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Winning the Race for Talent in Emerging Markets

Key ideas from the [Harvard Business Review](#) article By Douglas A. Ready, Linda A. Hill, Jay A. Conger

The Idea in Brief

What motivates a Uruguayan software engineer to work for an Indian company in Brazil? If you don't know, you risk losing the race for talent in emerging markets. These new markets are growing so fast, even established global players aren't recruiting and retaining enough employees.

How to win this contest? Ready, Hill, and Conger suggest two strategies:

Attract talent by making compelling promises. Center these promises on your company's *brand* (does it have a reputation for excellence that may lead to personal advancement?), *opportunity* (will you provide challenging work, training, and competitive pay?), and *purpose* (does your company have a mission and values meaningful to potential new hires?).

Retain talent by keeping your promises. Craft a culture characterized by authenticity, a merit-centered reward system, and accelerated professional development for even the lowest-level employees.

By applying these strategies, Standard Chartered Bank reduced attrition rates in its China operations by 3% over 2007-2008 — while rivals suffered a dramatic *increase* in attrition.

The Idea in Practice

Attract Talent by Making Compelling Promises

Make promises about your company's brand, opportunity, and purpose that appeal to employees in developing nations.

TCS Iberoamerica (a unit of Tata Consultancy Services) provides software and technology services to clients in Latin America, Spain, and Portugal, while also contributing to other TCS endeavors worldwide.

The Tata *brand* stands for technical excellence. So, when expanding into Brazil and Uruguay, TCS Iberoamerica hired local engineers (not salespeople) and sent them to India to observe its core strengths and standards. They returned home energized and eager to recruit their compatriots.

The company also promised *opportunity*. For instance, it hired local Brazilian and Uruguayan leaders who were admired in the community to head up operations — not Indian expatriates.

Finally, Tata offered an exciting *purpose* — including making a \$2,000 car that would open up the industry to low-income consumers.

Retain Talent by Keeping Your Promises

It's tempting to overpromise just to get new hires in the door. But failure to deliver on those promises will sour current employees on the company and ultimately hurt its appeal for potential new hires. Keeping your promises is especially crucial in emerging markets where employees can easily move to global or local companies that seem to offer greater overall rewards.

Your company's culture plays a central role in keeping promises and retaining talent.

At Standard Chartered Bank's China operation, many new employees are "raw talent" — they have great potential, but lack experience. To back up its promises, the bank pays careful attention to its culture:

Induction. SCB offers an intensive induction program that teaches raw-talent hires about the ethical management of financial services, including money-laundering prevention.

Technical training. Relationship managers in SCB's wholesale business must complete a five-day "boot camp" and pass a strict exam before they're exposed to customers.

Professional and management development. Raw recruits get intensive training in the English language, communication and listening skills, and business etiquette. They also receive career guidance and access to networking sessions.

Stretch assignments and deployment. SCB's recruiting slogan "Go places" tells people that if they do well, they'll move ahead in their careers. And talented Chinese employees are often moved elsewhere, including to the group head office in London.

Further Reading

Articles

Winning in the World's Emerging Markets, 3rd Edition

HBR Article Collection

November 2008

Developing countries are the fastest-growing markets in the world. Yet many multinational companies, nervous about the unique challenges of doing business in these nations, have qualms about tapping their markets. While they waffle, local companies are grabbing market share. Some of these domestic dynamos have even started challenging global leaders on their turf. Meanwhile, other

MNCs have plunged into developing markets assuming (wrongly) that the strategies that made them leaders at home will secure their success abroad. Ill prepared, they're getting ambushed in overseas markets by locals who use different (and more potent) tactics. You can't avoid investing in developing countries. But don't do so before analyzing how local firms operate. To succeed in these nations while protecting your own turf, you need a savvy blend of strategies. This HBR Article collection, focusing on how to work around weak institutions in developing nations and co-opt local contenders' playbooks, helps you get started.

What It Means to Work Here

Harvard Business Review

March 2007

by Tamara J. Erickson and Lynda Gratton

What distinguishes a company that has deeply engaged and committed employees from another one that doesn't? It's not a certain compensation scheme or talent-management practice. Instead, it's the ability to express to current and potential employees what makes the organization unique. Companies with highly engaged employees articulate their values and attributes through "signature experiences" — visible, distinctive elements of the work environment that send powerful messages about the organization's aspirations and about the skills, stamina, and commitment employees will need in order to succeed there. Whole Foods Market, for example, uses a team-based hiring and orientation process to convey to new employees the company's emphasis on collaboration and decentralization. Companies that successfully create and communicate signature experiences understand that not all workers want the same things. Firms that have engendered productive and engaged workforces address those preferences by following some general principles: They target potential employees as methodically as they target potential customers; they shape their signature experiences to address business needs; they identify and preserve their histories; they share stories — not just slogans — about life in the firm; they create processes consistent with their signature experiences; and they understand that they shouldn't try to be all things to all people.

Book

Offshoring: Understanding the Emerging Global Labor Market

HBS Press

2006

by Diana Farrell

The range of tasks that can be done offshore has ballooned to encompass activities critical to company performance, such as research and new product design. This 10-article collection offers suggestions and facts key to understanding the potential of the emerging global labor market — including assessing the size of the global talent pool, choosing an offshore location, and interpreting the implications of offshoring policies.

- [Purchase the full-length Harvard Business Review article here.](#)
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