further:

Previously, our recruitment only focused on the top, top universities in the top, top urban area. We find that actually the best performer [does] not necessarily come from the top university. It's not because they are not bright enough. It's because they come from those universities, they have more opportunities. And therefore, the retention seems not the best part. We do a bit of recruitment analytics and find that [those from lower-tier universities], from a performance perspective, from a loyalty perspective, they stay longer, and they still perform well. So we strategise our recruitment. We still need those people from the top universities, but we put more investment in some other areas. And therefore it changed our recruitment process. I remember that ten years ago we only went to the top four. Now we are going to about twelve of them.

Thus, as in Singapore and India, perceptions of higher marginal productivity of the sponsored elite is not supported by data analytics, with a handful of HR representatives in both countries highlighting that those from lower-tiered universities are just as good, given time. However, in contrast to India where the 'War for Talent' model is firmly entrenched, Western TNCs in China are struggling to sustain such a model, given that students from elite universities have other attractive options, which have weakened the hiring power of Western TNCs. This forces the Western TNCs to rethink their approaches to talent management.

4.4. **Singapore's talent market**

In contrast to India and China, Singapore is seen as hosting global jobs in a plug-and-play environment where local knowledge does not carry a significant premium. The same level of intensity in campus recruitment in China and India is not seen in Singapore. In part, this is due to the small number of universities in the country. An alternative explanation is that despite their solid performance in global university rankings, Singapore's universities are not positioned favourably in the local talent market.² Within the local structure of competition, local universities are considered less favourably than prestigious overseas universities. Although there is a narrow and highly competitive system of secondary and junior college education, there is a relatively flat hierarchy among Singapore's universities, which in fact do not take in the brightest. For instance, top junior colleges prepare students for prestigious overseas education. The Public Service Commission, whose scholarships sit at the pinnacle of the talent market in Singapore, likewise sends its crème-de-la-crème to top universities abroad.

As is demonstrated in China and India, corporate talent markets reflect how local graduates are positioned in national talent markets. This does not mean that TNCs do not hire from local universities, but that the hires are not favourably positioned within the internal labour markets of TNCs. A Singaporean HR manager of a professional services TNC in Singapore explained his hiring strategy:

² For example, the National University of Singapore has been consistently ranked among the world's top 30 universities. By contrast, the Indian Institutes of Technology are ranked >170th in major university rankings. A handful of top Chinese universities are in the global top 50–100 universities.

If I'm hiring an entry level person for auditing and I need to hire one person. I want that person to be a Singaporean out of a Singapore university. Probably NTU, which is very, very focused – the most established auditing school. If I'm looking for somebody who can bring in work in consultancy and lead the work in an area that I don't understand and know nothing about, and he has to be self-motivated to build the business independently, he will probably be in his late 30s, early 40s, white, male, English native speaker, English/Australian experience, and that's very different from the auditors. So there is a huge difference. *(HR Manager, Professional Services, Singapore)*

Meanwhile, foreign talent posted to Singapore have already been identified as high potential with the posting seen as a stretch opportunity, giving less room for Singaporeans to demonstrate their talents. The absence of middle-level jobs to provide stretch opportunities to locals to demonstrate their capabilities put them at a greater risk of being sidelined under the 'War for Talent' model.

There is some evidence that the tightening of Employment Pass numbers in recent years is making the distinction between foreign talent and local talent sharper. Local campus recruitment is intensifying, but to take in what has been described as "mediocre" local talent, according to one Singapore-based HR executive in a professional services industry. The practice of hiring of more locals supports the posting of allegedly more talented foreign workers from elsewhere to Singapore. She explained:

People that come here, they have to fight to come here. For the locals, it is like any mediocre Singaporean, which is the situation now, which wasn't like this two, three years back. So we hired forty-plus campus graduates. We don't even look at their results. We don't even look at their university performance. They don't even have to come from an IT background, because we need to hit the numbers. *(HR Executive, Professional Services, Singapore)*

The weak positioning of locally trained Singaporean talent offers an alternative way of understanding the oft-cited weak attributes of Singaporean workers in terms of presentation skills and speaking up, etc., which is seen as preventing them from being benchmarked as corporate talent. In the previous study (Brown and Lauder, 2014), there was some evidence that the qualities of Singaporean workers were not always recognised in Western TNCs, not because they lacked the signifiers of talent, but due to the degree of prejudice in the way managers viewed Singaporean workers. This study confirms the findings and offers an explanatory model for understanding this alleged talent deficit that runs counter to the dominant discourse of the weak attributes of Singaporean workers. The relatively less elitist feature of Singapore's university system does not enable TNCs to readily lock into the local talent market using their preferred 'War for Talent' model. The limited premium on local knowledge in Singapore's plug-and-play business environment, along with the absence of middle-level jobs, will continue to impede the chances for Singaporeans to move to the top of the talent market.

Seen from this perspective, reducing the signifiers of talent to a list of attributes that can be converted into training programmes to train top Singaporean corporate talent is insufficient unless accompanied by a shift in terms of how Singaporean workers are positioned in the local talent market. Overcoming segmentation in the labour market that privileges non-locals will require a change in corporate talent strategy. More attention needs to be paid to how organisations use talent management to structure their workforce in ways that may ultimately inhibit the career progression of Singaporean talent. While it is crucial to give Singaporeans more opportunities to develop the skills and work experience (including overseas assignments) to match the talent profiles used by top companies, it is equally, if not more critical to challenge the artificial ways in which companies define talent.

Might Singaporeans be better positioned for top jobs in Singaporean or Singapore-based companies? The empirical evidence does not indicate that this is so. Among the handful of Singapore TNCs that were interviewed, the same 'War for Talent' model dominates, which privileges foreign hiring at the top levels. One HR manager in the banking and finance industry in Singapore was candid that the hiring of foreign talent for top positions was a recent development. She shared:

Probably in the last maybe ten years, we started recruiting a little bit more foreigners. Probably in the first 30 years, it was really predominantly local. (*HR Manager, Banking & Finance, Singapore*)

Similarly, with the exception of one biotech SME, the five other Singapore-based local enterprises and start-ups in our sample were similarly engaged with the 'War for Talent' model.

4.5. **Summary**

Based on the comparison of corporate talent models of TNCs in Singapore, India and China, as outlined in this chapter, we do not find support for TNCs' claims that they operate based on a universal talent management system across their different subsidiaries. Under certain conditions, particularly in the context of a significant labour shortage, as in China, TNCs do adjust their corporate talent model. We also argue here that the alleged Singaporean talent deficit cannot be viewed as simply the result of the lack of particular behavioural competencies, but a case of how Singaporeans are not favourably positioned within the internal labour markets of TNCs. This is a consequence of the relatively less elitist feature of Singapore's university system that does not enable TNCs to readily lock into it using their preferred 'War for Talent' model. However, there is little to suggest that Singapore is better off shifting to a more elitist local university system. Rather a longer-term strategy of encouraging and incentivising TNCs towards a more inclusive corporate talent model will have far more equitable outcomes for the Singapore workforce as a whole. The deficiencies of the 'War for Talent' model in creating a talent pipeline in the context of rapid change provide a valuable starting point to foster change in corporate practices.

5. Business Performance and Skills Study

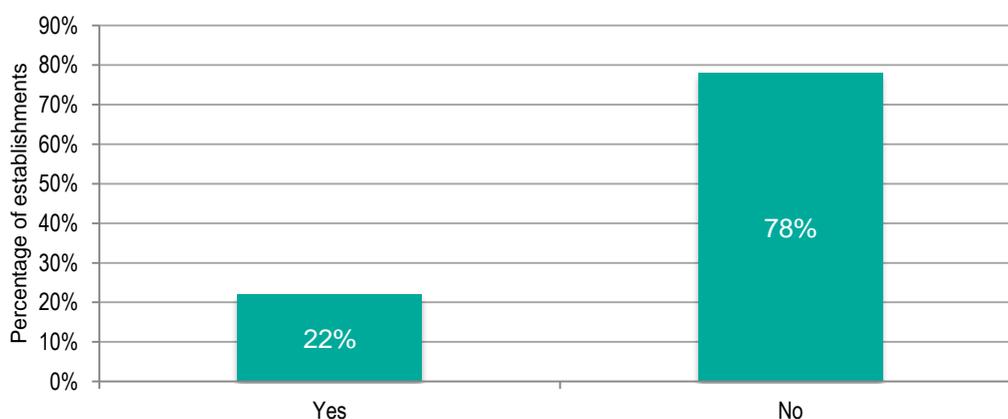
5.1. Talent management practices in Singapore

The Business Performance and Skills Survey (BPSS) collected information on how widespread the presence of talent management programmes was among business establishments in Singapore. BPSS respondents were senior representatives of the establishment.

5.2. Frequency of formal talent management programmes

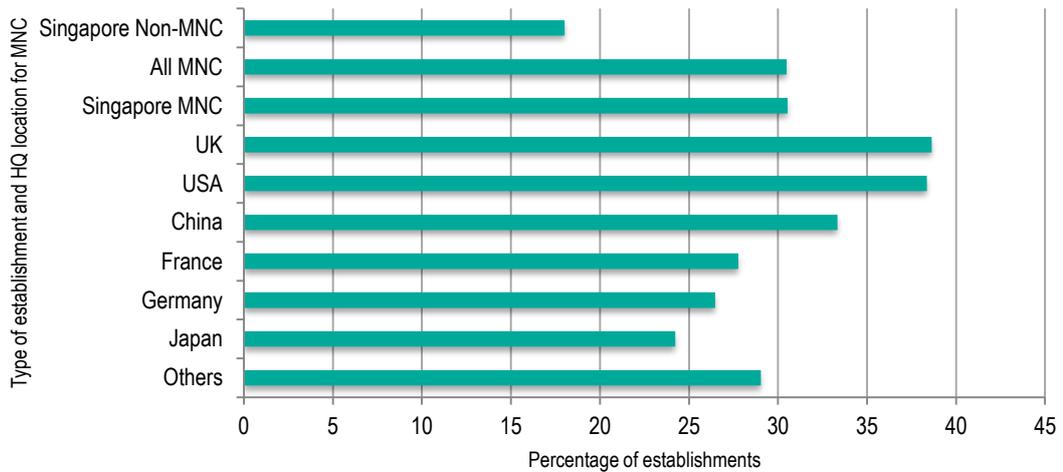
Of the 3,000 establishments surveyed, less than one-quarter (22 percent) reported having formal programmes in their companies for managing high potential staff (hereafter Formal Talent Management Programmes or TMPs), as indicated in Figure 3.

Figure 3: Existence of formal TMPs to manage high potential staff



Multinational companies (MNCs) reported having TMPs much more frequently than non-MNCs. Among these MNCs, those with headquarters (HQ) in the UK and US reported to have TMPs more often than those with HQs in other locations. Around 30 percent of Singaporean MNCs reported having TMP, lagging around 8 percentage points behind the UK and US, but well ahead of France, Germany and Japan. However, it should be noted that sample sizes are small for some of these locations – in particular France and Germany. Figure 4 provides the frequency of TMP by company type and location of headquarters.

Figure 4: Existence of formal TMPs by type of company and location of headquarters

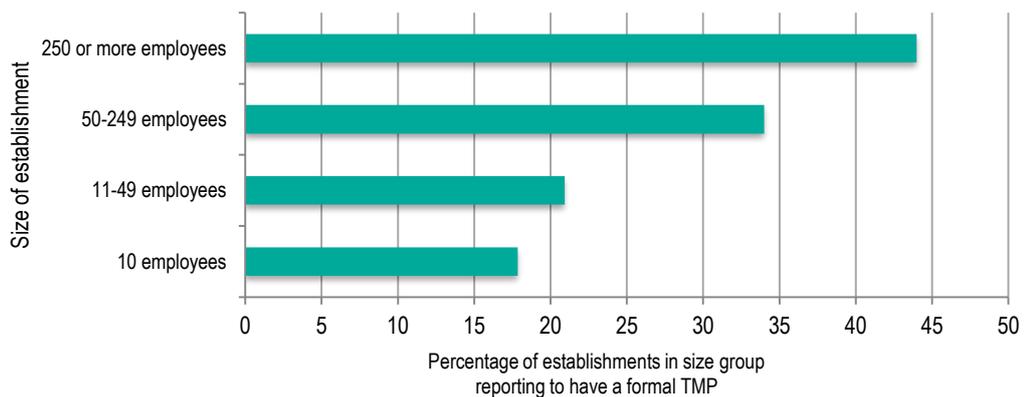


MNC= Multinational company. N: USA= 73; Japan= 66; China = 54; Germany = 34; France = 18; UK = 44; Singapore = 737; Others = 217.

Source: BPSS data.

The size of the establishment appears to be an important factor in the setting up of a TMP (Figure 5). Larger establishments reported to have TMPs much more frequently than medium-sized and smaller establishments. While almost 45 percent of establishments with 250+ employees reported having a TMP, fewer than 35 percent of establishments between 50 and 249 employees did. Only about 20 percent of establishments with fewer than fifty employees had a TMP.

Figure 5: Existence of formal TMPs by size of establishment

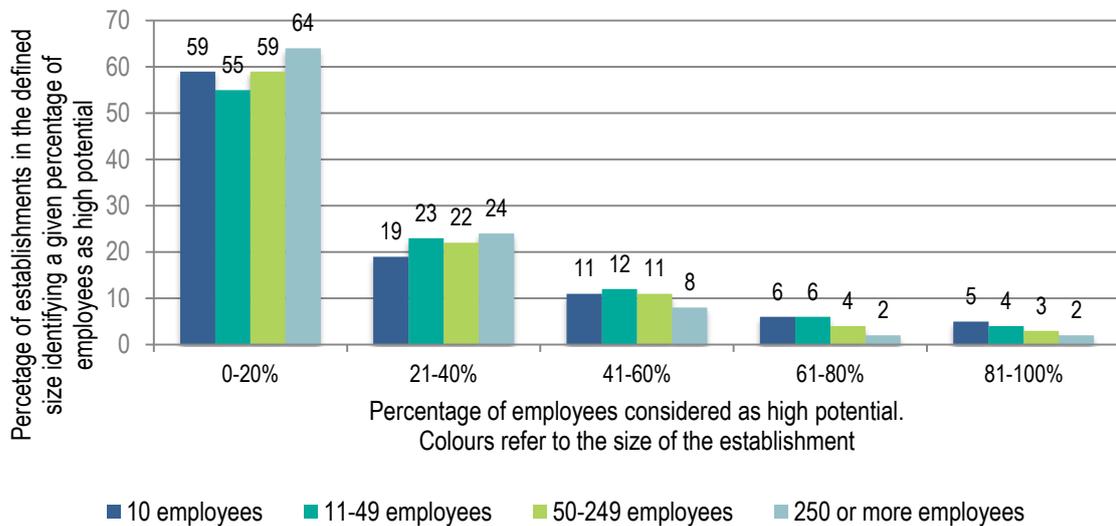


Source: BPSS data.

A high proportion (60 percent) of establishments with TMPs indicated that only up to 20 percent of their employees are considered high potentials. Interestingly, while the size of the establishment co-relates with the incidence of a TMP, establishment size does not have a positive relationship with the percentage of employees identified as “high potential”. Figure 6 shows that there is little evidence to support the idea that smaller establishments have a more generous view of the capabilities of their staff. This finding is consistent with the qualitative

dataset that found local enterprises and start-ups to be just as caught up with the 'War for Talent' model.

Figure 6: Percentage of employees identified as high potential by company size



Source: BPSS data.

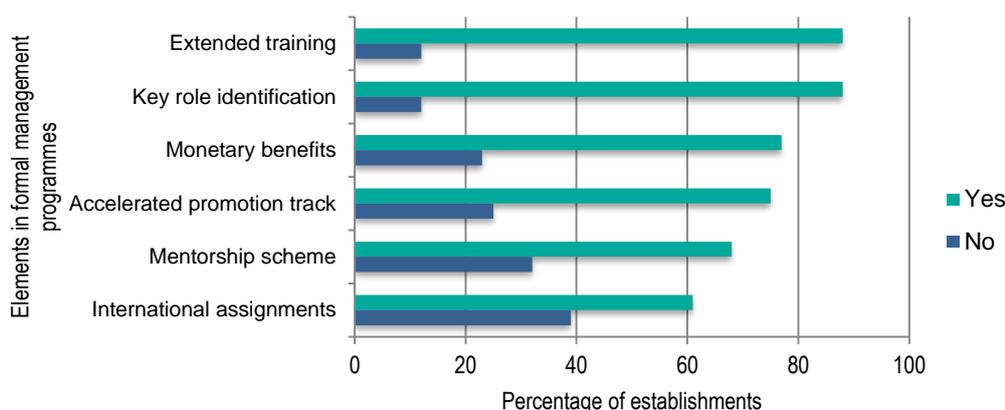
5.3. Nature of formal TMPs

In the BPSS survey, establishments were asked about the existence of six elements in regards to the nature of their talent management programmes, namely:

- Formal identification of strategically important positions or roles within the establishment;
- Extended training/development opportunities for high potential staff;
- Extended monetary benefits for high potential staff;
- An accelerated promotion track for high potential staff;
- Opportunities for international assignments; and
- A mentorship scheme.

Based on their response, the most common elements were extended training and key role identification (Figure 7). Over 85 percent of those establishments that had a TMP included these two elements. This is consistent with the qualitative findings on the scope of developmental opportunities provided to high potential talent to undertake key strategic roles under the 'War for Talent' model. Monetary benefits and an accelerated promotion track were also widespread at around 75 percent of establishments. Mentorship schemes and international assignments were included in over 60 percent of establishments.

Figure 7: Frequency of elements in formal TMPs



Source: BPSS data.

5.4. Workforce characteristics and TMPs

Here, we review the relationship between TMPs and particular workforce characteristics. Specifically, we review the frequency of TMPs and the proportion of workers in the establishment who are:

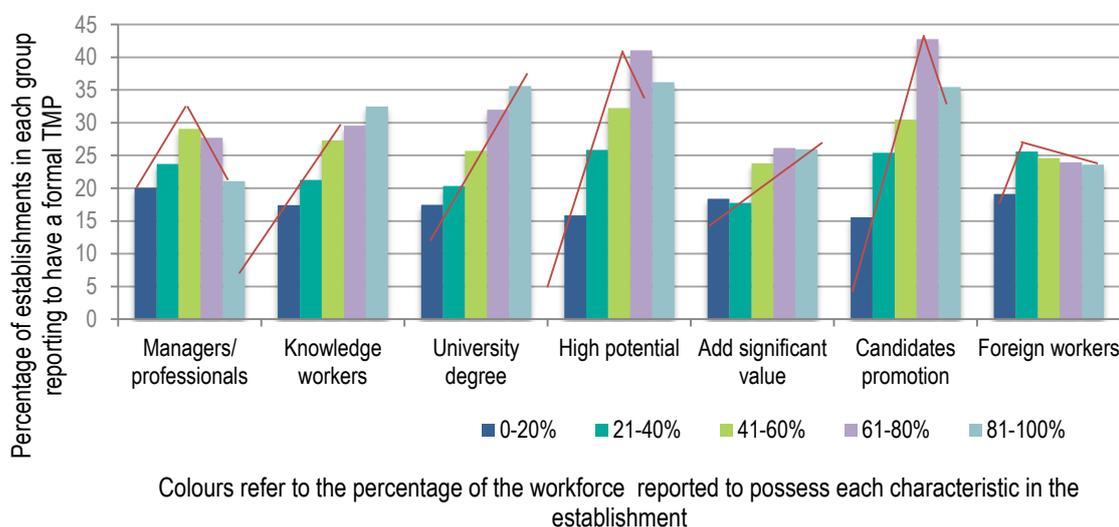
- Managers or professionals;
- “Knowledge workers” (or who “primarily think for a living”);
- University degree holders;
- Considered high potential;
- Considered to add significant value to the business;
- Candidates for promotion; and
- Foreign.

Figure 8 shows the relationship between the existence of formal talent management progress and selected workforce characteristics. The figure shows the share of establishments that reported to have a formal talent management programme, according to the proportion of workers with the above-mentioned characteristics. The bar colours in the figure relate to the share of workers in the establishment who possess the characteristic. For example, around 17 percent of the establishments that indicated that up to 20 percent of their workers are knowledge workers, reported to have a formal talent management programme, whereas around 21 percent of the establishments that reported that between 21- and 40 percent of their workforce were knowledge workers reported to have a formal talent management programme. This suggests a positive relationship between the rate of knowledge workers in the establishment and the existence of a formal talent management programme.

On the whole, Figure 8 shows that there is generally a positive relationship between the existence of TMPs and these characteristics (the greater the proportion of workers exhibiting each of those characteristics, the greater proportion of establishments reporting to have a TMP in place), except in the case of “foreign workers”. This suggests that TMPs are particularly important for stratifying workers in cases where there is a larger proportion of knowledge workers. This is consistent with the qualitative findings that TMPs may, in fact, be a tool to stratify and legitimise the reward of a narrow pool of workers in the context of a higher skills and qualification base of the workforce. That the positive relationship does not hold between the existence of TMPs and proportion of foreign workers is not surprising and can be explained

from the qualitative findings that the foreign talent tend to occupy the top strategic positions, which are fewer in number.

Figure 8: Existence of formal TMPs by selected workforce characteristics (percentage of employees in the category)



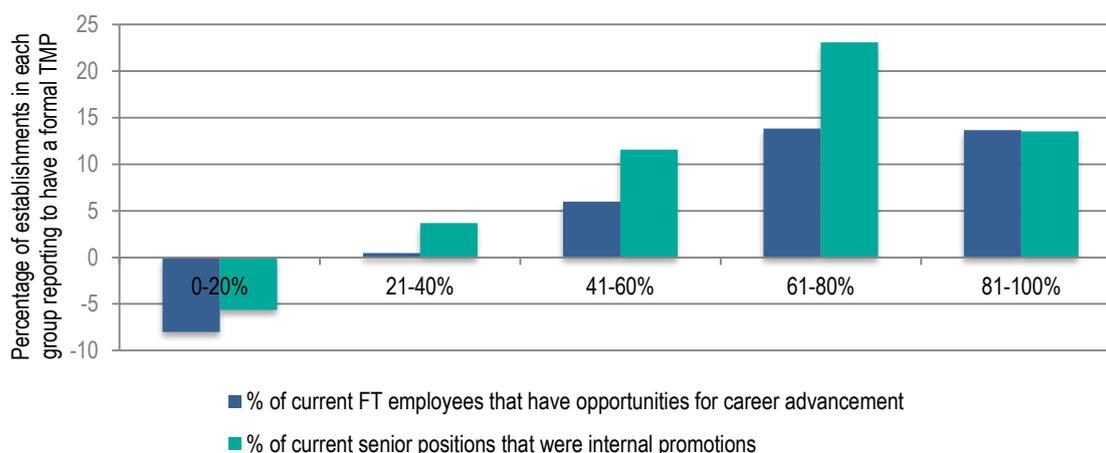
Source: BPSS data.

Looking at the workforce characteristics in Figure 8, the ones that tend to be more frequently associated with the existence of a TMP are those related to future performance aspects (high potential; candidates for promotion), more than current performance (add significant value to the business), professional categories and type of work (managers/professionals, knowledge workers) or workers' demographic characteristics (level of education, nationality).

5.5. Career advancement, remuneration and other benefits

Here, we examine the relationship between the existence of TMPs, internal labour markets and the distribution of benefits. BPSS looks at the existence of internal labour markets retrospectively and prospectively and asks respondents about the percentage of current senior positions in the establishment that were internal promotions, as well as about the percentage of current full-time employees that have opportunities for career advancement. Figure 9 reports on the share of establishments reporting to have a formal TMP, according to the extent to which their current full-time (FT) workforce has opportunities for career advancement and to which current senior positions were internal promotions. The figure takes 20 percent as a baseline or benchmark for comparison between groups. For example, around 12 percent (8 percentage points lower than the 20 percent baseline) of the establishments that reported that up to 20 percent of their current FT employees have opportunities for career advancement also reported to have a formal TMP, whereas the figure was around 34 percent for the establishments that reported that 81–100 percent of their FT employees have opportunities for career advancement. Both of these aspects (the extent of opportunities for career development and extent of senior positions being the result of internal promotions) tend to have a positive relationship with the existence of TMPs, as reflected in Figure 9.

Figure 9: Existence of formal TMPs and internal labour markets



Source: BPSS data.

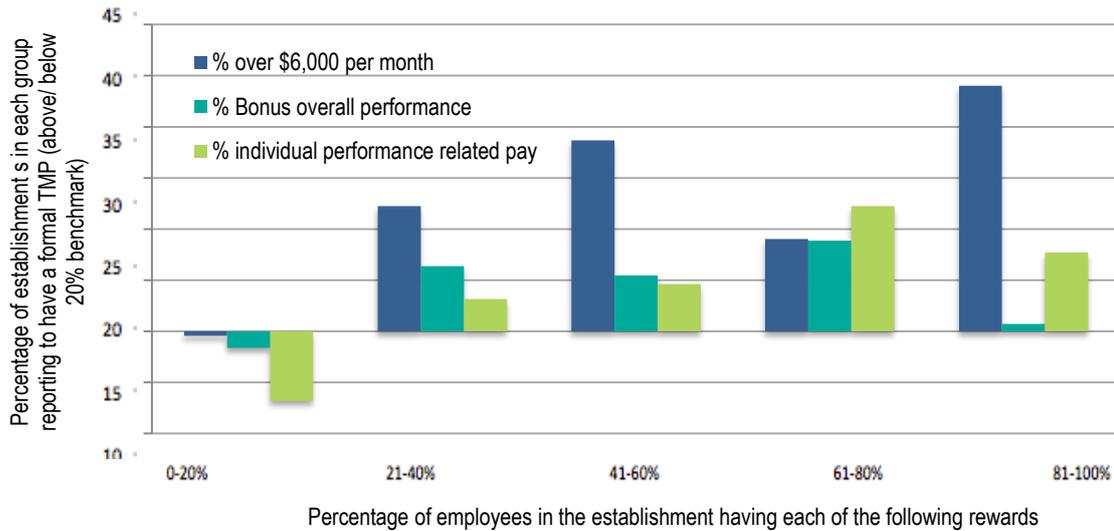
Finally, we review the relationship between the shape of rewards related to pay and the existence of TMPs. We focus on three aspects, namely the share of full-time employees with:

- High wages (more than \$6,000 per month);
- Access to a bonus based on overall performance of the company; and
- Access to individual performance related pay.

All three aspects are positively related to the existence of TMP – in particular in the case of high pay (Figure 10). Figure 10 relates the extent to which the existence (and spread) of high salaries, bonus for overall performance and individual performance related to pay within the establishment and the existence of formal talent management programme are related. Again, 20 percent is taken as a baseline for illustrative purposes. The figure shows that almost 20 percent of those establishments, where 0–20 percent of employees earn over \$6,000 per month, reported having a formal talent management programme, whereas around 31 percent of those that reported that between 21–40 percent of their employees earn over \$6,000 per month did.

TMPs are more common in companies in which a high proportion of the workforce receives high salaries. When only a small proportion of employees in the establishment have access to individual performance-related pay, TMPs are much less common than in companies where higher proportions of the workforce receive it. This is also the case for bonus payments, relating to the overall performance of the company, but here differences are smaller. This would be consistent with the argument that TMPs may be used as a way to legitimise pay differences based on individual differences.

Figure 10: Existence of formal TMPs, pay and incentives



Source: BPSS data.

5.6. Summary

The BPSS survey supports the qualitative finding that establishments in Singapore with TMPs tend to operate with a narrow view of talent. The survey found talent was identified to be just 20 percent of the workforce for a significant majority of establishments (60 percent). The weak relationship between the percentage identified as high potentials and the proportion of the workforce said to be adding significant value to the business confirms the qualitative finding that the talent identification is not based on skills or performance. The positive relationship between the existence of TMPs and workforce characteristics such as proportion of knowledge workers, and proportion of those earning high wages (>\$6,000) further confirms the qualitative finding that TMPs are introduced as a way to stratify the workforce in cases where establishments are already operating with a higher skill and qualification base in their workforce.

The absence of TMPs for the larger proportion of establishments in Singapore (78 percent) does not, in and of itself, suggest that these establishments are operating with a wider view of talent. In fact, the qualitative data suggest that some of the 'War for Talent' strategies, such as elite university hiring and buying of talent from leading competitors for key strategic roles are as common among the smaller companies in the qualitative dataset, who may not need to formalise the arrangement through a TMP. An area for further study in future BPSS surveys is thus to uncover possible non-formalised talent management practices in establishments without formal TMPs.

6. Implications for Skills Policy

6.1. Beyond the alleged Singaporean talent deficit

A key value of comparative research is the opportunity to question dominant discourses to enable shifts in understanding. The discourse on talent in Singapore is premised on alleged skills shortages and particular deficits of Singaporean workers that then compel companies to demand foreign talent. The comparative examples of China, India and Singapore highlight the need to take account of the relationship between national and corporate talent markets. In China, where there is a perceived shortage of top talent available to Western TNCs, there is, in fact, some evidence of companies extending their talent management model based on a wider view of talent. This study, therefore, challenges the current dominant discourse in Singapore on the shortage of local talent or skills deficit, providing evidence that the weak standing of the Singapore workforce at higher skill levels relates to the weak institutional structuring of opportunity for them rather than any actual talent deficit.

An expedient but short-sighted response is to shift the university system in Singapore to demonstrate higher levels of elitism, as is the case in India and China. However, this flies in the face of creating a more inclusive society and shared economic prosperity. It would also undermine significant societal investment in education and the basic aims of SkillsFuture. Moreover, the 'War for Talent' model has been challenged by this study and is not likely to build the skills base for firms to meet the challenges of technological change and international competition. The limited premium on local knowledge in the Singapore context and the absence of middle-level jobs to provide stretch opportunities for locals to demonstrate their worth will also not be resolved by creating a more stratified hierarchy of higher education in Singapore.

Still, this study finds little evidence to support the view that simply boosting skills supply through the SkillsFuture movement will have a significant impact on enhancing labour market outcomes for Singaporean workers, unless it is accompanied by measures to shift firms to demand labour in ways that are less stratified, coupled with a repositioning of Singaporean talent.

As such, the success of SkillsFuture requires Singapore's corporate landscape to shift to a 'Wealth of Talent' model, which recognises the capabilities and contributions of all rather than a few. It also requires a reappraisal of government policies that may have inadvertently sustained the 'War for Talent' strategy. For example, Singapore's foreign worker policy needs to be adjusted significantly, as this study has clearly shown that foreign talent do not merely augment the local workforce but directly shape perceptions of skills shortages.

Simply put, active government action of a different kind is needed in talent markets as TNCs need to be encouraged to extend existing definitions of talent that currently work against the Singaporean workforce. This does not mean that skills supply approaches are redundant. On the contrary, our findings highlight the need for future investment in talent management programmes taking into account the dynamic changes companies are currently grappling with. We outline below an alternative paradigm for skills formation in the context of dynamic change, in support of SkillsFuture.

6.2. Towards a 'Wealth of Talent' corporate landscape

The success of SkillsFuture in empowering Singaporean workers in their lifelong pursuit of skills mastery hinges on a corporate landscape that takes a generous view of the capabilities of its workforce through a 'Wealth of Talent' mindset. The demand for foreign talent at the

higher end of the job market in Singapore is based on a normative stratification of the workforce, which cannot be bridged through education and training programmes or similar supply-side approaches alone.

The 'War for Talent' mindset is by no means a Singapore problem. In the UK, a call is similarly being made to inspire the corporate community to adopt a wider view of talent. A think tank, Tomorrow's Company, puts forth the following:

The UK's continued prosperity relies on the capability of its companies and people to move into increasingly higher added value areas. This means a new view of talent is needed – a view that talent is abundant. It is abundant in the sense that it is not a rare quality, but diverse and multifaceted, which everyone has, to some degree and in some form. And taking this view means that there is a wider pool of talent for companies to work with, if they know how to unlock it." (Tomorrow's Company, 2010)

We have shown in this study that it is not without interest for companies to operate with a wider view of talent. Companies are not getting the best of the workforce in a sustainable way with implications for retention and the exercise of "discretionary effort" in a 'War for Talent' model. More importantly, the dominant 'War for Talent' strategy is under significant pressure. Heavy investments in a pool of high potential talent requires a stable industry base, which is not possible with the current pace of technological change and a corresponding change in skills and types of talent in demand. Some companies are already experimenting with alternative ways of managing their talent pipelines. This potentially opens up new ways for Singapore's industrial and skills policies to support the reconfiguration of talent by companies in ways that fit the aspiration of SkillsFuture.

Based on evidence from the sole company in our sample that demonstrated characteristics of a 'Wealth of Talent' model, the model, in fact, places a high demand on corporate performance on a broader proportion of the workforce (see Box Story 1). In the absence of a strong framing of job roles between conception and execution, as well as the absence of a strong classification of people as high potential versus the rest, a 'Wealth of Talent' model makes a strict demand on most staff to exercise their professional judgement and discretion. In other words, the job roles created in a 'Wealth of Talent' model requires high levels of task discretion and autonomy, and employer trust that is consistent with the kind of societal investments in education and training in Singapore.

Beyond corporate performance, there are wider societal risks if corporations are not encouraged to move towards operating with a wider view of talent. Discussions on Industry Transformation Maps (ITMs) simultaneously highlight skills shortages alongside the risks of technological unemployment or underemployment with digital disruption. The findings from this study suggest that the two aspects are linked as a narrow talent model is likely to frame how firms deploy technology by displacing labour below the "talent radar", leading to labour reduction or deskilling. It is not inevitable that companies should take this view. How firms configure their labour requirements are currently not given consideration in the ITMs, which is a missing dimension vital for industry transformation. It is also worthwhile to highlight here that our findings have shown that small and medium-sized enterprises (SMEs) in Singapore are just as likely to be pursuing a 'War for Talent' strategy. Given that they employ a large proportion of Singapore's workforce, it is vital that the push for greater use of technology by SMEs is twinned with efforts to encourage and incentivise them to move towards inclusive talent models.

Building upon prevailing sentiments of uncertainty already in the corporate community as we find in this study, the following are some suggestions for how Singapore can support companies develop a wider, more inclusive definition of talent:

- Cultivate companies operating with a ‘Wealth of Talent’ model as an integral consideration of skill and industrial policies, and provide greater support to them. This may include attracting and offering greater incentives to these companies to set up business in Singapore, as well as providing larger support for skills development in these companies. A diagnostic tool may be developed to identify companies that operate on a ‘Wealth of Talent’ model. The sole company in our qualitative study that operates with a wider definition of talent – in that it does not seek out to specially recruit from selected elite universities or leading-edge competitors, and that it provides equitable opportunities for both its Singaporean and foreign workforce alike – is a small biotech company whose founders were cultivated by the Economic Development Board to headquarter their operations in Singapore. It is now widely seen as a boutique biotech company, and it has expanded to four other countries with significant growth potential, offering strong developmental opportunities to its workforce. Non-traditional approaches are required to identify these companies independent of their market power and employment size. In addition, a more diversified strategy may be required to reach out to them, as they may avoid traditional knowledge and innovation sites known to policy-making. For instance, the founders of a cutting-edge data analytics start-up chose to set up its base in Cardiff, where it has ready-access to talent without the higher costs of setting up operations in London or San Francisco, thus deliberately avoiding the ‘War for Talent’ strategy and giving greater opportunities to a wider base of workers.
- Give priority to companies that are willing to invest in deploying technologies in ways that are capability-enhancing into the ITMs as part of industry transformation, independent of their market power. There are some examples elsewhere of alternative ways of using the same technologies to organise workplace innovation and skill development, such as in Scandinavian countries. In Denmark, a study commissioned by the Danish Technological Institute (2014) found that highly specialised SMEs that tend to be owner or family-run were dependent on practices that enable a high level of workplace discretion to enable them to move aggressively in global markets amid rapid change. Another study found that high average levels of task discretion in Scandinavian countries reflect strong national labour movements that have been able to “embed encompassing employment regimes that constrain employer behaviour” (Llyod and Payne, 2016). The suggestion here is that Singapore’s industrial and skills policies have to evolve more radically in the context of rapid change to encourage firms to move in ways that are inclusive, and truly support the deployment of local capabilities.
- Encourage the use of HR analytics to build a wider approach to talent management. As we found in our study, there is already experimentation of HR analytics among some of the companies interviewed. There is a potential for HR analytics to achieve higher levels of inclusion in regards to nationality, gender, ethnicity and age when built upon a wider definition of talent. In the cultivation of the HR community in Singapore, it may be worthwhile to explore how they can be helped to anchor their adoption of HR analytics based on a broader view of talent. Further developments of conceptual approaches and tools, including with various HR consultancy companies, may be necessary.

Box Story 1: A case study of a 'Wealth of Talent' model

In our sample, we included a handful of small companies to provide contrasting perspectives. The sole company demonstrating characteristics of a 'Wealth of Talent' model was a Singapore-based biotech company with operations in two other Asian countries and a staff strength of forty people. It is still not entirely clear to us if a small company size is a necessary condition to enable the deployment of the 'Wealth of Talent' model. Far smaller companies in our sample, such as start-ups, were also in the 'War for Talent' quadrant, suggesting that the association between a 'Wealth of Talent' model and firm size is not a given.

In this biotech company, there was hardly any classification of the workforce. It did not have any high potential programmes nor does it actively seek out to hire from brand-name companies or elite universities, or lament that it did not have the market power to attract these individuals. When asked if the company uses the word "talent", the Chief Operating Officer (COO) was clear that it did not:

No. We don't actually talk about hiring talent personally for that particular role. They are all good at what they do. (COO, Biotech, Singapore)

The term the COO clearly preferred was "people", and its staff was given a significant amount of autonomy, and demanded to exercise judgement and discretion over their work. He explained:

We're a low-structure environment. There is obviously structure, we have things around us but you are pretty free to get things done... There's always an obstacle. You want to go under it, around it, over it, change gravity and move it out of the way, I don't care. Just, you know, keep going forward. Some people like that and some people are frightened by that. Now if you're frightened by it, it's not a bad thing. It's just maybe this isn't the right business for you. So we have turned away a few people that haven't been right. They clearly are quite concerned about having that much freedom. You do have enough rope to hang yourself and you must make those kinds of mistakes if you want to learn. Some people will do that and some people won't and those people obviously usually exited from the business or we've exited them from the business. (COO, Biotech, Singapore)

Ironically, he shared that the people who did not fit the company tend to be pharmaceutical industry hires, who would have otherwise been favourably positioned in companies operating in a 'War for Talent' paradigm. The COO, who himself had extensive work experience in pharmaceutical TNCs, explained the limitations of coming from a pharmaceutical background:

The people that we are talking about that [sic] didn't fit, I think they fit pharma[ceutical] structure better. Pharma[ceutical] tends to define people in much more their own ways. It likes to put you in a little box and say you do this. Maybe at the end of it, you do that, you don't do very much you know. Some people like that. They like SOPs, standard operating procedures for everything. We don't have SOPs for everything. If we need an SOP, we write it. (COO, Biotech, Singapore)

In many ways, his comments echoed the narratives of many of our career journey respondents, who suggested that performance in a TNC was mainly about alignment with corporate programmes. This reflects the strong framing of job roles in TNCs with a clear distinction between conception and execution roles. In contrast, the biotech company did not distinguish between such roles, with a strict demand for its staff to exercise their professional judgement and discretion. A staff member of the company agreed this was the case, and more importantly, that the environment was forgiving with abundant opportunities for dialogue and interaction with senior colleagues:

[There's] lots of space to run. [It's] easier to apologise than to ask for permission. If I had joined a [pharmaceutical] company, [the COO] could be several, several, several layers above me and I'll never be able to interact with him on a day-to-day basis [either] with him or the [CEO]. So I think that's also another strong pull factor for joining a company like this where you get access to experience management on a day-to-day basis. (Career Journey Respondent, Biotech, Singapore)

The 'Wealth of Talent' organisation is thus a high-trust environment with limited or no classification of their workforce, and offering a high level of workplace discretion with limited or no stratification of job roles. In this talent model, organisations take a generous view of the abilities of their workforce. It is evident that the demand for corporate performance is no less important. In fact, we argue that performance is far more important in a 'Wealth of Talent' model than in the potential-focused 'War for Talent' model. As the COO pointed out, "biotech has been doing things cheaper, on a budget and delivering much more than pharma[ceutical] over the last twenty years".

While we have outlined an empirical example of a 'Wealth of Talent' organisation here, there is more work to be done to identify the range of practices associated with operating on a 'Wealth of Talent'. More research is also needed to understand how companies that are currently working on a narrow view of talent can be encouraged or incentivised to operate with a wider view of talent.

6.3. Broad-based national capacity-building

This study also found that in a context of rapid technological change and intense competition, corporations are finding it more difficult to define their skill requirements beyond the short-term. Singapore's model of workforce development based on meeting the skills needs of TNCs, which was the hallmark of earlier phases of economic development, has been fundamentally disrupted.

How then do countries build national capacity in times of dynamic change? We suggest here that governments need to invest in more sophisticated ways of collecting intelligence that include the future demand of skills and labour in various markets, taking account of the challenges and opportunities resulting from rapid advances in digital technologies. The human capital model for skills development, which is premised on getting a better measure of what employers really need as a basis for forecasting skill needs and planning training, is unlikely to sustain future workforce development. Education Minister (Higher Education & Skills) Ong Ye Kung rightly pointed out that "it would be foolish to think that the old way of planning education [based on TNCs' needs] will continue to be effective" (Ministry of Education, 26 March 2018).

Enterprises are candid that they face challenges to predict their skill needs beyond the short-term, even for the purpose of supporting their expensive high potential programmes. More sophisticated forecasting models are needed to identify the range of capabilities Singapore needs to build over the longer term. Here, data analytics may play an important role, as do other qualitative techniques of data gathering and surveying a wider base of informants beyond enterprises.

A broad-based national capacity-building model is a significant departure from the standard time-lag model of Singapore's skills formation strategy based on firms' needs. The standard approach whereby companies are courted, jobs created and training programmes mounted to prepare the local workforce for the new jobs, requires stability that is not possible in the context of rapid change. A broad-based national capacity-building model builds lead time into itself, where capabilities are developed ahead in broad pockets, with industrial policy designed to support the deployment of those capabilities. Building and holding the capabilities require working with a wider base of organisations such as local enterprises, universities, centres of excellence and other not-for-profit organisations to nurture capabilities in non-traditional ways. It also entails dialogue with firms, trade unions and related stakeholders, whereby the existing workforce are supported to develop skills and capabilities currently not demanded in their day-to-day work.

By capability-development, we go beyond the short-term training courses delivered by training providers and Institutes of Higher Learning that are increasingly the staple in the SkillsFuture movement. In another IAL study, the evidence suggests that what is of greater value is broad-

based industry programmes where workers are directly engaged in professional practice either in firms or elsewhere, including embedding themselves in networks locally and abroad (Bound et al., forthcoming). Company-led training programmes run by the Info-communications Media Development Authority offers a potentially good model for embedding professional development at the workplace due to the training hosted by companies, but more pedagogical innovations are clearly needed.

It is also vital that SkillsFuture pays attention to how such capability development programmes are positioned in the labour market, avoiding a deficit approach. As outlined in preceding sections, allegations by firms of a skills deficit among locals should not be accepted at face value. While the study focuses on top talent in TNCs, it is evident that the positioning of individuals permeates every organisation, with signals picked up by other enterprises. Programmes such as Professional Conversion Programmes and the newly launched Capability Transfer Programme reinforce the perception that local participants in this programme are deficient in some ways. The repositioning of locals is vital, as indicated in this study. An emphasis on the positioning of Singapore workers also means that greater attention is placed on the selection of participants based on interest and other signals of professional engagement. Such an approach moves away from the current mass-based provision such as SkillsFuture, which is a curated list of short, industry-relevant training programmes on emerging skills to benefit 50,000 Singaporeans annually by 2020.

6.4. **How individuals construct their employability**

SkillsFuture also has to incorporate considerations of how labour markets are constructed, to sufficiently enable individuals to take greater control of their employability. Currently, a key priority of SkillsFuture is the curation of quality skills-based courses, in a criteria-referenced model that assumes technical and soft skills alone will enable individual workers to build their expertise and be demanded in the labour market. The hiring practices of companies demonstrate that workers will need more support in constructing their employability, including aspects related to market positioning, networking and other interventions rooted in their positioning in the labour market. It also means developing new labour market information systems that meaningfully support individuals to take greater ownership of their career journeys.

6.5. **Conclusion**

In conclusion, this study has highlighted that the corporate landscape in Singapore is dominated by a narrow view of talent ('War for Talent') that creates institutional barriers for locals to access top jobs and is incongruent with the goal of SkillsFuture. In empowering individuals in their skills and development journeys amid rapid change, Singapore's skill and industrial policies have to evolve in new, unprecedented ways – in interventions that run counter to its old ways of working. First, skills and industrial policies have to work together to shift the corporate landscape from a 'War for Talent' to a 'Wealth of Talent' model to allow well-trained Singaporeans to fully benefit from the anchoring of high-skilled jobs in Singapore and enable more equitable participation of both local and foreign talent in the local economy. A more discerning industrial policy is needed, particularly in prioritising and incentivising companies to operate with a wider view of talent independent of their market power.

Second, Singapore has to invest in broad-based national capacity-building, building on more sophisticated forecasting models that deliberately go beyond immediate enterprise needs. Third, skills programmes should more overtly integrate the support for individuals to construct their employability in the labour market. The old paradigm – a supply-side skills formation approach – has reached its limits. The positive relationship undergirding Singapore's industrial policy, job creation and local employment, which has been the hallmark of Singapore's post-independence economic success, is at risk. The way forward is for skills policy to twin with

industrial policy to incentivise an expansion of opportunities in companies, while shifting the character of supply from a focus on skills to an approach based on national capacity building where individuals, government and firms play an active role in extending opportunities in ways that benefit all of Singapore's workforce.

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