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A Study of Talent Management in the Context of Chinese Private-owned
Enterprises

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Abstract

Talent Management (TM) is still a new research field in China's context. TM like other management disciplines is often embedded in a certain institutional context and influenced by certain social norms, cultural factors and government policies. TM is therefore closely related to research context. The Chinese cultural context is influential in shaping TM concepts and practices. However, how TM practices are used to retain talents in the context of Chinese private-owned enterprises (POEs) is still a research gap. TM is a holistic strategy for an organisation. It is therefore necessary to explore Chinese POEs' TM practices through a holistic lens, which covers the processes of defining talents, attracting talents, developing talents and retaining talents. Previous TM studies mainly focused on exploring TM concepts and there is a lack of empirical investigations on TM practices, especially in the context of Chinese POEs. Linked to the characteristics of Chinese POEs and Chinese cultural context, this study explores talent retention from a holistic perspective of TM.

This research adopted an interpretivist perspective and inductive approach. Based on a case study research method, primary and secondary data were collected from three case companies, and analysed qualitatively.

The theoretical framework used in this research is largely based on TM literature. Talent attraction, talent development, and talent retention are used as a lens to view the case companies and to explore what TM activities drive talent retention in the context of Chinese POEs. Organisational commitment is the main theory employed by this research to explore talented individuals' turnover intention.

Findings show that Chinese guanxi is an important perspective to define talented employees in the context of Chinese POEs. Competence, position, and guanxi are holistically considered to define a talented employee. It was found that guanxi is an important factor influencing the entire TM process, including attracting talents, developing talents and retaining talents. Career development, rewards, and guanxi were significant factors in retaining talented employees in the context of Chinese POEs. Guanxi as a new TM perspective not only makes a theoretical contribution to talent definition but also contributes to talent development and talent retention theories. The research offers practical talent retention suggestions to TM

practitioners. A significant practical contribution may be adopting TM practices to develop talented employees' guanxi ties to increase their organisational commitment and to reduce turnover intention.

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Chapter 1. Introduction

1.1. Problem statement

In the current competitive real estate environment in China, many real estate development enterprises focus on attracting and retaining talented employees, because these enterprises know that talent competition is a critical issue for organisational competitive advantage. In China, real estate enterprises refer to property developers; real estate development and construction are the main jobs of these enterprises. Indeed, most real estate developers in China are involved in all the activities in the value chain, and they are responsible for feasibility studies, developing real estate projects, designing property, construction, sales and marketing, and property management. Therefore, they have to coordinate with diverse stakeholders, such as local government and public organisations, survey companies, design institutions, construction companies, and customers. In this industry, technical experts, the core group of managers, and key individuals who can drive organisational development are generally considered as talents. Thus, in this research, the word “talents” refers to talented employees. In the context of intensive talent competition, talent retention becomes a critical issue for real estate enterprises. With the boom of the real estate industry in China, more and more real estate development enterprises, especially Chinese private-owned enterprises (POEs), have to face problems of talent shortage and high talent turnover, which influence organisational competitive advantages. High talent turnover increases operational cost for an organisation. The hidden cost of talent turnover is estimated to range from 30 to 300 per cent of the individual’s annual salary (Phillips and Roper, 2009). Every talent who leaves represents huge costs: the loss of time, energy, and capital invested in their development; and the capital required developing another talent to fill the vacancy. Furthermore, high talent turnover influences organisational performance. In China’s guanxi orientated business context, talent turnover may lead to loss of business contacts or leakage of confidential business information. High turnover among talents with intensive social capital, such as wide business guanxi networks, has a significant negative impact on organisational performance. Even before talents actually leave, their high turnover intentions may lead to low individual performance. The problem of high talent turnover is particularly conspicuous in POEs, compared to Chinese state-owned enterprises (SOEs), as their weaker institutional constraints

give employees freedom to leave. Most Chinese POEs with less financial power may not offer competitive employee welfare or enough employee development opportunities, and their talents' turnover intentions can easily turn to actual turnover behaviours when they find better job opportunities. Therefore, retaining talented employees has become a significant issue for POEs in the real estate industry.

Talent Management (TM) is still a new research field in China's context. TM, like other management disciplines, is often embedded in a certain institutional context and influenced by certain social norms, cultural factors and government policies. The Chinese cultural context is influential in shaping TM concepts and practices. However, there is still little understanding of how to use TM practices to retain talents in the context of Chinese POEs. TM is a holistic strategy for an organisation, so it is necessary to explore Chinese POEs' TM practices through a holistic lens, which covers defining, attracting, developing and retaining talents. Previous TM studies mainly focused on exploring TM concepts and there has been little empirical investigation of TM practices, especially in the context of Chinese POEs. Linked to the characteristics of Chinese POEs and Chinese cultural context, empirical research is required to explore talent retention through a holistic lens of TM. This research adopts a case study method to provide empirical data on TM practices. Therefore, this research is more comprehensive and empirical than existing TM literature. It fills a research gap and not only contributes to TM theories but also offers practical talent retention lessons to TM practitioners.

1.2. Research aim and research questions

Research aim:

This research aims to explore TM in the context of Chinese PEOs and examines how TM practices are used to retain talented employees.

Based on the research aim, some detailed questions need to be explored. First, how to define talent in these POEs is fundamental for all TM activities. Understanding talent definition in the context of Chinese POEs is an important research question for this study. Second, it is necessary to investigate what TM activities these POEs have. Understanding their TM behaviours and identifying their TM activities would be helpful to improve talent retention in the context of Chinese POEs. Next, what major factors drive talents to leave their organisation is an important research question.

Exploring talents' expectations and turnover intentions is helpful to uncover the problem of high talents turnover. Moreover, Chinese contextual factors, such as guanxi, and characteristics of Chinese POEs closely impact on TM practices in this research context. How TM practices are influenced by guanxi and characteristics of POEs needs to be explored. Therefore, a multiple case study research was conducted to address the following research questions:

1. How is a talented employee defined and recognised in the context of Chinese POEs?
2. How do case companies attract, develop and retain talented employees? To what degree do they have TM practices? How do cultural factors, especially guanxi, impact on TM practices in retaining talents in the context of Chinese POEs?
3. What major factors impact on talents' voluntary turnover in the context of POEs? How can these POEs retain talents through further TM practices?

Addressing these questions allows us to achieve the research aim and make contributions to both TM theories and practices.

1.3. Background

1.3.1. Chinese economy and POEs' development in China

In order to explore TM in the context of Chinese POEs, it is necessary to know the background of Chinese economy and the development of Chinese POEs. Since China's government adopted an "open door" policy and economic reform in 1978, China's economy has developed rapidly, and its average annual growth rate has been 9.9% for the last three decades (Wong, 2013). China has become the second largest economy in the world. The economic reform helped China to transform itself from a centrally planned command economy to a market-orientated economy. As China was formerly a planned economy, private firms were forbidden in the business environment. Before economic reform, there were only state-owned enterprises (SOEs) or collective-owned enterprises (COEs). After 1978, the economic reforms deregulated the state sector of the economy, restructured SOEs and banks, and deregulated the private sector; as a result more and more POEs emerged in China

(Moore, 2006). Chinese POEs are enterprises that are founded, owned and run by domestic individuals, groups and non-governmental and non-public organisations, and the government does not intervene in or supervise these enterprises (Wang et al, 2007). Chinese POEs have grown with the development of a market-oriented economy in China. With further economic reform, China's government further improved policies and measures concerning the development of POEs and removed institutional barriers that hindered the development of private firms in order to enhance the overall competitiveness of POEs. Generally, in terms of size, number, financial status, and profitability, Chinese POEs achieved a rapid growth after economic reform. Most POEs are family businesses, with highly centralized management, and this model helps POEs to save costs and maintain the flexibility of operation (Nan, 2013). The economic reform brought entrepreneurial opportunities with the number of private firms increasing exponentially. Indeed, China's economy transition has reflected private enterprises' struggle for legitimacy. After 30 years' development, now Chinese POEs account for half of the economy. POEs exported goods worth \$481.3 billion in 2010, a jump of 223 per cent compared with 2005 and the number of Chinese POEs exceeded 8.4 million after a yearly increase of 14.3 per cent on average over the past five years (Nan, 2013). The economic reform resulted in the private sector increasingly displacing the state-owned and collective sectors in various industries (Moore, 2006). Many excellent POEs have grown into large enterprises with strong power and a good corporate reputation. Some of them are successfully listed in China or overseas stock markets. Currently, POEs in China are playing a major role in the rapid economic development of China. However, as impacts of institutional background and the nature of the Chinese POEs, POEs in China are very different from other types of firms, such as SOEs and foreign invested enterprises (FIEs).

Although POEs in China have experienced rapid development, they are still facing increasing pressures, such as rising labour costs, financing difficulties, and weak legitimacy. These pressures are not only from the market but also from people's perceptions. To some extent, POEs are still looked down upon by some people and cannot enjoy the same resources as SOEs in China's context. Compared to the Western context, the institutional environment in China remains far from perfect for private enterprises; the state still plays a persistent role in the economy and laws and

policies regulating, the private business are underdeveloped (Feng and Wang, 2010). For example, the Chinese government continues to command significant resources, including capital, land, favourable policies and other assistance, which are more available to state-owned or state-controlled firms than to POEs (Tan et al, 2007). Therefore, POEs do not have inborn advantages to compete for resources with SOEs.

In terms of organisational operations and management, Chinese POEs have some characteristics that are compounded by institutional factors and cultural intricacies (Luo et al, 2005). Compared to SOEs and FIEs, they often take advantage of guanxi networks to support their business operations and development. Different types of Chinese enterprises, such as SOEs, POEs, and FIEs, have varying levels of guanxi orientation, because of different abilities to access resources (Su et al, 2003). Having fewer resources compared to SOEs and FIEs, POEs rely heavily on guanxi to access resources. Guanxi networks are considered as complementary and represent an informal system that supports POEs' business operations. Indeed, the legal system and guanxi are identified as a dual order system that shaped the development of Chinese POEs (Tang and Ke, 2013). Chinese POEs use guanxi networks to obtain key resources when their formal order system involves uncertainty. Mutual favour exchange and acceptance of abstract debt obligations is the main integrating force of guanxi networks, and the coordination mechanism can reduce the transaction costs of business activities. For example, POEs in the real estate development industry need to establish high quality guanxi networks with external stakeholders, such as local authorities, suppliers and business partners. They therefore need some talents who are good at establishing and maintaining guanxi networks for their organisation, because maintaining guanxi networks for an organisation requires much more personal and emotional investment. In general, at the organisational level, the benefits that POEs seek to gain from guanxi networks are access to scarce resources and protection. Guanxi is deeply integrated in Chinese culture and entrenched in Chinese organisational behaviour. In a Chinese POE with an undeveloped managerial system, guanxi ties and personal manner largely impact on organisational operations. The quality of personal guanxi and emotional attachments play an important role in managing employees. Wang (2008) found that employees in Chinese POEs showed a higher level of affective commitment and normative commitment than employees in Chinese SOEs, because POEs' employee

management involves much more guanxi, personal trust, and emotional attachment. Indeed, many employees in POEs have strong emotional attachment to the people within the organisation rather than to the organisation itself (Chen and Francesco, 2003). Thus, TM in Chinese POEs needs to consider guanxi issues.

With the development of a market-oriented economy in China, the establishment of market-based rules intensified competition among different types of enterprises. Chinese POEs not only compete against each other, but also have to face more powerful competitors, such as SOEs and FIEs. Chinese SOEs, which are endowed with abundant resources and oriented toward the market, are now globally competitive (Ralston et al, 2006). Since China became a member of the World Trade Organisation (WTO), FIEs have rushed to China because of its huge internal market and preferential treatment. These FIEs are often equipped with advanced technology, know-how, and management and marketing experience, as well as plentiful financial resources (Ralston et al, 2006). It seems that SOEs and FIEs have put POEs at a competitive disadvantage and POEs often have limited access to formal sources of finance, poor availability of information, and difficulties in hiring highly qualified employees (Xie, 2011). Many POEs focus on operating business projects and neglect organisational management. Some POEs do not have complete organisational management systems. For example, they neglect to develop talents and do not have a long-term talent strategy. At an early development stage, POEs can take advantages of guanxi, quick response, and flexibility to compete and survive. However, with the development of the organisation, many Chinese POEs have to face resource competition, such as talent competition. For example, China's future economic growth is likely to face a serious shortage of technical and professional talents, as well as experienced senior managers, in various industries, notably in real estate and construction, legal and management consulting. POEs face challenges to manage their talents (Nankervis, 2013). Economic reforms give both Chinese employees and employers sufficient freedom to choose each other, and the previously forced loyalty in employee-organisational relations, such as the "iron rice bowl" employment model, has been changed to flexible loyalty (Wang, 2008). Thus, talented employees have become increasingly mobile and flexible in the job market, which has increased POEs' pressures of talent competition, and how to attract, develop and retain talents have become important issues for them.

Competition for talents involves not only domestic enterprises such as POEs and SOEs, but also FIEs operating in China (Kim and Gao, 2010). As China's impressive growth has not been matched by a sufficient supply of talents, many employers, especially POEs, find it difficult to attract and retain them. Both empirical research and literature show that Chinese POEs do not have readily available TM practices. They are mostly small and medium-size organisations, which rely on informal HR systems grounded in strong personal relationships underpinned by guanxi, loyalty and harmony. In contrast, SOEs and FIEs are large organisations with formal HR systems, and they not only have advantages in competing for talents in the labour market but also can absorb the increased cost of formal HRM and reduce average costs by taking advantage of economies of scale. Moreover, compared to POEs, many SOEs that occupy monopoly industries in China have advantages, such as strong financial power, good welfare, corporate reputation and employee development practices, to attract talents in the labour market. Therefore, given the limited talent supply and intensive competition for talents, Chinese POEs need to adopt much more sophisticated TM practices to compete for talents. With the increasing real estate investment and fast-rising housing prices, this competition is increasingly fierce in the real estate industry. Understanding the development of the real estate industry may help us to explore talent retention in the Chinese real estate POEs.

1.3.2. Development of real estate industry in China

China's real estate enterprises may be very different from their counterparts in the UK. In China, real estate enterprises are real estate developers. Real estate project development and construction are critical business processes for these enterprises, and most real estate developers are involved in all the processes in the value chain. Indeed, these real estate enterprises are in a talent-intensive industry, and they have to cover various business processes, from feasibility studies to project strategic management, designing management, construction management, sales and marketing, and property management. Thus, real estate enterprises need to coordinate with diverse stakeholders, such as local government and public organisations, survey companies, design institutions, construction companies, and customers. Some real estate enterprises even have their own sub-companies to cover these businesses and perform all the business activities themselves, because of the weak development of

agent services and other related infrastructure. Therefore, the real estate industry is not only talent-intensive but also capital-intensive, and it involves long cycles of return.

As urbanisation is considered as an important strategy in China's economic policies, the real estate development industry is experiencing an unprecedented boom. Property investment increased from 498 billion RMB in 2000 to 3.6 trillion RMB in 2009 (Li, 2013). Even the worldwide economic recession has not had too much impact on the real estate development industry in China, because China's government provided a four trillion RMB stimulus package to this industry (Fu and Deshpande, 2012). According to the current industrial trend in China, the growth in the real estate development industry is not expected to decline in the near future. This industrial trend has enabled many real estate development enterprises to develop rapidly. The boom of the real estate development industry is largely associated with China's economic reform and economic development, and real estate price escalation has boosted the rapid expansion of the real estate developers. Indeed, China's real estate price escalation is impacted by economic factors, such as strong economic growth, acceleration of urbanisation, commodity housing reform, high saving rate, limited investment vehicle, and speculative investment demand (Li and Chiang, 2012). Higher disposable income, more housing sales and increasing property investment are considered as the main drivers of real estate industry development.

The real estate boom is impacted by Chinese local governments' incentive structure, which prioritizes GDP growth for evaluating their performance. Local government policies, such as accelerating urbanisation, easier availability of bank loans and more housing sales, drive property investment and property price escalation (Li, 2013). The unique feature of China's housing market is that local governments are inclined to boost real estate development and maintain high housing prices, as in that way they can collect more land sale revenues and real estate-related taxes and fees (Li, 2013). Indeed, local governments, who control resources and approval authorities, are important stakeholders of real estate enterprises. Although China's central government is concerned about the overheating of the real estate development industry, and has regulated the real estate market through a series of fiscal, financial and political policies in recent years, efforts to cool down the boom of real estate

development have not been successful. As the real estate development industry has become one of the pillar industries in China, various types of enterprises try to share a piece of the cake in the industry. Chinese POEs have gradually entered the real estate development sector, and some famous private-owned real estate enterprises have developed. With China's housing system reform and the trend of residence monetized in China, houses have become a force of expenditure for Chinese residents. Most private-owned real estate enterprises have developed rapidly.

With the unprecedented boom of the real estate development industry in China, many real estate development enterprises face a shortage of key talents. Recruiting, developing and retaining talents have become major operational problems for these enterprises. These issues can be critical for Chinese real estate development enterprises, whose businesses involve property design, development, construction, sales and management. Talents in the real estate industry involve various specialists. For example, high-end talents include architectural designer, structural engineer, marketing director, project manager, legal consultant and HR manager. The wide range of business processes involved in a real estate project need professional talents, and the high demand for professional talents promotes competition. Many small real estate developers, particularly new enterprises, face challenges to survival. In order to catch up with competitors and gain competitive advantages, many new real estate enterprises try to hunt talents from other competitors, regardless of cost. This contributes to increase talents' voluntary turnover in this industry. As Chinese enterprises are not very strict about business ethics, talent turnover may result in leakage of internal business information. Besides attracting talents from the external labour market, enterprises have to be concerned with retaining talents for long periods of time because industrial talent competition can easily cause talents' turnover intentions to become turnover behaviours. Fu and Deshpande (2012) argue that the ability of an enterprise to retain and foster long-term commitment of talents can be a major source of competitive advantage for a real estate development enterprise. Thus, TM has become an important issue for Chinese real estate development enterprises, especially POEs. The nature of Chinese POEs brings more challenges to these enterprises to compete for talents.

TM as a research field is still in a developing stage, and it lacks a clear and consistent definition of its core construct and a conceptual framework based on

empirical research (Thunnissen et al, 2013). Most existing TM research is based on the Western context, because of the adoption of northern American thinking and research by US based scholars (Collings et al, 2011). How to implement TM practices in the context of Chinese enterprises, particularly in POEs, still remains uncertain. Empirical TM research may help both practitioners and scholars to apply TM practices, especially talent retention, in Chinese POEs. Adopting TM practices as tools to retain talents may help these real estate POEs to compete for talented employees. In order to explore talents' turnover intentions / behaviours, organisational commitment is a useful theoretical framework, because all forms of organisational commitment are strongly related to turnover intention and behaviour (Meyer et al, 2002). Due to the difference in economic, political, and cultural context, Western research results on organisational commitment may not apply to China's context. For example, Chinese guanxi has a major impact on organisation behaviour, relationships and business ethics (Lin, 2011). It is known that many work outcomes in China are influenced by guanxi (Chen and Francesco, 2011). Indeed, guanxi is an important factor influencing talents' organisational commitment in Chinese organisations. Thus, it is not surprising that research results about organisational commitment and talent retention from the Western context may not be applicable in China. Adopting a case study method to conduct empirical TM research allows us to uncover the characteristics of TM in the context of Chinese POEs. Taking account of the nature of Chinese cultural and economic context is helpful to theoretically analyse TM behaviours and to provide TM lessons to both scholars and practitioners. Relevant TM literature, theories and Chinese cultural context are reviewed in the following chapter.

Regarding the structure of the thesis, Chapter 1 introduces the research problem, research questions and background. Chapter 2 outlines relevant TM literature and organisational commitment theory, which are employed by this research. The Chinese cultural context, especially guanxi concepts, are elaborated as well. Furthermore, a research framework is described at the end of Chapter 2. The research methodology and case companies are discussed in Chapter 3. From Chapter 4 to Chapter 7, based on the case studies, the thesis discusses the research findings, which include defining talents, attracting talents, developing talents, and retaining talents. Chapter 8 elaborates talents' expectations and their turnover intentions.

Chapter 9 not only discusses some TM mechanisms that are helpful to reduce talents' turnover intention but also provides a talent retention framework that is suitable for retaining talents in the context of Chinese POEs. Chapter 10 discusses the implications of the research findings because they contribute to TM theory. Some practical lessons that may help Chinese POEs to improve TM effectiveness are discussed in this chapter as well. Finally, Chapter 11 summarises the research findings and reviews the knowledge contributions and practical contributions of the research. It also discusses the research limitations and future research.

Chapter 2. Literature Review

2.1. Talent definition

In order to answer our research question about how Chinese POEs define their talents, evaluating key concepts of talent definition is the first step of this research. A challenge with many TM studies is how to define talent. As talent definitions are complex, ambiguous and incomplete, there is no universal talent definition for all organisations (Ross, 2013). There are considerable differences in how talent is defined in different organisations, because talent is defined in an organisational specific way, being highly influenced by the type of industry and the nature of its work (Tansley, 2011). Clarity of talent definition allows organisations to identify their talents and supports the organisation to use TM practices to develop and retain talents. Organisations find greater value in building their own talent definition than accepting a prescribed definition. Talent definition has therefore become increasingly relevant for scholars and practitioners to make advances in TM research (Thunnissen, 2013).

Although there is no universal talent definition, what emerges from current TM literature is that talent definitions in the business context are divided into inclusive and exclusive dimensions (Stahl et al, 2012). The inclusive dimension views all employees as talents, and the exclusive dimension views a selected group as talents. Currently, the exclusive dimension is more popular. According to the exclusive approach, it is impossible for everyone in the organisation to be considered as talents (Iles et al, 2010). Although both talent definition approaches are used by organisations, the exclusive approach seems to be preferred (Thunnissen et al, 2013). This approach is consistent with the argument that TM focuses on a differentiated workforce, in which certain talents are more highly prized others (Iles et al, 2010).

Exclusive talent definition

The current exclusive approach is likely to define talent through various perspectives, such as competence, potential, performance, and positions. Some of the main perspectives of exclusive talent definition are elaborated below. Talented individuals are often defined in terms of competence / potential or performance in organisations. Some scholars define talents through individual capability and potential. They argue that talent is based on segmentation or differentiation of a small segment of the

workforce; talents refer to some employees who rank at the top in terms of capability and performance and who make a significant difference to the current and future performance of the organisation (McCauley and Wakefield 2006; Davies and Davies 2010; McDonnell, 2011; Stahl et al.2012). Competencies / potential and performance thus become main criteria to define talented individuals. For example, Gagne (2000) defines talents as people who have the ability to perform an activity to a degree that places their achievement within at least the upper 10 per cent of their peers who are active in that field. Similarly, Tansley (2011) finds that in most large organisations, talents are associated with those employees who demonstrate the most potential to progress to more senior roles, particularly leadership positions. In this regard, Tansley (2011) argues that talent definition cannot emphasise individual attributes only, because social capital and organisational capital are related to organisational performance. Similarly, from a lens of leadership, Iles et al (2010) argue that talent definition should consider social capital and networks, and TM focus on collective actions and developing competence of networking and social capital. The talent definitions above are neither title nor position-related, but it is based on the segmentation of capability and potential. Moreover, in order to differentiate talents' above-average competence, individual performance is often considered as an important criterion of talent definition. Tansley (2011) also defines talents as individuals who demonstrate high performance in leadership behaviours, as well as those who draw upon high levels of expertise in a specialist area. According to this talent definition, TM is about developing talented individuals to achieve high performance. Based on the talent definitions above, talents are often called A-players because of their high performance or high potential. Following this definition, TM practices are able to treat employees differently according to their performance, competence, potential or other features.

Other scholars, however, indicate that competence, potential and performance are not sufficient to define talents; another exclusive talent definition perspective inclines to define talents based on job positions. Huselid et al (2005) argue that talent definition is closely connected with the identification of pivotal positions in the organisation. Defining talents from a position perspective means TM practices should focus on pivotal positions, which differentially contribute to the organisation's sustainable competitive advantage (Boudreau and Ramstad 2005;

Lewis and Heckman 2006; Collings and Mellahi 2009; Whelan et al 2010). This talent definition encourages TM practices to get disproportionate attention and investment according to the strategic importance of positions in the organisation (Iles et al, 2010). Position-related talent definition pays more attention to differentiating positions within organisations and focuses on strategic posts or posts that can provide above-average impact (Collings and Mellahi, 2009). An ideal TM situation is to match high competence employees and pivotal positions, and to contribute desirable performance to the organisation. Huselid et al (2005) argue that organisations cannot place top performers in all positions because of limited financial and managerial resources available for TM practices; so the best strategy is placing the best employees in strategic positions, placing good performers in support positions; and eliminating employees who can not add value. These talent definition perspectives are widely accepted by current TM scholars and practitioners, and the exclusive talent definition approach seems to be preferred in organisations. Indeed, exclusive talent definitions may not be limited in the two perspectives above, more research is needed to further explore talent definition from an exclusive perspective, because the ways to define talented individual differ in different context.

Inclusive talent definition

In contrast to the two exclusive perspectives on talent definition, some other TM scholars take an inclusive stance to define talents. The inclusive talent definition views potentially everyone in the organisation as a talent. Stainton (2005) suggests a broad talent definition that recognises everyone has the capability and potential to display talent. Consequently, everyone should go through the same talent identification process. This approach provides employees with equal opportunities in TM practices. Walker (2002) argues that talents require opportunities to show their competence; opportunities need to be provided for everyone to learn, grow and strive to fulfil their potential. According to this inclusive talent definition, TM aims to improve performance among all levels in the workforce, and allow everyone to reach his/her potential (Ashton and Morton, 2005). The inclusive definition can be characterized as a positive approach to HRM, in which the development and training of the talents is emphasized (Thunnissen et al, 2013). This talent definition makes TM is similar to human resource development or competency management. Some other scholars supporting on inclusive approach view talent as the entire workforce

of an organisation. For example, Cheese et al. (2008) suggest that “talent is used as an all-encompassing term to describe the human resources that organisations want to acquire, develop and retain in order to meet their business goals” (p.46). Lewis and Heckman (2006), however, criticised that the inclusive talent definition as too broad and so completely meaningless. The inclusive talent definition may not clearly distinguish TM and HRM. Moreover, viewing everyone as talent may not allow TM practices to make good use of limited organisational resources.

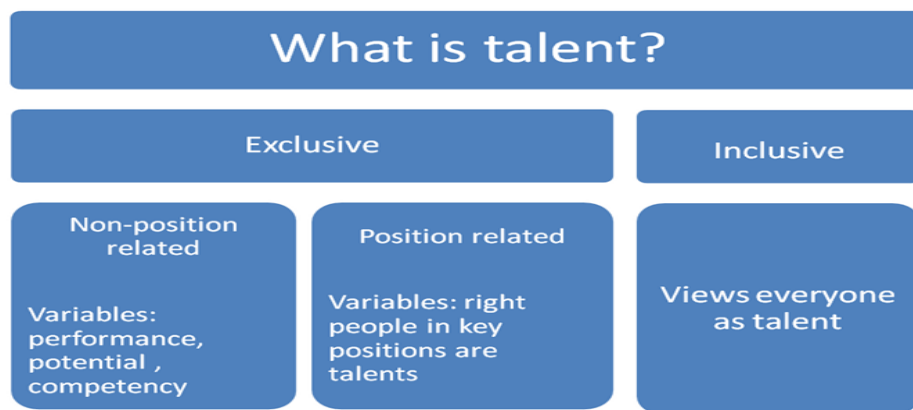


Figure 2.1: Talent definition categories Source: the author (2013)

To summarise, talent definitions are divided into inclusive and exclusive schools (see figure 2.1). Despite different interpretations of talent, scholars agree on the impact of the context on the exact and precise description of talent (Thunnissen et al, 2013). The mix of differentiating competencies and abilities varies according to the organisational environment, the type of work, and the internal and external circumstances of an organisation (Ashton and Morton 2005; Lewis and Heckman 2006; McCauley and Wakefield 2006; Tansley 2011). Therefore, the criteria of talent definition are various. These talent definition frameworks from Western countries may not be adequate in the context of the Chinese POEs, because China’s context and the POEs’ characteristics deeply impact on the way of defining talents. Little TM research has theoretically evaluated talent definition in the context Chinese POEs (Zhang and Bright, 2012), it is still an unknown area for TM research. It is necessary to explore how Chinese POEs define their talents, because it is helpful to uncover other different TM practices in the research context. It is valuable to explore the phenomenon of defining talents through an examination of an empirical investigation in these Chinese POEs. For example, in China’s business context, guanxi is widely seen as particularly important, few TM studies elaborate how

guanxi influences talent definition (Zhang and Bright, 2012). Taking account of the nature of Chinese POEs and cultural issues to evaluate talent definition will not only fill a theoretical gap but also lay an important foundation for further TM research in the context of Chinese POEs.

2.2. What is TM?

There are various definitions and understandings about TM from literature. Based on the TM literature review, there is not a universal definition of TM. Nevertheless, these TM definitions were not without some consensus, Lewis and Heckman (2006) summarise three main understandings regarding TM. The first school views TM is the same as HRM, because they both involve getting the right job at the right time and managing the supply, demand and flow of people through the organisation; it involves some typical HR activities such as recruitment, development and retention (Iles et al, 2010). This school argues that talent equals human capital, so TM is not essentially different from HRM (Thunnissen et al, 2013). According to Lewis and Heckman (2006), the second TM school focuses on the concept of a talent pool, which refers a small segment of the workforce, and TM is considered as a process to ensure an adequate flow of these employees throughout the organisation (Thunnissen et al, 2013). A series of TM activities, such as recruitment, development and retention, target the talent pool. This TM school adopts some concepts, such as ‘employer brand’ and ‘workforce segmentation’ that are borrowed from marketing theory, for attracting and retaining talents. Some TM activities, which are similar to succession planning or HR planning, are used for talents in order to fill specific or pivotal positions within the organisation. The third TM school generically focuses on talents without any differentiation in regard to posts. High-performing talent or talent with high potential is the main objective of TM practices. This TM school is organisationally focused on competence development through managing flows of talent through the organisation; the focus here is on the talent pipeline rather than talent pools (Iles et al, 2010). This TM school is more like strategic management of the flow of talents through various roles in an organisation.

These three different understandings each focus on a single perspective of TM. Each understanding or definition may have some deficiencies. Some other TM scholars define TM through multiple perspectives and combine some of the TM definitions

above and some HR theories. For example, Collings and Mellahi (2009) define TM as

“Activities and processes that involve the systematic identification of key positions which differently contribute to the organisation’s sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organisation” (Collings and Mellahi 2009, p.304).

Similarly, Davies and Davies (2010) give a TM definition that covers more aspects. They argue;

“Talent management is the systematic attraction, identification, development, engagement/retention and deployment of those individuals with high potential who are of particular value to an organisation” (Davies and Davies 2010, p.419)

Some scholars also view TM through an international/global lens (Scullion et al, 2010; Farndale et al, 2010; McDonnell et al. 2010). For example, Scullion and Collings (2011) indicate:

“Global talent management includes all organisational activities for the purpose of attracting, selecting, developing, and retaining the best employees in the most strategic roles (those roles necessary to achieve organisational strategic priorities) on a global scale” (Scullion and Collings 2011, p.7)

Although there are various understandings regarding TM, most TM practices focus on the attraction, development and retention of talents (Thunnissen et al, 2013). This means talent attraction, talent development and talent retention are main parts of the TM process. This research will take the three processes as a lens to explore case companies’ TM activities. It not only avoids the never-ending debate about TM definition but also allow the research to make empirical TM explorations in the context of Chinese POEs. Evaluating different processes of TM activities (input, process and output) helps the study to clearly explore talent retention.

Why do we need TM? This question refers to the intended effects and outcomes of TM. Many scholars argue that TM is to attract, develop, motivate and retain talents

(McCauley and Wakefield 2006; Ready and Conger 2007; Davies and Davies 2010). It means the purpose of TM is to fulfil the need for human capital and to narrow the demand-supply gap (Thunnissen et al, 2013). However, Cappelli (2008) argues that TM is not for some tactical outcomes, such as developing employee, succession plan or achieving specific turnover. He argues that TM aims to support the organisation's overall business objective, and TM is not a subsystem of HR. Indeed, many scholars support the argument and state that TM should contribute to the overall firm performance or increase organisational competitive advantage (Lewis and Heckman 2006; Collings and Mellahi 2009; Mellahi and Collings 2010; Schuler et al. 2011; Stahl et al. 2012).

Furthermore, Collings and Mellahi (2009) point out that effective TM has an indirect positive relationship with organisational performance mediated by work motivation, organisational commitment and extra-role behaviour. In order to improve organisational performance, an organisation should utilise TM practices to motivate talents and to increase their organisational commitment. Indeed, organisational commitment and alignment are considered as indirect objectives of TM (Cheese et al 2009; Christensen et al 2008), because talents with high levels of organisational commitment lead to better organisational performance and talent retention (Cheese et al, 2009). In general, the outcomes of TM are broad. Thunnissen et al (2013) summarise that on an individual level, TM practices, such as recruitment, development and retention, can support individual development and enable to increase talents organisational commitment. On an organisational level, although there is no unanimity on the intended objective, the main objective of TM is about improving performance through increasing talents' well-being.

Although TM has developed in the past decade since many scholars paid attention to the argument regarding the "war for talent", Lewis and Heckman's (2006) review shows that TM is still in its infancy, because lack of a clear definition of its core constructs and little conceptual framework based on empirical research. Yet many TM papers have emerged in recent years. Some progress about TM definition and conceptual framework has moved TM from infancy into adolescence (Collings et al, 2011). However, Thunnissen et al. (2013b) note that most TM research is based on a US context, because of the adoption of Northern American thinking and research by the US based scholars. Few TM studies are based on China's context (Iles et al. 2010;

Hartmann et al. 2010; Zhang and Bright 2012). The TM assumptions and concepts generated from the Western context may be not adequate in China's context, such as the Chinese POEs, because the model and activities of TM are context and organisation dependent (Siikaniemi, 2012). TM is still an under-researched area in China's context; for example, talent definition, talent attraction, talent development and talent retention have not been identified in this particular context. Relevant theoretical framework and practices are still in their infancy. It is valuable, therefore, to conduct an empirical investigation on the TM phenomenon and to offer both theoretical and practical contributions to TM in the context of Chinese POEs.

2.3. TM practices

According to TM literature, most studies discuss and define TM through a strategic perspective. Theoretical frameworks or concepts of some TM practices and activities are still in its infancy. Existing literature that discussed detailed TM practices mainly focuses on talent attraction, talent development, and talent retention. Some scholars present principles of TM activities. They are reviewed in the following sections.

2.3.1. Talent attraction

Talent attraction practices involve recruiting talents, staffing and succession planning (Thunnissen et al, 2013). Stahl et al. (2012) found that most companies prefer a talent pool strategy and their talent attraction activities target a special group (talented individuals). The talent attraction strategy enables employers to view their recruits as customers and apply sophisticated marketing models and recruitment methods to acquire talented individuals from the external labour market. Various recruitment tools are used to attract talents. According to the CIPD (2013), in the last five years, the top four methods for attracting talents are own corporate website, recruitment agencies, commercial job boards, and employee referral scheme. Empirical investigation in the UK found the most effective methods for attracting talents were corporate websites and recruitment agencies, and employee referral schemes were also very effective recruitment methods for private enterprises (CIPD 2013). Our literature review shows that practical talent attraction activities are largely similar to recruitment practices. Indeed, adopting a suitable recruitment method to acquire talents is an important part of talent attraction. Phillips and Roper (2009) added that recruiting top-tier talent challenges a recruiter's ability to source and screen for bright talents, and many resources such as time and financial

investments are needed. In order to attract talents, particularly the young generation in the contemporary labour market, enterprise needs to use creative recruitment strategy and avoid the more traditional recruitment methods (Phillip and Roper, 2009). Whereas, most literature regarding talent attraction is based on Western contexts, these talent attraction methods in China's context might be not as effective as in the Western context. Compared to western enterprises, Chinese enterprises may have different interpretations of talent attraction methods, due to the nature of the cultural context. For example, *guanxi* has significant influence on talent recruitment and talent identification (Zhang and Bright, 2012). Existing talent attraction theories have not taken the nature of the Chinese cultural context into account. Some issues that exist in the Chinese POEs and influence talent attraction need to be elaborated clearly, because they are connected to talent development and talent retention. A good understanding of these issues will allow us to further explore other TM practices such as talent development and talent retention.

Many scholars argue that employer branding is an essential element of TM, especially in the process of talent attraction (Jiang and Iles, 2011; Jansen and Van der Pool, 2009). Stahl et al. (2012) state that attracting talent involves marketing the enterprise to people who will fulfil its talent requirements. Employer branding is a critical factor in effective recruitment. Developing employer brand is considered as a useful method for attracting talents and enterprise should structure its HR organisation around the brand and align corporate and an employer brand communication (Jansen and Van der Pool, 2009). According to Kucherov and Zavyalova (2012), a good employer brand strongly supports talent attraction. In terms of China's context, Jiang and Iles (2011) found that a good employer brand may play an important role in encouraging a talent to accept a job offer, because employer brand is a key variable in the initial talent recruitment. Similarly, Stahl et al. (2012) advise employers to enhance their employer brand and reputation through regular news releases and media events at key recruitment locations, because employer brand is a strong psychological element and contributes to the 'character building' of an organisation. A strong employer brand is an effective tool to attract and retain employees, and it has a long-term impact when an enterprise is viewed as a well-managed firm and a great place to work; an effective employer branding can pay off when enterprises gradually find it easier and cheaper to recruit top talent

while their competitors may pay more to acquire good people (Jansen and Van der Pool, 2009). Whilst it is clear in existing TM literature that a strong employer brand helps to attract talents, prior studies have not elaborated how employer brand supports talent attraction in the Chinese cultural context. How do talents in China perceive employer brand when they choose employers? Some more empirical evidence may help us to further explore how employer brand influences talent attraction in our research context.

In addition, besides employer brand, little prior TM literature has discussed other talent attraction methods, for example, attracting talents through job fairs or through guanxi networks, in the context of Chinese POEs. Exploring these talent attraction activities will allow us to understand Chinese POEs' talent attraction behaviours and to further explore talent development and talent retention in the research context.

2.3.2. Talent development

Talent development is an important part of overall TM (Cappelli, 2009). Acquiring talents from the external labour market may not satisfy organisations' talent demand, developing talents internally allows organisations to develop talents' industry- and firm-specific knowledge and skills. Garavan et al. (2012) define talent development as follows:

Talent development focuses on the planning, selection and implementation of development strategies for the entire talent pool to ensure that the organisation has both the current and future supply of talent to meet strategic objectives and that development activities are aligned with organisational talent management processes. (Garavan et al., 2012, p6)

Although different organisations may define their talent development differently, talent development can be divided into inclusive and exclusive approaches, corresponding to the classification of talent definition. The inclusive approach focuses on development of human capital more generally in the organisation; and the exclusive approach focuses on developing specific individuals or trying to develop talents to fill some pivotal positions. Literature review shows that most talent development definitions or descriptions focus on exclusive approaches. Empirical investigations also reveal that exclusive talent development approaches are much more popular in organisations. For example, the CIPD (2011) found that the

exclusive talent development approach often targets senior managers, high potentials, future leaders and high-fliers. However, some scholars suggest developing talents with a hybrid approach that seems like an inclusive approach and provides more talent development opportunities to different talent segments (Garavan et al, 2012). This hybrid talent development approach may seem fair and helpful to motivate employees. However, there has been little study of talent development behaviours in the context of Chinese POEs. What kind of talent development approach is suitable to Chinese POEs needs to be explored.

Developing technical and generic competencies

Developing technical and generic competencies are two important parts of talent development. Technical competencies development is important to talents in the initial career stage, while generic competencies development is needed with talents' career growth. Traditional development activities such as training are effective methods for developing talents' technical competencies. However, talents with high potential must work proficiently in diverse work contexts (Dierdorff and Morgeson, 2007), and their competencies are closely linked to characteristics of context. Consequently, Garavan et al. (2012) argue that generic competencies are an important part of talent development. Generic competencies include a range of skills and competencies that are widely used in the workplace, such as problem solving skills, communication skills, leadership, and skills to identify, access and manage knowledge. Developing generic competencies is a challenge for talent development, because it not only impacts individuals' potential and career advancement but also is highly contextual (Dierdorff et al, 2009). Generic competencies are related to the work task, social context and physical context. Developing generic competencies is more complex than developing technical competencies; because they focus on aspects of the role that are interpersonal in nature, such as interpersonal conflict, the degree of interdependence and density of human interaction (Garavan et al, 2012).

As generic competencies are contextual, developing talents' generic competencies in the context of Chinese POEs is still an area on which little is known. Since guanxi is an important feature in China's social context, developing and maintaining good guanxi is an important generic competence. However, how to develop talents' guanxi skills has not been elaborated by existing TM literature. Exploring the gap will not only provide practical talent development guidance to the Chinese POEs but

also contribute to TM theories. Furthermore, it may lay a foundation to explore talent retention.

Classroom development, e-learning and on-the-job development are viewed as traditional methods to develop talents' competencies or potential and help talents to perform effectively. Such traditional approaches, however, are often passive rather than active; they emphasise natural experiential learning. Some scholars, in contrast, advocate blended talent development approaches. For example, Conger (2010) suggests that talent development includes individual skill development, socialising development interventions, action and strategic learning initiatives. Blended talent development approaches focus on accelerating the learning curve and encouraging talents to perform. Such programmes adopt ongoing intensive training, simulation tools, structured projects and experiences to encourage talents to learn and develop themselves (Garavan et al, 2012). However, it is still not clear whether blended approaches or traditional approaches are more effective in developing talents in the context of Chinese POEs. Hence, more empirical investigations are needed.

Some HR practices that support talent development are discussed in the TM literature. For example, human resource planning, selection of talent, performance management, career management and succession planning are widely used to develop talents in organisations. McDonnell and Collings (2011) suggest a contingency approach to the design of HR systems to support talent development. These talent development approaches not only link to business strategy and objectives but also pay attention to cultural fit and the involvement of stakeholders in the process of talent development. Moreover, Kaye (2002) argues that talent development is a three-way process, in which the individual, the manager, and the organisation have particular responsibilities for talent development. The organisation provides resources and tools, values and culture. Managers are responsible for assessing needs, clarifying and discussing goals, supporting development, providing feedback and monitoring development. Talents need to set personal development goals, seek development opportunities and implement development plans. Most of these talent development approaches are closely linked to HR practices. This means talent development is often supported by HR activities.

Talent development practices

Talent development practices can be categorised into four dimensions, which include formal programmes, job-based developmental experiences, relationship based developmental experience, and informal developmental activities (Garavan et al, 2012). Various scholars analyse talent development phenomenon through the four categories and highlight the features of different talent development programmes.

Formal talent development programmes focus on adopting traditional programmes to develop talents' competencies. Conceptual and skill-based development programmes, personal growth development programmes, feedback-based development interventions and action focused development interventions are often used to improve talents' generic skills and competencies (Conger, 2010). Managerial and professional talents are the typical target audience. Their generic competencies such as teamwork, problem solving and strategic awareness are developed through action learning interventions. Some other scholars argue that the talent development strategy should be mixed and its purpose is to enhance talented employees' working effectiveness and potential (Baruch, 2006; Ready and Conger, 2007). Linked to our research context, whether these formal programmes are adequate to develop talents in the context of Chinese POEs is still unclear in existing TM literature, and requires further investigation.

Using the job as the basis for developing talents is another popular talent development category. The job itself is a resource for developing talents. Wilson et al. (2011) argue that job-based development programmes can develop talents through superiors, increasing in job scope, horizontal job rotations, implementing change and developing new practices. In order to develop talent through job-based experience, Garavan et al. (2012) suggest job tasks need to be varied; in particular the job tasks with cross-functional influence allow talents to learn different things and take learners outside of their comfort zones. Thus, job experiences are considered as talent development strategies. However, this talent development strategy has a high level of requirements for learners and organisation. Job-based talent development requires learners to have strong self-confidence and consciousness. It requires the whole organisation to recognise job activities as talent development opportunities as well. In our research context, how these Chinese POEs adopt job-based talent development practice is still unclear. Which talent

development activities suit these Chinese POEs has not been discussed in prior TM literature, so further evidence is needed.

Moreover, relationships, for example, with peers, senior leaders, customers and suppliers are considered important for talent development (Balkundi and Kilduff, 2006). Developmental relationships are conceptualised by Higgins and Kram (2001) as relationships where an individual takes an active interest and action to advance the career of another individual. Friday et al. (2004) suggest that sponsorship, coaching, mentoring, psycho-social support and career advice are good ways to develop relationships. Indeed, developing relationships is increasingly used to develop high potential talent (CIPD, 2011). However, there are also some challenges for developing relationships. For example, it is not easy to find suitable people to take the role of mentors; matching mentors and mentees is a challenge as well. In terms of this research, developmental relationships are also important to develop talents in the context of Chinese POEs. Chinese *guanxi* is similar to the concept of relationship; but the Chinese *guanxi* contains many more attributes compared to the relationships discussed in previous literature. Indeed, developing talents' *guanxi* and relationship is much more important in Chinese context, and *guanxi* has already been considered as an important perspective of talent definition (Zhang and Bright, 2012). Understanding *guanxi* may help us to uncover the close relationship between talent development and talent retention. However, how *guanxi* impact on talent development is still an unexplored area. Therefore, it is valuable to elaborate *guanxi* effects in the process of talent development, and it is better understand the nature of talent development and also talent retention.

In addition, talent can be fostered through informal and non-formal talent development opportunities, according to the contingent nature of work in organisations. (Marsic and Watkins, 2001). As informal development often takes place in unplanned scenarios without specified outcomes (Marsic and Watkins, 2001), informal talent development takes place through experiential learning. For example, talent can be developed implicitly because learning occurs independent of conscious attempts to learn (Garavan et al, 2012). Moreover, talents can be developed through non-formal learning, which is intentional development and structured with learning outcomes. With the increasing emphasis on a social capital perspective and collective learning process, informal talent development processes

raise more interest of TM scholars (Wang-Cowham, 2011). For the Chinese POEs, informal and non-formal development practices may be more practical than formal development practices, such as classroom training, in developing talents' guanxi competencies, because guanxi competences are predominantly experiential.

The above talent development framework that contains four development categories is very popular. However, such theoretical frameworks are rarely implemented in a systematic way, because they do not provide enough detailed and practical guidance. Although prior research, such as CIPD (2012a), investigated talent development phenomena in the context of Asia and the general results show that coaching, in-house development programmes, on-the-job training and job rotation are popular approaches to developing talents in Asian countries; prior studies have not elaborated talent development practices in the context of Chinese POEs. How to practically implement relationship-based development, particularly Chinese guanxi, job-based developmental experiences, and informal/non-formal developmental activities, especially in the context of Chinese POEs, are still unknown fields. What are the main development expectations of Chinese talents? What kinds of development activities are suitable for the Chinese POEs? Linking individual expectations and organisational requirement together may improve the effectiveness of talent development, and help to retain talents as well. All those issues need to be explored empirically. Furthermore, talent development is a two-way communication behaviour, which involves both talents and their organisations. It cannot rely on talents' self-learning or incidental development only. The talent development framework above underestimates the value of mentoring or teaching, help talents to learn from others. How to develop internal talents and how organisational HR policies support talent development in the context of Chinese POEs need to be elaborated through empirical investigations. Answering these questions will not only make a knowledge contribution to TM theories but also provide practical guidance to talent development and talent retention.

2.3.3. Talent retention

Collings and Mellahi (2009) argue that most organisations view talent retention as retaining members of the talent pool. Retaining key talents whose jobs are critical to the organisation is essential to the organisation's success, because employees in these roles can make important contributions to organisational performance. Losing

talents means high costs, which include loss of business performance and customer satisfaction, as well as the cost of hiring and developing new employees, so retaining talents is an important part of TM (Jauhari et al, 2013). Talent retention focuses on factors related to employee retention and turnover. According to existing TM literature, there are various strategies used to retain talents. Employer branding is a dimension of talent retention (Jiang and Iles 2011, Shah 2011), that focuses on creating an employer brand in the minds of talents to attract and retain talents for an organisation. Many more previous studies explored talent retention through the lens of organisational commitment. Based on the framework of organisational commitment, Olckers and Du Plessis (2012) discuss the role of psychological ownership in retaining talent. Alessia and Regina (2008) explain the influence of learning and organisational commitment on talent retention in the context of European context. These studies chose different directions to analyse the relationship between talent retention and organisational commitment. Talent retention is mediated by organisational commitment, which has been historically considered as an important mediating variable for employee retention and turnover (Meyer et al, 2002).

The effectiveness of talent retention is influenced by talents' organisational commitment. Prior investigations find that some key talent retention factors, such as confidence, room for growth, a fair exchange, an environment for success, and authority and influence, drive talents' commitment, because stayers are more satisfied with these than leavers (HayGroup, 2013). Some other TM scholars analyse talent retention through determinants of turnover intention, for example, rewards, career development and work environment are important aspects to retain talents (Phillips and Roper 2009; Ma and Trigo, 2008). In terms of talent retention, previous studies summarised some factors that trigger talents' voluntary turnover and suggested some talent retention practices. For example, the CIPD (2013) finds that improving line managers' people skills, increasing talents' learning and development opportunities and increasing pay are the most effective talent retention methods. However, these talent retention practices from Western contexts may not be adequate in the Chinese context. For example, in terms of ranking of turnover intention determinants, besides career development and rewards, Chinese talents view work guanxi as an important turnover determinant (Ma and Trigo, 2008). What retention

practice is suitable for Chinese POEs still remains unclear. Exploring the talents' turnover intentions is helpful to establish a series of talent retention practices for the research context. Indeed, some studies have already analysed employees' turnover intention in Chinese context. Rewards, career development and work guanxi are important factors influencing Chinese employees' turnover intentions.

Rewards

In order to retain talents for an organisation, Phillips and Roper (2009) suggest organisations adopt a reward package to retain high performers. Such a reward package should clearly articulate expectation of performance and drive top performance at every skill level within the organisation. The reward package, such as salary, bonus, and stock options, helps to attract and retain talents for the organisation. Previous studies find that pay satisfaction has a positive link with employees' organisational commitment and a high level of pay satisfaction is helpful to retain employees (Mottaz, 1988). Chiu and Francesco (2002) find that pay is a major factor influencing Chinese managers' turnover intentions, and they find money play a more important role in Chinese cultural context than in other context. Ma and Trigo (2008) further analyse the relationship between turnover intentions and financial rewards for managers in China. Their results showed that financial rewards mainly influence Chinese managers' job satisfaction and turnover intention, and young managers tended to place great value on financial rewards because China is in an economic transitional period in which wealth is a symbol of success. In the labour market, financial rewards such as salary and benefits of job positions are transparent. Managerial talents are well aware of their market value through pay offers in the job market and they view pay as an important indicator of organisational recognition. Moreover, financial pressures encourage Chinese young managers to perceive pay as important factor for choosing jobs, because the high cost of housing, education and medical services force young employees to look for good pay (Ma and Trigo, 2008). Therefore, enterprises have to use competitive financial rewards packages to attract and retain talents. However, financial reward alone is not enough to retain talents, because talents' turnover intentions are influenced by other factors, such as job stability and advancement in the organisations (Shaw et al, 1998). In terms of our research context, an enterprise needs to take other aspects into account in talent retention policies. On the one hand, as China's economy continues to

escalate, and the real estate industry has become one of the pillar industries in China, demand for mature real estate industrial talents is much greater than supply. Many real estate enterprises are competing for mature talents with attractive offers. On the other hand, a large number of Chinese university graduates who have little work experience enter labour market every year, which increases the employment pressure on young people. Indeed, current difficulties being experienced by young job seekers may change their concept of employment. Therefore, previous studies that analyses talents' pay expectations may not be adequate for the current talents. In the current labour market, talents' pay expectations and how financial rewards influence talents' turnover intentions are still unknown. In order to retain talents in the current context, talent retention practices need to take account of many more aspects of talents' expectations. More empirical research is needed to explore talent retention in the context of Chinese POEs.

Career development

Career development refers to promotion and career growth opportunities, which include training, development and other learning opportunities. Offering developmental opportunities is one of the key ways of managing and retaining talents (Jauhari et al, 2013). Internal career development is proving critical in retaining talents. Individuals tend to stay longer where they are experiencing personal and professional growth, and employers who actively partner with their employees to align career direction with company goals are realizing better retention rates (Gaffney, 2005). Career development activities, such as training, mentoring, and orientation, not only develop talents for future business needs but also fulfil individual growth expectations, and it plays an important role in retaining talents. In China's context, employees are very concerned about corporate prospects, because they closely influence individual career development. Zhang and Wang (2003) find that corporate prospects, such as the firm's future and successful future growth, are important determinant of turnover intention for Chinese employees. Chinese employees are well aware of the vagaries of different types of companies, such as POEs, SOEs and FIEs, and the threats these pose to their careers, because losing a job means a terrible life, due to an inadequate welfare system in China (Ma and Trigo, 2008). At the individual level, promotion, training and development opportunities influence young managers' job satisfaction and turnover intention,

because Chinese managers expect to rapid faster career growth (Ma and Trigo, 2008). As young Chinese managers have higher expectations regarding their career prospects, failure to fulfil these expectations may increase their turnover intention. Sufficient training and career development opportunities can help to retain Chinese young managers. Similarly, Newman et al. (2011) find that Chinese employees who have positive views of the training availability in their organisation are more inclined to stay with the organisation for fear of losing the training opportunities that leaving the organisation may incur. However, retaining talents by fulfilling their career development expectations has not been elaborated by existing TM theories, especially in the context of Chinese POEs. Some further empirical researches can help the Chinese POEs to find suitable ways to retain talents through talent development practices, and it would also fill a theoretical gap in talent retention. Furthermore, Newman et al (2011) find that supervisor support for training and development indirectly reduces employees' turnover intentions in the context of China. In the process of training and development, supervisor support or co-worker support can enhance co-worker relationship, because the nature of Chinese society builds a closer relationship between co-workers than that in the West cultural context (Wang, 2008), and the close relationships is helpful to retain employees (Newman et al, 2011). Thus, in China's context, training and development may bring a benefit of employee retention. However, how to exploit the benefits of TM practices, particularly talent development and retention, is still unclear. More empirical research is needed; because it is valuable to take advantage of special relationships, such as *guanxi*, established in training and development processes to improve talent retention in the Chinese organisational context.

Psychological ownership

In order to retain talents, many organisations and studies have paid attention to psychological factors. Olckers and Du Plessis (2012) argue that psychological ownership can affect turnover intentions and help organisations to retain talents. Psychological ownership is recognised as a construct that is separate and distinct from the legal or equity ownership of an organisation; it is connected to the relationships between employees and their organisation and colleagues, and it functions as a psychologically experienced phenomenon (Olckers and Du Plessis, 2012). Pierce et al. (1991) suggest that psychological ownership leads to the

integration of the employee-owner with the organisation and the ownership experience. Bernthal and Wellins (2001) argue that many factors related to psychological ownership influence retention; for example, the quality of the relationships between employees and their supervisors, and the level of cooperation with co-workers. Jeswani and Dave (2011) argue that psychological ownership is a predictor of turnover intention. Similarly, Avey et al (2009) found that psychological ownership plays a role in retaining talents and encouraging them to remain with the organisations. Therefore, organisations can encourage talents to form a sense of psychological ownership and create a work environment that engages and retains them. However, retaining talents through enhancing psychological ownership is largely based on the Western context, and may not be applicable in the Chinese cultural context. For example, Chinese people are easily be engaged by guanxi ties, which have some similarities with psychological ownership, but this has not been considered by Western talent retention studies. Indeed, guanxi ties as a typical phenomenon in Chinese context play an important role in engaging and retaining talents in the organisation. However, the possibility of taking advantage of guanxi effects in talent retention practice is neglected in existing TM literature. Empirical research regarding guanxi effects may help us to explain talent retention.

2.4. Turnover intention

Turnover intention is the extent to which employees intend to leave their employers; it is a conscious and deliberate willingness to leave the organisation (Ma and Trigo, 2008). Previous research found that turnover intention is the strongest predictor of actual turnover behaviours (Lee and Mowday, 1987; Tett and Meyer, 1993). Many researchers have proved that turnover intention can be considered as a proxy for actual turnover, because turnover intention is consistently correlated with turnover (Poza and Henneberger, 2004). Thus, the present research explores talents' turnover intentions rather than actual turnover behaviours. Examining talents' expectations and what determinants increase talents' turnover intention is an important part of this research, as understanding talent's turnover intention will help to develop suitable TM practices to retain key talents for the Chinese POEs.

Previous studies found that employees who are not satisfied with their jobs are more likely to quit their jobs than those who are satisfied (Tett and Meyer, 1993; Ma and Trigo, 2008). Some significant factors that impact employees' job satisfaction and

indirectly influence their turnover intentions include compensation, promotion opportunities, work itself, and relationship with colleagues (Arnold and Feldman, 1982). Many factors that influence employees' turnover intention relate to the psychological contract, a set of subjective beliefs regarding an exchange agreement between an employee and an employer, which is promise-based and over time, takes the form of a mental model (Rousseau, 2001). Rousseau (2001) argues that a major feature of psychological contracts is that the belief between an employee and an employer is mutual, which binds both parties. Two distinct types of psychological contracts are transactional and relational contracts. Transactional contracts involve specific economic exchanges between employers and employees, whereas relational contracts are often based on non-economic / socio-emotional exchanges (Behery et al, 2012). Violation of the psychological contract affects employees' attitudes and behaviours, such as trust, loyalty, organisational commitment and turnover intention (Marielle et al, 2011). However, in China's cultural context, Chinese employees' behaviours and thoughts may be different from those of their Western counterparts and Western research results may not apply to China. Previous studies in the Chinese context found that Chinese managers consider pay as a major factor affecting their turnover intentions, and those financial rewards are more important in Chinese culture than in other cultures (Chiu et al, 2001). Hence, competitive salaries and bonuses are considered to be more important than other inducements to retain managers. Ma and Trigo (2008) summarise seven other factors that often influence Chinese employees' turnover intention; sense of achievement, compensation and benefits, corporate culture, training and promotion, corporate prospects, relationship, and working environment. Although talents in our research may not behave in the same way as employees in previous studies, because of the dynamism of China's labour market, previous literature could be a guide for this study to explore Chinese talents' determinants of voluntary turnover. The current study needs to explore talents' turnover intention empirically, because talented individuals in the current real estate industry face more challenges and opportunities in a background of talent competition, and many talents in the new generation are more likely to take risks to pursue career development and change jobs compared to older generations. These talents' expectations and turnover intentions may be different from previous research results. Understanding the psychological contract between talents and their employers is helpful to uncover talents' turnover intentions. Empirically explore

talents' turnover intentions in our research context is useful to established suitable TM practices to retain talented employees.

2.5. Organisational commitment

One of the main research objectives in this thesis is analysing how to retain talents. Organisational commitment plays an important role in analysing talent retention (D'Amato and Herzfeldt, 2008), a few research projects have shown that organisational commitment is a strong predictor of intention to stay in the organisation, while low organisational commitment can increase high employee turnover (Mathieu and Zajac, 1990; Cohen, 1993; and Bishop et al 2002). Furthermore, Collings and Mellahi (2009) argue that organisational commitment is a powerful bridge between TM and organisational performance. Therefore, as a main theoretical framework, organisational commitment is applied in this research to analyse TM and talent retention.

Organisational commitment refers to an individual's overall feelings about the organisation, and it is a psychological bond that an employee has with an organisation and that has been found to be related to behavioural investments in the organisation, likelihood to remain in the organisation, and goal and value congruence (Mowday et al., 1982). The most popular organisational commitment model is the three-component model proposed by Meyer et al (1991). They argue that commitment involves three different themes: 1) affective commitment, which is an emotional attachment to the organisation; 2) normative commitment, which is a sense of obligation to remain in the organisation; 3) continuance commitment, which is a perceived cost associated with leaving the organisation. In the organisational context, employees with a strong affective commitment remain in the organisation because they want to; employees with a strong normative commitment remain in the organisation because they need to; and those employees with a strong normative commitment remain in the organisation because they feel they ought to do so (Meyer et al 1993). In order to retain employees for an organisation, an organisation should think about all three forms of commitment together and let employees experience three forms of commitment. These different experiences have different implications for employees' on-the-job behaviours (Meyer et al, 1993), it is also a good theoretical framework to analyse talented employees' behaviours in this research.

2.5.1. Affective commitment and talent retention

Commitment is considered as a fundamental factor which influences employees' turnover intention. Meyer et al (1993) argue that employees with high affective commitment have high emotional attachment, identification and involvement with the organisation's goals, and they want to remain in the organisation. Meyer and Allen (1997) suggest that HRM practices influence employee's affective commitment; for example, training and development provided by the organisation may enhance employee perceptions of being supported and, in turn, lead to affective commitment. In other words, the development of affective commitment is dependent on how supportive employees perceive the organisation's HRM practices to be. The perception of support mediates the relationship between the HRM practices and affective commitment. Previous studies found that employees who are emotionally involved with an organisation are more satisfied with the job and have less turnover intention (Khowaja et al., 2002, Richer et al., 2002, Sjoberg and Sverke 2000). Indeed, many empirical results reveal a negative relationship between affective commitment and turnover intention (Allen and Meyer 1996, Clugston et al., 2000, Griffeth et al., 2000 and Khatri et al., 2001). Although many studies applied affective commitment to understand employee turnover, existing talent retention theories that take insufficient account of affective commitment. Little empirical research analyses talent retention from the perspective of affective commitment. Furthermore, in China's context, affective commitment may involve some particular factors, such as guanxi and face, which are not covered by Western TM research. Chinese guanxi is dominant in the private sector (Fu et al, 2012), and it definitely influences TM activities in the context of Chinese POEs. How to take advantage of guanxi to develop talents' affective commitment and to retain them still remains unclear in existing TM literature. Empirical research is needed to elaborate the relationship between affective commitment and TM practices. This research may not contribute TM theory but also to summarise practical lessons for talent retention.

2.5.2. Normative commitment and talent retention

Normative commitment can be recognised as loyalty and a sense of debt toward the organisation based on obligation and typically develops as a result of socialisation practices (Meyer and Allen, 1991). It looks like an obligation-based attachment to an organisation and involves feelings of guilt or unease about leaving the organisation (Melancon et al, 2011). Vandenberghe and Tremblay (2008) find that satisfaction

with some factors such as pay raise and benefits is related to normative commitment through a norm of reciprocity, which makes the individual feel he/she has received resources from the organisation and creates a sense of indebtedness. Therefore, normative commitment reduces the individual's turnover intentions and actual turnover. Moreover, normative commitment is influenced by interpersonal relationships, which are regulated through norms and duties in collectivistic societies. Such relationships entail moral obligations by the family or wider community to stay in an organisation, irrespective of personal feelings (Fischer and Mansell, 2009). For example, the normative and reciprocal nature of personal relationships, such as *guanxi*, builds commitment to the organisation in Chinese society (Chen and Francesco, 2000). In addition, employee training and development can make employees feel obliged to reciprocate and in turn enhance normative commitment, because the perceived need to reciprocate mediates the relationship between employee training / development and normative commitment (Bambacas and Bordia, 2009). Similarly, Meyer and Smith (2001) assert that career development practices have a close relationship with normative commitment. For example, Bambacas and Bordia (2009) find that a strong sense of obligation to stay with an organisation may be attributed to career development opportunities that are perceived as beneficial, which induce in feelings of reciprocation and desire to stay with the organisation. In contrast, Kondratuk et al. (2004) find employee who frequently change jobs and who are assumed to manage their own careers tend to have low normative commitment, because these employees feel less obligation to reciprocate when their organisations do not offer career development opportunities perceived as beneficial by the employees. In general, normative commitment, which is influenced by many factors, is an important predictor of employees' turnover intention, and forms part of the theoretical foundation in this research for analysis of talents' retention. Furthermore, there is a lack of empirical research explaining how normative commitment influences talent retention in China's context. Chinese *guanxi* involves mutual obligations, which may link to talents' normative commitment. Applying normative commitment to analyse talent retention would allow us to further understand the relationship between TM practices and talents' psychological effects, and in turn it may help us to develop talent retention practices appropriate to the context of Chinese POEs.

2.5.3. Continuance commitment and talent retention

In terms of employees' feeling, continuance commitment refers individuals' need to remain in an organisation due to the potential loss of things such as benefits if they choose to leave and their lack of alternative employment, which create an awareness of high costs associated with leaving the organisation (Meyer et al, 1990). Continuance commitment is often involves time-based variables such as age and tenure (Meyer and Smith, 2001). HRM practices such as training and career development can increase employees' continuance commitment, because employees' investment or the perceived limited availability of an alternative makes it too costly for employees to leave (Bambacas and Bordia, 2009). In other words, an organisation's career development opportunities can constrain an employee's turnover intention, binding him or her to the organisation (Wallace, 1997). Employees may feel the loss incurred by missing the career development opportunities offered by the organisation is too costly. Thus, a high level of continuance commitment can reduce employees' turnover intentions. Career development practices indeed increase employees' continuance commitment and reduce their turnover intentions. Moreover, Allen and Meyer (1996) argue that continuance commitment involves remaining with an organisation in order to keep rewards or investments, so economic rewards can lead to continuance commitment. Employees are often prevented from leaving their present employers by the prospect of losing economic rewards or attractive benefits that are tied to their organisational membership. The high costs of changing job reduce some employees' turnover intentions. In addition, continuance commitment involves social rewards, such as relationship ties, satisfaction with supervisor and co-worker support. In China's context, guanxi ties could increase individual's continuance commitment as well. Employees who are satisfied with supervision, co-worker support or relationship ties within their organisation might have a high level of continuance commitment, because changing jobs might not provide them with the benefits they presently enjoy (Miao et al, 2013). In order to retain talents, understanding various factors that are associated with continuance commitment allows us to further explore talents' turnover intention and to improve talent retention practices.

In general, the three dimensions of organisational commitment are not independent; an individual can possess more than one commitment type, and although the

dominant commitment type often drives individual behaviours (Melancon et al, 2011). In order to explore individuals' behaviours through organisational commitment dimensions, it is necessary to take account of cultural context. National culture is a significant influence on the organisational commitment (Glazer et al, 2004), and there are differences between the factors that drive the organisational commitment of employees in China and in the West (Miao et al, 2013). Even within China's context, employees in POEs and other type of organisations, such as SOEs or FIEs, have different understandings regarding organisational commitment. For example, there is a strong relationship between supervisor support and both affective and normative commitment in the context of Chinese POEs, because supervisors have a great influence on the work behaviours of their subordinates due to the management nature of Chinese POEs (He et al 2011, Newman and Sheikh 2012, Wang, 2008). In order to explore talent retention in the context of Chinese POEs, organisational commitment is a good theoretical foundation to explore talents' behaviours and to provide important implications for TM practices.

2.6. China's cultural context and Chinese guanxi

As China's cultural context is different from that of Western countries, some cultural issues need to be understood in advance, because cultural variations underpin differences in TM practices and behaviours. Empirical studies regarding TM practices are enriched by adopting a context laden approach, and some TM research results from the Western context may not be easily applied to China's enterprises, particularly Chinese POEs. Confucian ideology has dominated the Chinese cultural context since 2500 B.C., and it has influenced Chinese behaviours in every aspect. Indeed, Confucian values impact on most current organisational management practices in China. Guanxi, harmony, hierarchy and mianzi (face) are significant characteristics of Confucian ideology. Taking Confucian values into account of TM research allows to deeper exploration of TM in our research context. According to Confucianism, people exist in interactive relationships with others and most of these relationships are of a hierarchical nature; for example, senior and junior have their ranking (Wei and Li, 2013). Chinese people are very clear about their own relative positions in hierarchies and are concerned about behaving properly and harmoniously according to their ranking. Moreover, importance is attached to 'face', which often implies a reputation achieved through success in life, respect from

others, and personal dignity and integrity, acquired by demonstrating moral character or some other desirable trait (Wang et al, 2005). In addition, Confucianism advocates maintaining harmonious *guanxi* among people. The value of harmony is a main principle to guide people's way of interaction and norms in most aspects of Chinese social interactions, such as in family, between friends, in business, and with colleagues. A significant factor in maintaining harmonious *guanxi* is to accept and respect other people's need to maintain their face (Wang et al, 2005). As China is dominated by a collectivist culture, *guanxi* reflects Chinese norms of social interdependence (Hofstede, 1980). In general, *guanxi* may be recognised as the most important cultural factor that influences current Chinese life. Although some concepts such as relationships, and networking, which also exist in the Western world, have some similarities with Chinese *guanxi*, yet *guanxi* which is a deep-seated cultural phenomenon in Chinese society under the predominant ideology of Confucianism, needs to be understood in its own cultural context. Understanding *guanxi* will help us to further explore TM in China's context.

Guanxi

Guanxi has been frequently mentioned in this research. A clear understanding of *guanxi* is essential for this research, because *guanxi* as a key cultural factor impacts TM behaviours in our research context. The concept of *guanxi* comes from Confucianism, which has been codifying Chinese social rules, values and structures since the sixth century B.C. (Zhang and Zhang, 2006). Confucianism emphasises authority, order, harmony, loyalty and personal relationships, and it assumes that people exist in a web of harmonious and orderly relationships (Zhang and Zhang, 2006). According to Confucianism, Chinese society functions as a network, and *guanxi* acts as delicate fibres woven into every aspect of the society (Park and Luo, 2001). *Guanxi* is an indigenous Chinese concept describing an informal connection between two or more individuals or groups involving shared social experience, the exchange of favours and trust (Bian, 1997; Hwang, 1987; Luo, 1997). Although *guanxi* is often translated in English as 'relationships', the concepts are different because relationships can be positive or negative, while *guanxi* is described as strong or weak (Wei et al, 2010). *Guanxi* effects widely impact people's life and business in China, and people are connected by *guanxi* networks in the Chinese society. Luo (1997) provide a *guanxi* definition:

Guanxi refers to the concept of drawing on connections in order to secure favours in personal relations. It is an intricate and pervasive relational network which Chinese cultivate energetically and subtly. It contains implicit mutual obligation, assurance and understanding, and governs Chinese attitudes toward long-term social and business relationships. (Luo, 1997, p34)

Some characteristics of guanxi are summarised by Luo (1997). First, guanxi can be transferred from one person to another. It is similar to Western networking. Second, it is reciprocal. A person in a guanxi network needs to follow a rule of equity; someone who refuses to return favour for favour will be perceived as untrustworthy. Third, guanxi is intangible, because it has overtones of unlimited exchange of favours and is maintained in the long run by unspoken commitment to others within the guanxi networks. Moreover, guanxi in a business context, especially at organisational level, plays a significant role in supporting business operations, and is essentially utilitarian. It bonds two parties through the exchange of favours rather than through sentiment. In addition, guanxi is personal, because guanxi among organisations is initially built by and continues to develop through personal relationship.

Indeed, guanxi is a human-related phenomenon. Buttery and Leung (1998) argue that to establish and sustain a guanxi network requires knowledge of human feeling, reciprocity of favours and giving face. It is necessary to understand some characteristics of guanxi. Guanxi involves emotional attachments that are formed through long-term and intimate social bonds, such as between close friends, or teachers and students; the emotional attachment is an important component of guanxi (Lee and Dawes, 2005), and it brings guanxi members an obligation. Moreover, guanxi involves much reciprocity. Many guanxi ties without blood and marriage relationships are reciprocal. The guanxi is often developed through reciprocal exchange of favour among individuals. According to the principle of reciprocity, if one guanxi party receives favours or help based on the humanitarian ideology of others, it is implicit that they are expected to repay the favours or help in the future (Zhang and Zhang, 2006). The recipient should consciously reciprocate, to avoid feeling guilty and damaging his/her own social prestige, because failure to reciprocate may ultimately destroy the guanxi between participants of the guanxi ties

(Su and Littlefield, 2001). Thus, guanxi ties have a reciprocal obligation that must be repaid in the future.

In the Chinese context, guanxi makes personal connection and loyalties often more important than organisational affiliations or legal standards (Wang et al, 2005). Guanxi impacts on a Chinese organisation's external business behaviours. Guanxi not only has profound implications for interpersonal and inter-organizational dynamics in Chinese society but also is a lifeblood of business activities and can be considered as a lubricant (Zhang and Zhang, 2006). The norms of guanxi clearly distinguish in-group from out-group people. For in-group members, guanxi ties enable people to pursue harmony and long-term relationships by going along with the group and so avoiding rejection; for out-group members, instrumental ties are predominant and people distrust each other and are on their guard against everyone on all occasions (Lee and Dawes, 2005). A strong guanxi tie means more trust and can bring in-group members benefits in business operations. As Chinese society is a low-trust society, and people tend to trust in-group member and distrust out-group people (Zhang and Zhang, 2006), guanxi characteristics influence Chinese business behaviours. In addition, guanxi at the individual level can be transferred into the organisation, where it remains and can be considered as a kind of "organisational asset", because when an individual joins an organisation, his/her guanxi networks are introduced into the organisation. Although guanxi remains the "personal property" of the individual, it can be beneficial to and used by the organisation (Lee and Dawes, 2005). Guanxi has positive important effects on companies' performance, and plays an important role in substituting the shortcomings of a formal legal structure, lowering transaction costs and providing competitive advantages to enterprises (Xin and Pearce, 1996; Standifird and Marshall, 2000; and Tsang, 1998). As market exchanges are often uncertain and costly in China's transitional economic context, firms take advantage of guanxi's characteristics such as obligation and reciprocity to compete for resources, because it is more effective than the institutional framework. For example, China's transitional economy is characterised by a poor institutional environment in areas such as the legal system and regulatory policy. Government officials control and allocate key resources, such as land, financial resources and licences, which are important to enterprises' growth and survival. By utilising guanxi obligation or reciprocity, an enterprise may proactively seek to cultivate personal

guanxi with governmental officials to get resource-related benefits, such as the acquisition of key resources, preferential treatment, and timely government approvals (Chen and Wu, 2011). Guanxi networks are an efficient mechanism to support economic exchanges and to overcome administrative cost, and the nature of long-term and trust-based networks can satisfy the strategic needs of enterprise in China (Zhang and Zhang, 2006). Empirical investigation shows that executives of POEs in China depend more heavily on guanxi than formal institutional support (Xin and Pearce, 1996). In general, guanxi is a strategic implement for an organisation, and it can help the organisation to obtain key resources and transaction cost advantage (Zhang and Zhang, 2006). Many Chinese organisations, especially POEs, would like to establish and reserve guanxi ties as their “organisational asset”, and consequently, guanxi effects influence an organisation’s business behaviours. Nevertheless, how these guanxi characteristics influence TM in Chinese organisations’ context has not been elaborated in existing TM literature. It is valuable to explore TM behaviours with a consideration of guanxi influence, which will contribute to TM theories in China’s context.

From an internal perspective of an organisation, guanxi impacts on the organisation’s managerial behaviours as well. Guanxi in the workplace often influences organisational operation in Chinese enterprises. Supervisor-subordinate guanxi is considered as the most critical interpersonal relationship in various Chinese organisational settings (Wei et al, 2010). Supervisor-subordinate guanxi is similar to Western Leader Member Exchange (LMX), which reflects the quality of exchange between supervisor and subordinate. However, Law et al. (2000) point out that LMX is restricted to the workplace only; supervisor-subordinate guanxi involves much more interaction out of work time. Chinese workers establish high quality guanxi with their supervisors through both formal (in-work) and informal channels, such as off-work social activities. Wei et al. (2010) indicate that Chinese employees often mix workplace and off-work relationships together when building guanxi; in contrast, Western employees tend to make clear distinction between the two realms. China’s collectivistic culture enables supervisor-subordinate guanxi in Chinese organisations to involve group cognition and social emotional elements, which go beyond the job relationship. For example, off-work activities such as visiting the family of a manager are important components of Chinese guanxi (Law et al, 2000). Although

Western theories such as LMX explained the relationships between supervisor and subordinate, they may not apply to Chinese firms. Understanding Chinese supervisor-subordinate guanxi is helpful to explore talents' interactions between supervisor and subordinate.

A high quality of supervisor-subordinate guanxi is often built through both work and off-work activities. Although the norm of reciprocity drives supervisor-subordinate guanxi, China's high power distance cultural context makes supervisor and subordinate unequal in social status (Hofstede, 2007), and the supervisor has the initiatives in deciding the quality of guanxi (Liu et al, 2013). High quality supervisor-subordinate guanxi enable employees feel they are important and valuable in their superiors' perception. Mentoring within the organisation is a good platform to establish high quality supervisor-subordinate guanxi. For example, providing advice and support for career growth activities, including helping mentees to learn the ropes, coaching, and promotion nomination, can enhance supervisor-subordinate guanxi through workplace interactions, because mentors are often senior supervisors who guide and develop junior subordinates (Hunt and Michael, 1983; Kram and Isabella, 1985). Furthermore, mentoring involves more personal issues, such as career development, disclosure of personal interest and some interactions out of work time, and all these personal related interactions greatly develop guanxi between mentor and mentee (Liu et al, 2013). Similarly, Kwan et al. (2011) point out that an effective mentor can build personal guanxi with the mentee or being a confidant of the mentee, because mentoring support is not only work-related advice but also extends to non-work elements.

The quality of supervisor-subordinate guanxi involves supervisors' willingness and ability to offer work and non-work related support to a subordinate. To some extent, it involves an aspect of emotional intelligence, because the ability means a supervisor's ability to correctly identify a subordinate's needs and emotions. Emotional intelligence refers to an individual's ability to deal with various emotions, and it is regarded as an ability to perceive and exercise emotions (Salovey and Mayer, 1990; Hsu et al, 2010). Indeed, establishing high quality supervisor-subordinate guanxi needs both supervisor and subordinate to be able to perceive and understand each other's emotions, and individuals who are high in this ability are sensitive to the

feelings, emotions and thoughts of others. Therefore, the quality of supervisor-subordinate guanxi is impacted by individuals' emotional intelligence.

High quality supervisor-subordinate guanxi is helpful to subordinates' career development (Chen and Tjosvold, 2006; Ng et al, 2005). In the Chinese context, good supervisor-subordinate guanxi influence promotion and other rewards, and good guanxi is often linked to favourable treatment, because Chinese leadership emphasise people and guanxi more than job tasks (Warren et al, 2004). In China, decision making and resource allocation are influenced by the extent of guanxi between the decision makers and individual to whom the resources are allocated; thus, better supervisor-subordinate guanxi can bring subordinate more competitive advantages, such as career development opportunities, in the organisation (Wei et al, 2010). Meanwhile, Chinese supervisors are likely to take advantage of good supervisor-subordinate guanxi to stimulate better performance through their subordinates. As those with a high level of guanxi are granted a higher level of trust, respect, and loyalty, Chinese supervisors are unlikely to promote subordinates who have bad supervisor-subordinate guanxi, even if they are actually more competent. In general, the quality of supervisor-subordinate guanxi highly influences subordinates' career development. Both supervisor and subordinate are likely to establish a high level of supervisor-subordinate guanxi.

High quality supervisor-subordinate guanxi has a positive effect on the commitment to supervisor and it indirectly increases employees' organisational commitment (Wong and Wong, 2013). To some extent, supervisor-subordinate guanxi establishes psychological contracts between an employee and an employer, because the guanxi tie looks like relational contracts that are based on non-economic/socio-emotional exchanges. Reciprocity is an important characteristic of the psychological contract, and employees who perceive that they are valued and respected are likely to reciprocate with trust, commitment, and emotional engagement in exchange (Behery et al, 2012). As good supervisor-subordinate guanxi involves non-economic promissory and emotional attachments that are built on long-term interactions and reciprocated interpersonal care and concern in both working and non-working life, it enhances subordinates' commitment to their supervisors (McAllister, 1995). The psychological contract based on guanxi is an employment relationship between an employer and an employee at the individual level. The psychological contract

consists of employees' beliefs regarding what employers owe them and in turn what they owe their employers (Lambert et al, 2003). In the Chinese cultural context, guanxi emphasises on harmony, trust and loyalty; good supervisor-subordinate guanxi also reinforces subordinates' commitment to their supervisor (Warner, 1993). Moreover, the nature of supervisor-subordinate guanxi includes reciprocity. Wong and Wong (2013) prove that subordinates who have better guanxi with their supervisors have a higher level of commitment towards them. High quality supervisor-subordinate guanxi has a positive effect on the commitment to supervisor and it indirectly increases employees' organisational commitment (Wong and Wong, 2013). Indeed, some other studies also found that subordinates commitment to supervisor has a positive effect on their affective organisational commitment in Chinese organisations (Wong, 2011; Wong and Wong, 2013). As affective commitment is negatively related to turnover intention and actual turnover (Meyer et al, 1993), a high level of supervisor-subordinate guanxi indirectly reduces subordinates' turnover intentions (Wong and Wong, 2013). Moreover, a high level of supervisor-subordinate guanxi can increase employees' normative commitment. The nature of guanxi, such as mutual obligations, builds the base of a strong normative commitment of subordinates to their supervisors and their organisation (Chen et al, 2002). In addition, establishing high quality supervisor-subordinate guanxi involves investing a lot, because developing, cultivating and maintaining guanxi is a time- and money-consuming endeavour. A subordinate's turnover behaviour may lead to loss of the guanxi tie. This means huge costs are associated with leaving the supervisor and the organisation. Hence, the guanxi ties increase employees' continuance commitment as well.

However, it is necessary to notice some negative effects of guanxi. Since some psychological contracts are influenced by guanxi ties, when employees perceive that employers are only nominally interested in them and have low quality guanxi, they may respond with lower loyalty, trust, and commitment, because the perceptions of psychological contracts directly influence employees' organisational commitment (Behery et al, 2012). Supervisors' emotional intelligence may influence the quality of supervisor-subordinate guanxi. Moreover, Warren et al. (2004) point out that the effects of guanxi are not always equal and the guanxi can both benefit and harm society. Guanxi effects may benefit some individuals, but at a broader level may be

detrimental to the interest of groups, organisations and society (Chen et al, 2011). The quality of supervisor-subordinate guanxi may affect the supervisor's administrative decisions in promotion and bonus allocations, because some Chinese managers prefer to give more promotion opportunities and nonmonetary rewards to subordinates who have good guanxi with them than those who have poor guanxi with them (Law et al, 2001; Zhou and Martocchio, 2001). Moreover, it is necessary to note that guanxi effects may promote business ethical abuse, such as corruption and bribery in business transactions. For example, some business guanxi ties incline to rent-seeking rather than favour-seeking, because China's institutional norms signify social collusion based on power exchange in the current transitional economy and rent-seeking guanxi has become a platform of bribery (Su and Littlefield, 2001). All these negative guanxi effects cannot be neglected when we explore and apply guanxi to TM activities.

2.7. Summary

TM theories are still in the developing stage, and relevant conceptual frameworks are based on Western organisational contexts. Little previous TM research links TM to Chinese cultural characteristics to empirically analyse TM practices. As Chinese POEs have become an important part of the Chinese economy, there is a strong need for TM research in the Chinese POEs. Existing TM, rooted in a Western research context, may be not adequate to Chinese enterprises, especially Chinese POEs. TM is largely impacted by contextual characteristics (Thunnissen et al, 2013), yet guanxi which is the most influential cultural issue in the Chinese cultural context, has not been taken into account in TM theoretical frameworks. Understanding guanxi impacts is helpful to elaborate on TM practices in the context of Chinese POEs. First, to what extent guanxi influences talent definition in the context of POEs is still unknown. How the Chinese POEs in the real estate industry define talents needs to be explored, as a base for further TM research. Second, how those POEs attract and develop talents has not been analysed in previous empirical researches. What kinds of TM practices are adequate to these POEs still remain unclear in existing TM literature. How guanxi and other cultural issues influence TM practices has not been elaborated in existing TM literature. In order to uncover talents' turnover intention and to explore how to retain talents, all the above issues need to be analysed, because talent attraction, development and retention are interconnected. In addition, talent

retention needs to be analysed through talents' perspective. As many studies have already proved that high level of organisational commitment is negative to employees' turnover behaviours, how to apply TM practices to increase talents' organisational commitment in the research context is a major concern in the effort to retain talents. How cultural issues, especially guanxi, influence TM practices on increasing talents' organisational commitment needs to be explored. These issues still remain unclear in TM literature. Uncovering these questions through an empirical research would not only practically contribute to the Chinese POEs but also contribute to TM theories.

Research framework

Effective TM practices can increase talents' organisational commitment and reduce talent turnover (Collings and Mellahi, 2009). Organisational commitment is an important concept employed in this research to analyse talent retention. TM can increase talents' organisational commitment. It can also allow the organisation to fulfil talents' expectations and retain talents through a variety of TM processes. However, TM will fail to do that if the TM practices do not suit the cultural context in which talents and organisations exist. Understanding how cultural issues influence TM processes and talents' expectations in China's cultural context is fundamental to explore talent retention. In order to increase talents' organisational commitment, TM practices should focus on fulfilling talents' expectations and developing talents' affective commitment, normative commitment and continuance commitment. Considering Chinese cultural characteristics to explore talents' expectations and develop talent's organisational commitment through various TM practices is an important direction in this research.

The research framework below proposes a holistic way to retain talents through a series of TM practices. On the one side, a TM framework covers talent attraction, talent development, and talent retention. On the other side, the research explores talents' expectations and determinants of voluntary turnover. A series of TM activities that can match talents' expectations and the organisation's requirements are useful talent retention tools. Some main talent turnover factors, such as rewards and career development, which have been found by previous studies, became a guide of this research to explore talents' turnover intentions. The whole research framework

is based on the context of Chinese POEs. The research employs organisational commitment as a main theory to analyse talent retention through a multiple-case study strategy. Chinese cultural characteristics and the nature of Chinese POEs are important issues taken account by this research. Guanxi as a main contextual factor runs through the research framework. The research framework tries to explore how to utilise guanxi effects to support TM practices to retain talents. Indeed, what kind of roles guanxi play in TM practices needs to be further explored in this research. How guanxi and other cultural contextual issues influence talents' expectations and turnover intentions need to be explored as well. Following this research framework, some TM lessons that are suited to Chinese POEs are expounded. The research offers some TM suggestions to improve talent retention.

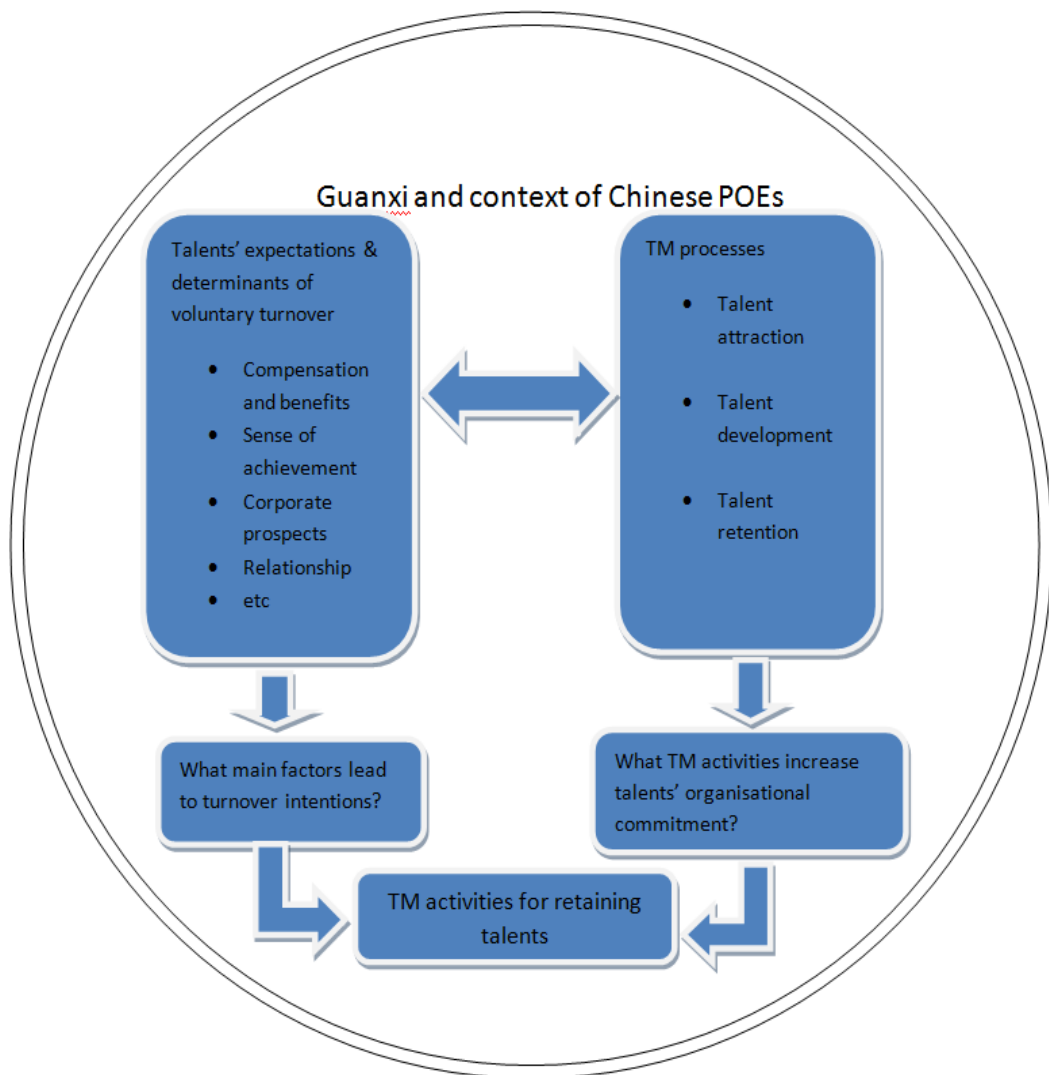


Figure2.2: Research framework Source: the author (2013)

Chapter 3. Methodology

3.1 Introduction

This research took a holistic TM view to explore talent retention in the context of Chinese POEs. It aimed to analyse how TM practices can support talent retention. As the research was based on the context of Chinese POEs, examining how Chinese cultural factors, especially guanxi, and characteristics of Chinese POEs impact on TM practices was vital to analyse talent retention. Although TM is defined in many different forms, this research adopted a proposed TM conceptual framework, which included talent attraction, talent development and talent retention, as a lens to view the case companies and explore what TM activities drive talent retention in the context of Chinese POEs. This general TM conceptual framework is suitable for this research because it is close to POEs' actual operation. The research findings may help other Chinese POEs to improve their TM practices. Indeed, the TM conceptual framework also established a platform to develop future TM research. Guanxi as an important cultural factor impacts on the whole TM process. This research therefore focused on analysing how guanxi effect impact on TM practices and talent retention. It was suggested that some TM activities can take advantage of guanxi to retain talents in the context of POEs. Organisational commitment was a main theory employed in this research, because a high level of organisational commitment is helpful to retain talents (D'Amato and Herzfeldt, 2008). Based on organisational commitment theory, the research aimed to match TM practices to talents expectations in order to increase talents' organisational commitment. This research adopted an interpretivist perspective and inductive approach to explore talent retention. Based on a case study research method, primary and secondary data were collected. These data were analysed through qualitative method. The research not only emphasised validity and reliability but also research ethics.

This chapter begins with clarifying the research questions and explains why qualitative research was adopted in this study. Next, according to the research 'onion' diagramme, (see figure 3.1) this chapter elaborates the research philosophies, research approach and research strategy employed by this study. The three case companies are briefly described. After that, the research choices and time horizons are explained. Following that, data collection and data analysis are discussed. Finally, reliability and validity are discussed as well.

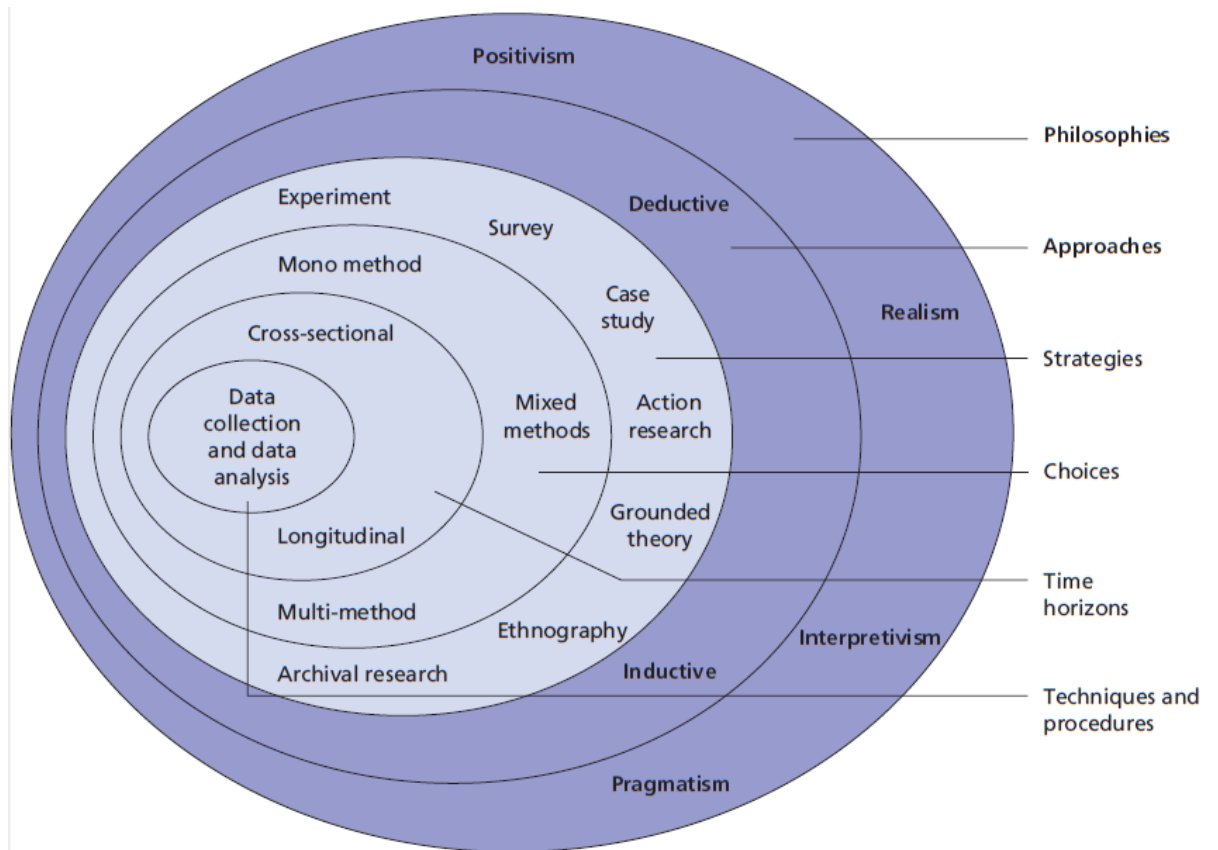


Figure 3.1: The research 'onion' Source: Saunders et al, (2009)

3.2 Research questions

This research applied a case study approach to examine how to use TM practices to retain talents in the context of Chinese POEs. The research questions sought to uncover how talent is defined in the context of Chinese POEs. With the impact of guanxi, what kind of TM activities are helpful to retain talents was a significant research interest of this study. Off course, exploring talents' expectations and turnover intentions might help to modify TM practices and to match TM practices to talents' expectations. Furthermore, understanding how guanxi factor and POEs' characteristics impact on TM activities enables us to compose an adequate TM system for the Chinese POEs. Therefore, following research questions are explored in this research.

1. How is a talented employee defined in the context of Chinese POEs?
2. How do the case companies attract, develop and retain talents? To what degree do they have TM practices? How do cultural factors, such as guanxi, impact on TM practices in retaining talents in the context of Chinese POEs?

3. What major factors impact talents' voluntary turnover in the context of Chinese POEs? How can these POEs retain talents through further TM practices?

3.3 Qualitative research

This study adopted a qualitative research to explore TM in the context of Chinese POEs. Creswell (2009) asserts that qualitative research is a process for exploring and understanding the meaning individuals or groups ascribe to a social or human problem, and its process involves emerging questions and procedures, collecting data in the participant's setting, analysing data inductively and building from particulars to general themes, and the researcher interpreting the meaning of the data. This research project aimed to explore talented employees' turnover intentions and their organisations' TM behaviours. Analysing empirical data, such as interview transcripts, and organisational TM documents, enables to find some TM lessons in the context of Chinese POEs and makes a knowledge contribution to TM theory. Bryman and Bell (2007) describe that qualitative research tends to be concerned with words rather than numbers. The features of qualitative research were suitable for this study, because talented employees' ideals and their organisations' TM behaviours could best be uncovered through in-depth interviews and internal documents. Qualitative research often uses an inductive approach to view relationship between theory and research, the theory is generated out of the research. In terms of epistemological position, it is described as interpretivist, which focuses on understanding the social world through an examination of the interpretation of that world by its participants (Bryman and Bell, 2007). Similarly, Gubrium and Holstein (1997) argue that qualitative research seeks to understand social reality on its own terms and provides rich descriptions of people and interaction in natural settings. In contrast, quantitative research has an objectivist conception of social reality, particularly in the positivism paradigm. Bryman and Bell (2007) describe quantitative research as entailing the collection of numerical data and as exhibiting a deductive view of the relationship between theory and research. It is not suitable for this research, because TM is not a mature management practice in Chinese POEs and it is difficult to find a large number of Chinese POEs which have TM practices to conduct quantitative research. Immature TM theories and limited quantitative data did not help this research to achieve high quality quantitative results, because quantitative research reflects a predilection for a natural science approach, which

often involves a process for testing objective theories by examining the relationship among variables (Creswell, 2009).

For these reasons, this research adopted a qualitative research strategy to explore TM and talent retention in the context of Chinese POEs. According to Morse (1991), qualitative research allows the researcher to analyse some problems that involve “immature” concepts due to lack of theory and previous research; for example, qualitative research can address some research problems on which available theory may be inaccurate, inappropriate, incorrect, or biased. According to this research project, TM theory is still in the developing stage and it lacks a clear consistent definition of its core construct as well as a clear conceptual framework based on empirical research (Thunnissen et al, 2013). Qualitative research is suitable to explore the TM phenomenon, because qualitative research allows the researcher to explore and describe a phenomenon and to develop theory (Morse, 1991). Furthermore, this study adopted a qualitative method with an inductive approach, because there is little mature TM theory focusing on Chinese POEs. Some existing TM theories from Western contexts might not be adequate in the Chinese cultural context. Qualitative research might help this study to develop a TM theory that is adequate for the Chinese cultural context. Thus, qualitative research seemed to be the most appropriate approach for this study to explore the TM phenomenon in the context of Chinese POEs and to make knowledge contributions to TM theory. Furthermore, some qualitative methods, such as semi-structured interview and internal document review, should help the researcher to present a detailed view of the TM in the research context and helps to explore TM phenomena that attached in talents’ social life. In contrast, quantitative research might not suffice to explore the research problem, because quantitative methods focus on analysing relationships between variables and establish a static view of social life that is independent of people’s lives (Bryman and Bell, 2007). Quantitative research may emphasize the relationships between variables and neglect the process of interpretation or definition that goes on in human groups (Blumer, 1954). The current research aimed to explore talents’ turnover intention, which might be influenced by different contextual factors and personal experience with the special context. It focused on the process of interpreting talents’ life. Thus, it was difficult to adopt a quantitative method with an independent view to explore TM phenomena. In addition, this research adopted an

interpretivist epistemological orientation and focused on understanding TM from individuals' point of view. Thus, quantitative research was not suitable for this study.

3.4 Research philosophy

The research paradigm helps the researcher to define the basic belief system or world view that guides the study, not only in choices of method but also in ontologically and epistemologically fundamental ways (Saunders et al, 2009). Ontology is concerned with the nature of reality. It involves important assumptions about the way that a researcher views the world. These assumptions underpin both research strategy and research methods. Objectivism and subjectivism are two aspects of ontology; both of them have devotees among business and management researchers. Objectivism asserts that social entities exist in reality external to social actors concerned with their existence; however, subjectivism argues that social phenomena are created from the perceptions and consequent actions of those social actors concerned with their existence (Saunders et al, 2009). This research adopted a subjectivist view to explore TM in the context of Chinese POEs, because the research aimed to explore TM phenomena from the perceptions and consequent actions of talented employees in the Chinese POEs. Saunders et al. (2009) argue that it is necessary to explore the subjective meanings motivating the actions of social actors in order for the researcher to understand those actions. Similarly, as a Chinese POE is a socially constructed organisation; its TM phenomena can be understood only from the point of view of individuals who are directly involved in its TM activities. Therefore, a subjectivist view was appropriate for this research.

Epistemology concerns what constitutes acceptable knowledge in a field of study; positivism, realism and interpretivism are different perspectives of epistemology (Saunders et al, 2009). Researchers in positivism prefer 'working with an observable social reality and that the end product of such research can be law-like generalisations similar to those produced by the physical and natural scientists' (Remenyi et al, 1998:32). Realism is another philosophical position, which argues that there is a reality quite independent of the mind; realism is similar to positivism in that it assumes a scientific approach to the development of knowledge (Saunders et al, 2009). The third perspective is interpretivism, which is critical of the positivist tradition. Interpretivism argues that the researcher needs to understand differences between humans in their roles as social actors; it focuses on 'social actors' and tries

to understand the difference between conducting research among people rather than objects (Saunders et al, 2009). From a methodological point of view, this research adopted an interpretivist view to collect data, because this research aimed to find out what factors influence voluntary turnover of talents and how to retain those talents through TM practices in the context of Chinese POEs. It views talents as social actors in the Chinese POEs. Indeed, the research focuses on talented people in the Chinese POEs and tries to identify their characteristics. Understanding talented individuals and their roles in the Chinese POEs was important for this research. The interpretivist philosophy allowed the researcher to enter the social world of the Chinese POEs and to understand the world from talents' point of view. Moreover, the social world of TM in the Chinese POEs might be too complex to lend itself to theorising in terms of definite 'laws' in the same way as in the physical sciences. For example, talents' turnover intentions are impacted by Chinese cultural characteristics, such as guanxi and face; and these cultural characteristics are linked to POEs' TM activities. TM phenomena, which are impacted by complex cultural influences, are difficult to theorise in quantitative ways, and may not be capable of being summarised by a definite 'law'. Hence, positivism and realism might not be appropriate for this research. TM issues in the context of Chinese POEs involve many complex matters, such as demographic factors, institutional factors, and psychological factors; rich insights into the complex world may be lost if such complexity is reduced entirely to a series of law-like generalisations (Saunders et al, 2009).

Burrell and Morgan (1979) state that different theories tend to reflect different perspectives, issues and problems worthy of study, and are generally based on a whole set of assumptions which reflect a particular view of the nature of the subject under investigation. They summarised a set of distinct assumptions about the nature of society, which contrast a concern with social order and equilibrium on the one hand, and those which were more concerned with problems of change, conflict and coercion in social structure on the other. The two theories of society; 'order' and 'conflict' are summarised in the following table:

Table 3.1 Two theory of society: ‘order’ and ‘conflict’

<p>The ‘order’ or ‘integrationist’ view of society emphasises:</p> <p>Stability</p> <p>Integration</p> <p>Functional co-ordination</p> <p>Consensus</p>	<p>The ‘conflict’ or ‘coercion’ view of society emphasises:</p> <p>Change</p> <p>Conflict</p> <p>Disintegration</p> <p>Coercion</p>
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Burrell and Morgan (1979: 13)

According to the social order view, society is a stable structure of well integrated elements. Each element in a society has a function and relates to others in a systemic way. This view argues that social structure is based on a consensus of value among its members (Burrell and Morgan, 1979). In contrast, the social conflict view argues that social change is ubiquitous and society displays at every point dissensus and conflict. Every element in a society renders a contribution to its disintegration and change. So, for this reason, a society is based on the coercion of some of its members by others (Burrell and Morgan, 1979). Burrell and Morgan (1979) use the nomenclature ‘sociology of regulation’ to refer to social theory which adopts ‘social order’. ‘Sociology of regulation’ focus on the tendency for social cohesion and tries to explain how and why this happens and what can be done to address disruption. They use the phrase ‘sociology of radical change’ in contrast to the ‘sociology of regulation’. The basic concern of radical change is to find explanations for radical change, deep-seated structural conflict, modes of domination and structural contradiction, which its theorists see as characterising modern society (Burrell and Morgan, 1979).

My research is based on the social order view. It presumes that every employee of an organisation has a role to play in the maintenance of the whole organisation. Organisations’ managers and talented employees have their own functions which contribute to the organisation’s operation. All employees within an organisation working smoothly with each other can contribute to organisational performance. My research also paid attention to Chinese guanxi factors, which emphasise building and engaging in a harmonious guanxi network within an organisation. According to the

Chinese guanxi perspective, each employee should play his/her role in the maintenance of the whole guanxi network. Conflicts or changes are not encouraged within Chinese guanxi networks. Therefore, the social order view is appropriate for this study to analyse TM behaviours in Chinese organisations. Although from a methodological point of view, this research adopted an interpretivist view; from an epistemological point of view, it is inclined to a functionalist perspective. Functionalist perspective represents a perspective which is firmly rooted in the sociology of regulation, and it is characterised by a concern for providing explanations of the status quo, social order, consensus, social integrations, need satisfaction and actuality (Burrell and Morgan, 1979). A functionalist perspective can help this research to seek to provide essentially rational explanations of social affairs, and it guides the researcher to understand organisations in a way that generates knowledge that can be put to use, so it helps the research to provide practical solution to TM problems. The research aims to find TM lessons for case companies, in order to support Chinese managers to improve their TM practices and reduce talented employees' turnover rate. According to functionalist perspective, the role of management development in organisation is to build skills and knowledge to address performance gaps, and it is suitable to HRM theories (Mabey and Finch-Lees, 2008). Thus, a functionalist perspective is helpful to build skills and knowledge to address TM gaps in this research. This research tried to use TM to improve the capabilities of managers and talented employees, and help them to perform effectively within organisations.

According to Saunders' (2009) research paradigm statement, axiology is a branch of philosophy that studies judgements about value. Heron (1996) states that people's values are the guiding reason of all human action; so researchers demonstrate axiological skill by being able to articulate their values as a basis for making judgements about what research they are conducting and how they go about it. A clear value position helps a researcher in deciding what is appropriate ethically and arguing the position in the event of queries about decisions he/she has made. This research adopted an interpretivist orientation and argued that the nature of reality is subjective; thus this research was value bound. The researcher was part of what was being researched and could not be separated from it.

Based on the justifications of choices about ontology, epistemology and axiology, according to Saunders' (2009) research paradigms description, the research paradigm in this research was interpretivism. According to the interpretivist paradigm, the researcher views a "reality" is socially constructed, subjective and multiple; it is assumed that acceptable knowledge is constructed of subjective meanings and social phenomena and focused on the details of the situation; the researcher is part of what is being researched; small samples, in-depth investigations, and qualitative methods are common techniques of data collection (Saunders, et al 2009). This paradigm was suitable for this research, because it was suitable to understand the fundamental meanings attached to organisational life (Saunders, 2009). This research aimed to find out what factors influence voluntary turnover of talents and how to retain those talents through TM strategy in the context of Chinese POEs. Thus, it focused on people and contextual influences and tried to identify the characteristics of talents in the Chinese POEs. The interpretivism paradigm allowed the researcher to explore and understand problems based on the experience of the talents who work within the Chinese POEs. This paradigm also allows the researcher to understand the deeper structure of TM phenomenon and increase understanding of TM phenomenon with the research context.

3.5 Research approach

Ghuri and Gronhaug (2005) summarise that induction and deduction are the two methods of establishing what is true or false. Induction is based on empirical evidence, while deduction is based on logic. This research project adopted an inductive research approach, because its inductive approach allows the researcher to draw general conclusions from empirical observations; the process goes from observations, through findings, to theory building. Similarly, this research obtained empirical evidence through investigating three case companies. Based on that empirical evidence, the researcher tried to conclude how to use TM to retain talented employees in the context of Chinese POEs. Saunders et al. (2009) argue that inductive research is likely to be particularly concerned with the context in which events are taking place. Inductive research allowed this study to explore talent retention in the context of Chinese POEs. In this study, deeply analysing the three cases with a focus of the context was thought to be more appropriate than a large scale survey, such as is often used in the deductive approach. In contrast, the

deductive approach enables a cause-effect link to be made between particular variables without an understanding of the way in which humans interpreted their social world (Ghauri and Gronhaug, 2005), which might not be appropriate for this research. This research focused on retaining talents, and it was more realistic to treat talents as humans whose leaving is a consequence of the way in which they perceive their work experience, rather than as if they are unthinking objects who respond in a mechanistic way to certain circumstances. Inductive research allowed the study to understand how those talents interpreted their social world. In addition, Saunders et al (2009) suggest that with research into a new topic, where there is much debate, and on which there is insufficient literature, it may be more appropriate to work inductively by generating data and analysing and reflecting upon what theoretical themes and data are suggesting. In terms of this study, although many academic and practitioners are interested in TM, TM theory remains underdeveloped because it lacks a consistent definition and clear conceptual boundaries (Thunnissen et al, 2013). Particularly, exploring TM in the context of Chinese POEs is relatively new. It was therefore difficult to define a theoretical framework and hypothesis on which to base deductive research. Furthermore, existing HR practices and TM research that are based on Western contexts may not be suited in the Chinese context. Inductive research allowed this study to take into account the Chinese culture context and characteristics of the POEs to explore talent retention, and it was helpful to develop TM theory that is applicable to the talent retention in the Chinese cultural context.

3.6 Research strategy

This research used multiple case studies to explore how TM supports talent retention in the Chinese POEs. Yin (2009, 143) suggests that “case study is an empirical inquiry that investigates a contemporary phenomenon in depth and with its real-life context, especially when the boundaries between phenomenon and context are not clearly evident”. According to this research, TM strategy and talents’ turnover intention were embedded in the context of Chinese POEs; both of them were influenced by many factors, such as cultural context, characteristics of POEs and demographic issues. Many phenomena could not be understood if removed from their social context. Thus a case study approach was suitable for this research. The case study method allows the researcher to understand a real-life phenomenon in depth; the understanding encompasses important contextual conditions, which are

highly pertinent to the phenomenon of study (Yin, 2009). This research adopted multiple-case studies, the cases were three Chinese real estate POEs. Ghauri and Gronhaug (2005) suggest that a multiple-case method benefits a study that takes an inductive approach but is looking for general explanations. Research data were collected from three different POEs in the real estate industry. Evidence from multiple cases is often considered more compelling and robust than that from a single case. Ghauri and Gronhaug (2005) point out that data collection in different case studies enables comparison of the phenomenon in a systematic way, and it is good for exploration of different dimensions of the research issues or examination of different levels of research data. The multiple-case method encouraged the researcher to consider what was unique and what was common across cases, and promoted theoretical reflection on the findings.

Flyvbjerg (2004) suggests that the selected cases should be rich in information. In order to maximize the utility of information from small samples and single case, cases need to be selected on the basis of expectations about their information content. In selecting cases, it is necessary to focus on some case companies which are able to provide rich and comprehensive information regarding the research topic. Thus, selecting cases purposefully allows obtaining rich information on the research phenomenon; a representative case or a random sample may not be the most appropriate strategy (Flyvbjerg, 2004). In this research, therefore, the three cases were selected purposefully in order to obtain rich information on the research problems. Firstly, all the cases were typical POEs; because this research focused on TM in the context of Chinese POEs. In China, firms with different ownership forms, such as private firms, state-owned enterprises, and foreign invested enterprises, behave differently, because those different types of firms possess different kinds of resources, pursue different objectives, face different operational constraints, follow different strategies, and subsequently have differences in economic performance (Li and Wu, 2006). Compared to other types of enterprises, Chinese POEs likely operate their HRM systems differently. Selecting typical POEs allowed the researcher to link POEs' context to explore TM phenomena.

Secondly, this research selected three listed case companies, which are medium or large organisations and have formal HRM strategy and practices. Each case organisation has at least 250 employees. Choosing organisations with formal HR

strategy and practices enhanced more information to be collected. Selecting listed companies made it easier to collect reliable organisational information for this research, since listed companies' published organisational information would allow the researcher to cross-check some primary data collected from interviews. Although there are huge number of POEs in China, most of them are small businesses and family-owned businesses. Those small POEs may not recognise their need for a TM strategy; some of them do not even have formal HR practices or strategy, due to their small size and their short business life. Thus, selecting large and medium POEs was a better strategy for this research. Large POEs have a well-established organisational structure and HR strategy, which can reveal more information and they involve more actors and more basic mechanisms in the situation studied.

Thirdly, this research selected cases from the real estate industry, because the real estate industry in China has dramatically developed in the last decade, and organisations in this industry require various talents. Nowadays, many enterprises in this industry have recognised the importance of talents; their emphasis is shifting away from focus on the product and more toward attracting and retaining talents. Many enterprises in the real estate industry are not construction companies only; their businesses integrate planning, design, development, construction and property management. The real estate industry in China is capital intensive, knowledge intensive and talent intensive. Thus, those enterprises require various talents. The word "talent" for those enterprises could refer to managerial talents, technical experts, and key employees who can drive their businesses development. Those enterprises invested heavily to attract talents and become talent-intensive companies, so they would be able to provide rich information to explore TM phenomena.

Flick (2009) argues that there is no sampling decision or strategy which is right per se, because the appropriateness of the structure and contents of the sample can only be assessed with respect to the research questions of the study. Thus, the researcher had to select suitable cases based on the aims and resource of the study. According to the resources and objectives of this research, the researcher selected three different POEs from the real estate industry as in-depth case studies. Detailed information of the three case companies is introduced in following sections:

Company A

Company A, a typical Chinese POE, was established in 1998. The company was listed successfully in the Shenzhen Stock Exchange in 2009. The enterprise focused on commercial real estate development and operations. The enterprise had a Grade-1 National Qualification for Real Estate Development. Its business involved real estate projects development, design, construction, sales, operation and management. With more than a decade of development, Company A has successfully developed more than ten residential real estate projects in Wuhan. The enterprise's real estate projects also extend to other parts of Hubei province. Its business model was based on a good integration of commercial real estate development processes, such as development, construction and operation. Based on decades of experience of real estate project development and operation, Company A established a commercial operation management system and increased the value of its real estate projects. Company A's real estate projects are widely recognised by customers and society. The company was awarded the "2012 Hubei Excellent Real Estate Enterprise", and "2012 Top Ten Employer". With the extension of the company's real estate projects, Company A was in a stage of rapid development. Since 2008, the total number of employees had increased by 20 per cent every year. In 2012, its employees numbered more than 300. The company had grown from a small enterprise to a medium and large enterprise. Most employees in the company had a good educational background. More than 65 per cent employees had a university qualification or post-graduate qualification. These well-educated employees were managerial staff or professional talents. More than 70 per cent of employees in the organisation were young people, aged around 30, so the company had a group of vigorous young talents with strong career development expectations.

Due to its rapid business development, Company A realised that TM was a critical issue for its organisational development. The organisation launched a series of TM policies for acquiring talents, developing talents and retaining talents. The company tried to improve its employer brand to attract more high quality talents and to increase recruitment effectiveness. Meanwhile, it tried to use a good employer brand to retain talents. Moreover, internal recruitment was a main channel to select talents to fill vital posts in Company A. In order to build a fair, effective career development platform, Company A started to employ headhunting agencies and internet recruitment to acquire talents from the external labour market. In addition, the

enterprise encouraged employees and referees to recommend suitable talents to join the company. Guanxi recruitment was very popular in the enterprise. With the development and expansion of the organisation, Company A needed more talents and launched a talent development scheme to main talent succession within the organisation. The talent development scheme integrated organisational training resources and making systematic knowledge management, creation and transformation. It tried to transmit the organisational culture and develop talents internally. However, Company A came across a problem of talent turnover. The rapid development of the industry enabled real estate enterprises to compete for talents, and mature talents became the targets of headhunting agencies. How to control the talent turnover was an important issue for Company A.

Company B

Company B, listed on the Hong Kong Stock Exchange, was a mega enterprise focusing on residential industry for the people's livelihood and integrating the commercial, hotel, as a whole. It was a typical Chinese POE. Its main businesses focused on real estate project development, design, construction, sale and management. With over 240 billion Yuan total assets and more than 39000 employees, Company B's business covered most main cities in mainland China. The company set up branch companies (or regional companies) in four directly-controlled municipalities, Beijing, Shanghai, Tianjin and Chongqing, and 29 provincial capitals. Company B had developed 229 large projects in 122 main cities throughout China, ranking No.1 in terms of land reserve, area under construction and sales area in China and ranking in the top three in terms of sales amount in China for three consecutive years. In 2012, Company B achieved sales of 92.3 billion Yuan, paid taxes of 13.5 billion Yuan to the country, and created 420,000 jobs. Company B had five main subsidiaries: Real Estate Development Company, Architectural Design Institute, Architectural Engineering Company, Project Supervision Company, and Property Management Company. The Real Estate Development Company focused on developing real estate projects. It had successively developed more than 200 series of real estate projects. The Architectural Design Institute had more than 200 professional real estate designers. The Institute had independently undertaken over 200 comprehensive high-quality design projects for large residential communities, five-star hotels and top-grade office buildings. The Architectural Engineering

Company had over 5,000 professional technical staff, including over 300 Grade-1 registered construction engineers and registered cost engineers, and more than 1,000 personnel with intermediate and senior titles. This company focused on constructing real estate projects. The Project-Supervision company was responsible for supervising the quality of real estate projects. The company employed professional personnel with rich experience in construction supervision. It employed professional construction supervision talents through social recruitment, overseas introduction and other forms. The Property Management Company was responsible for managing Company B's properties, which involved multi-storey residential buildings, high-rise residential building, independent villas and commercial properties. Although Company B only had one real estate project at its initial stage in 1997, it had launched over 10 projects by 2004 and the number of employees also increased sharply, from less than 20 in 1997 to more than 2000 in 2004. From 2004 to 2007, Company B expanded to other strategic cities in China. The company gained valuable experience and capacity through its management of numerous projects across China. Since 2007, Company B had continued to implement a development strategy focusing on both scale and brand image. The company had further improved the standardized operation mode, and had achieved expansion in the second-and third-tier cities in China. Company B had become a leading real estate enterprise in China.

Company B had its own talent strategy. The enterprise reserved a large number of excellent talents through high-standard and moderately forward-looking talent introduction mechanism as well as a scientific internal cultivation mechanism before 2004, for national expansion. Company B gave full play to the salary guarantee and performance assessment to achieve the optimised configuration of talent structure. A large-scale employee team with high quality and strong executive capacity became not only a strong guarantee of the enterprise's sustainable development, but also the competitive advantage and strength the enterprise was the most proud of. Company B was still hungry for talents because of its rapid organisational development. Besides acquiring talents from the external labour market, Company B had to develop suitable talents internally. After developing talents, retaining these talents was another important task for the organisation, because high talent turnover might bring heavy costs for talent acquisition and talent development. With the rapid

organisational development, Company B as a large enterprise faced many challenges regarding managing its talented employees.

Company C

Company C was a typical Chinese POE, which was established in 1983. The company was listed in the Shenzhen Stock Exchange in 1991. As a POE, Company C did not have inherent advantages, such as government background or capital strength, at the starting stage. After decades of efforts, the enterprise developed from a small company to a large enterprise with assets worth more than ten billion Yuan. The company focused on residential property development, construction, operation and management. It accumulated extensive experience in the real estate development industry. Company C's real estate projects covered 13 provinces and 22 medium and large cities in China. In 1994, Company C had already been ranked as the top real estate development enterprise among 300 large listed enterprises in China. In 2006 and 2007, the Company C was listed among the "TOP 10" and "TOP 15" real estate companies in China. From 2010 to 2012, Company C's "Chinese Yangtze River Delta Building" style real estate products were continuously declared "China Real Estate Industry Leading Brand", and its brand value was 1.928 billion Yuan. Company C had a high quality employee team, who were masters in the real estate industry fields, including capital operation, project development, architectural design, marketing planning, construction management, and property management. The company focused on developing talents internally and set a special budget for employee training and development. Unfortunately, Company C's business had developed slowly in recent years, and the organisation came across problems of high talent turnover.

Although Company C had attained a lot of achievements in its real estate project development in the past decade, it currently faced many challenges in China's real estate development market. With the rapid development of China's real estate industry, many new real estate development enterprises became Company C's strong competitors and competed for resources. In terms of some important resources such as land reserve and area under construction, Company C did not have advantages compared to some leading real estate enterprises, such as Company B. Limited land reserve means Company C's future development was uncertain. Its sales area and

sales amount were not ranked in the top list recently. Indeed, Company C have lost its leading position in the real estate market. For example, Company C faced a problem of high talents turnover and lost many talented employees. The company faced challenges in attracting, managing and retaining talents. Due to its slow organisational development and uncertain business prospect, Company C found it difficult to acquire excellent talents from the external labour market, and its internal talents had strong turnover intentions for pursuing better career development. Compared to other new real estate enterprises that developed rapidly and continuously extended their organisational structure, Company C lost its competitive advantage to compete for talents. Although Company C had already established a series of good HR policies and welfare system to care its employees, the company still suffered from a high level of talent turnover, particularly some employees in critical posts. Attracting, developing and retaining talents became tough issues for the enterprise.

3.7 Research choice and time horizons

This research adopted a multi-methods qualitative study. Qualitative data were collected through semi-structured interviews, organisational documents and corporate websites. All these data were analysed through qualitative procedures. In order to explore the TM behaviours of the case companies, it was necessary to obtain practical data from TM practitioners of the case companies. Data collection involved interviewing HR directors and HR managers in charge of TM activities. It also involved interviewing senior managers who controlled strategic decisions of the case companies. In addition, some internal organisational documents that are relevant to TM activities were collected as important data. This research was a cross-sectional study, which aimed to describe the TM phenomenon in the cases companies at a given point in time. Thus, research data such as interviews and internal organisational documents were collected in a short period of time.

3.8 Data collection and data analysis

3.8.1 Semi-structured interviews

This research adopted qualitative interviews to collect data from both TM practitioners and talented individuals in the three case companies. Semi-structured interviews employed by this research focused on collecting qualitative data. Warren (2001) points out that qualitative interviews are based on conversation, with the

emphasis on researchers asking questions and listening, which helps researcher to obtain rich, detailed answers. In contrast, Bryman and Bell (2007) state that interviews in quantitative research are structured to maximize the reliability and validity of measurement of key concept. Qualitative interviews were suitable for this research because the researcher wanted to obtain the interviewees' own ideas and experience about TM. Thus, the interviewing process tended to be less structured. Most qualitative interviews aim to derive interpretations, not facts or laws, from respondent talk (Warren, 2001). Similarly, this research wanted to understand the meaning of talents' experiences and life worlds in the context of Chinese POEs. Charmaz (2001) argues that qualitative interview provides an open-ended, in-depth exploration of an aspect of life about which the interviewee has substantial experience, often combines with considerable insight; and interview can elicit views of the person's subjective world. Therefore, qualitative interviews allowed the researcher to obtain more insights from talents and TM practitioners.

Semi-structured interviews were suitable for this research to explore case companies' TM behaviours. Although a semi-structured interview generally follows a question list that covers specific topics, the interviewee has a great deal of leeway in how to reply, because questions may not follow on exactly in the way outlined on the schedule (Bryman and Bell, 2007). This interview is a flexible, emergent technique; ideas and issues emerge during the interview, and the interviewer can then immediately pursue these leads. According to interviewees' answers, the interviewer may pick up some points and ask some questions that are not included in the question list. Probing as a characteristic of semi-structured interview allowed this research to further explore TM activities following clues from some respondents. Fielding (1993) argues that probing involves follow-up questioning to get a fuller response and encouraging the respondent to produce an answer; probing is entirely acceptable in non-standardised interviews as the interviewer can probe all the time in normal conversation. Thus, on the one hand, semi-structured interviews that offered a flexible interview procedure might encourage interviewees to express their own experiences and insights regarding the research questions. On the other hand, the interview process could be guided to avoid losing control, because the question list was an interview guide, which reminded the interviewer of some key issues. The

interview guide helped the researcher to collect similar types of data from different interviewees, so the comparability and structuration of the data could be increased.

After identifying the cases, some interview respondents were selected. In order to explore their TM behaviours, the research selected informants who were TM practitioners or some key employees who were recognised as talents in these case companies. Senior managers and TM practitioners of each case were selected as interview respondents. Moreover, interview respondents were not only selected from senior level in the hierarchy or a single department, but also from different hierarchical levels and different departments. Some middle managers, first-line managers, and subordinate staff were selected as interviewees, because collecting data from different levels allowed the researcher to investigate TM processes through a holistic view within the cases.

It was also a good way to make triangulations through those different interviews. Moreover, theoretical sampling was adopted in the interview process, because this method aimed to discover categories and properties and to suggest interrelationships that might suggest theory. It could build a self-correcting step into the analytic process. Charmaz (2001) argues that predictable gaps become apparent when researchers raise their codes to analytic categories and find some categories are not complete or lack sufficient evidence; selecting interviewees about specific key ideas enables these gaps to be filled and the categories to be made more precise, explanatory, and predictive. In addition, the author carried on sampling theoretically until theoretical saturation. Saturation means that no additional data are being found, whereby the sociologist can develop the properties of the category (Flick, 2009). Bryant and Charmaz (2007) summarise that “theoretical saturation refers to the point, at which gathering more data about a theoretical category reveals no new properties nor yields and further theoretical insights about the emerging theory”. In this study, therefore, the number of interviews and extent of data collection was partly based on theoretical saturation. In each case study company, the researcher aimed to interview a wide range of managerial employees, which included HR managers, top managers, middle managers and first-line managers. Different perspectives from different levels in organisations could offer rich data for the research.

A pilot study was conducted in a Chinese POE. A number of interviews were conducted by the researcher. Based on analysis of results and discussions with the supervisor, some amendments were made to the interview questions. Two interview guides were used to collect data from two different parties. One interview guide targeted TM practitioners and aimed to explore organisations' TM policies and practices. It focused on the employer's perspective and aimed to explore what TM activities those case companies have. Based on TM literature (Lewis and Heckman, 2006; Zhang and Zhang, 2006; Ma and Trigo, 2008; Garavan et al, 2012; Thunnissen et al, 2013; CIPD, 2013) talent definition, talent attraction, talent development and talent retention were used as lenses to explore TM processes. According to these TM processes, interview questions were drawn from the TM literature and Chinese culture theories. The author and his PhD supervisor analysed pilot study result and a few amendments were made to the interview questions. Based on a reflection of pilot study, the interview questions pay more attention to the influence of Chinese cultural factors, particularly Chinese guanxi. These interview questions focused on exploring how guanxi factors influence TM practices in the context of Chinese POEs. They enable the research to explore how case companies managed their talented employees. The other guide targeted talented employees and aimed to explore talented employees' expectations and turnover intentions. These interview questions were drawn from validated questions in previous research (Ma and Trigo, 2008). Previous research had used these questions to investigate Chinese employees' turnover intentions, and they have been widely used to investigate an employee's desire to stay with his or her current employer. My research also added some probing questions related to talent management practices. It aimed to understand the talented employees' perspectives on what it felt like to be part of talent management process. These interview questions, linked to talent attraction, talent development and talent retention aspects, helped to explore the relationship between talent management practices and talented employees' turnover intention. The interview questions are attached in appendix 1 and appendix 2. Thirty interviews were then conducted in the case companies. Table 3.2 shows the number of interviews in each company. The researcher interviewed managerial staff from different levels in each selected case company. Interview respondents included the senior managers, HR managers and department managers, who experienced TM policies and practices designing and implementations. The researcher also interviewed employees who are considered as

talents in the case companies. Interview respondents from different levels of the hierarchy (strategic, policy, operations) allowed the research to obtain the views of a cross-section of staff. Those views from top managers allowed the researcher to learn how those Chinese POEs conduct TM. Some views from operational level and individual talented employees might help the researcher to understand talents' turnover intention and their expectations.

Table 3.2: Number of interviews

	Company A	Company B	Company C
CEO /HR Director	2	2	1
TM practitioners and Middle managers	3	4	5
Talented employees	5	4	4
Total	10	10	10

All the interviews in this research were recorded. The digital audio recording helped the researcher to obtain verbatim interview transcripts, which were used for the subsequent analysis. In accordance with research ethics, at the beginning of interview, all the respondents were told that recording equipment was used and the researcher ensured respondents were not harmed or adversely affected as a result of their participation in the interview. Saunders (2009) states that it is essential to use recording in in-depth interviews to obtain verbatim records of those interviews; because there are some certainty that human being's individual memory cannot remember what the person sees or hears, but rather organise it into some intelligible coherence based on the individual's past experience. Recording was useful to this research, because interviews in this research aimed to capture the words and perceptions of interviewees. Recording not only helps to correct the natural limitations of the researcher's memory but also allows more thorough examination of what people said (Bryman and Bell, 2007). However, digital audio recording result in a mass of data, which required a lot of time to transcribe into written form before analysing. Therefore all the interviews were timetabled and controlled between forty minutes to one hour. Moreover, the interviewer still made notes during the interviewing process, as taking notes might help the researcher to grasp key words and phrases that came out of interviews. Those notes allowed the researcher to make further probing questions. Because the interview respondents were Chinese, all the interviews were conducted in Chinese. The researcher first transcribed the

interviews in Chinese. The Chinese transcriptions were sent to the interviewees and were subsequently clarified by telephone or email. After that, those Chinese transcripts were translated into English.

Semi-structured interviewing fitted the analysis method that was employed by this research. My analysis method entails looking for ideas by studying data and then returning to the field to gather focused data to answer analytical questions and to fill conceptual gaps. Semi-structured interviews provided flexibility to this research. It allowed the researcher to immediately pursue ideas and issues that emerged during the interview. The semi-structured interview has a combination of flexibility and control. Those interview data were useful to analysis individual experiences. Many talents' turnover intentions might relate to financial income, personal development opportunity, or guanxi problems. The researcher could adopt an interpretive analysis of their experiences through the semi-structured interviews.

3.8.2 Company documents

This research also collected data by reviewing companies' documents and archival records. Reviewing company documents enabled corroboration of the information collected from the interviews. These documents included company strategy, HR policies, TM strategy and practices. This researcher checked archival records through internal and external ones. Internal records included company's websites, relevant documents in the organisations. External records included some historical press coverage from the domestic newspapers, and various kinds of media. In order to obtain a better understanding of case companies, the history of each company was reviewed; such historical information included the company history, biography of the company founders and the current top executives, and HR strategies that organisation had employed in the past. Various data resources were used by the researcher, because my analysis method allows the flexibility of utilising different data resources.

3.8.3 Data Analysis

According to analysis method employed by this research, specific analysis procedures are used to build an explanation or to generate a concept around the core or centre theme that emerges from the data (Saunders et al, 2009). Within this method, theory are derived from data, systematically gathered and analysed through the research process; data collection, analysis, and eventual theory stand in close

relationship to one another (Strauss and Corbin, 1998). My data analysis includes three steps, which are open coding, axial coding, and selective coding. The first step, open coding, aims to disaggregate data into conceptual units and give each a label. The second step, axial coding, focus on recognising relationships between the categories of data that have emerged from open coding; it indicates a process of theoretical development. The third step, selective coding, is intended to integrate categories to produce a theory; it aims to identify one of principal categories, which becomes known as the central or core category, in order to relate the other categories to this with the intention of integrating the research and developing a theory (Strauss and Corbin, 2008).

This analysis method was appropriate to this research because of its characteristics. Firstly, the analysis process allows the researcher to capture complexities of the context in which action unfolds, enabling researchers to better understand all that may be involved in a particular substantive issue. Similarly, TM in Chinese POEs is a complex issue, which involves many different factors, such as Chinese cultural characteristics, enterprise management characteristics, and demographic issues. The analysis method might help the researcher to capture the complexities to explore TM phenomena. This analysis method is useful in the study of complex entities because it can produce a multifaceted account of organizational action in context (Martin and Turner, 1986). Thus, this approach allowed the researcher to focus on the contextual elements of talent management in the Chinese POEs. Secondly, this method was appropriate to the research paradigm of this study. This method is concerned with subjective experience; because approach it is more appropriately located within the interpretive paradigm (Lowenberg, 1993). Moreover, this research method is appropriate to a study when little is known about the area of study. Although there has been some TM research in the Western world, TM is still a new subject in the Chinese context. This research aimed to draw lessons from the past and establish a new TM theoretical framework in the context of Chinese POEs; such findings would contribute to TM theory in China' context. This analysis process can help to bring some new perspectives and new theorising to mature established theoretical areas; it also benefits to enliven and modifying existing theoretical frameworks. Within an inductive qualitative approach, this research takes increase the opportunities for

discovering unanticipated things and to permit analysis of change and development in talent management.

In the current research, the information was collected from interviews, company internal documents, and some external resources. Those data were analysed by open coding. The same label was given to similar units of data. This analysing approach might derive meanings from the TM data. As there is little explicit TM model or theory in the context of Chinese POEs, some actual terms that emerged from data or terms that were used in existing literature were used as names for categories. Those categorisations derived from the data might indicate significant themes and issues, which could help researcher to know where data collection should be focused in the future data collection. The second stage of data analysis was to look for relationships between the categories. This stage, axial coding, was to explore and explain the TM phenomenon by identifying what was happening and why, the context of Chinese POEs influenced the TM phenomenon, and how TM was being managed within those case companies. This analysis process allowed to find a relationship between those categories and to make an explanation. The third stage was selective coding. Based on several months' data collection and analysis, a number of categories and subcategories were developed. Selective coding aimed to identify a core category of TM and relate the other categories to this in order to develop a TM theory that was appropriate to Chinese POEs, and hence to find appropriate TM practices to retain talents for the Chinese POEs.

3.9. Reliability and Validity

Although reliability and validity are important criteria in assessing the quality of quantitative research, there has been some discussion among qualitative researchers concerning their relevance for qualitative research. In quantitative research, reliability refers to the consistency of a measure of a concept; validity refers to the issue of whether or not an indicator (or set of indicators) that is devised to gauge a concept really measures that concept (Bryman and Bell, 2007). However, Mason (1996) states that reliability and validity in qualitative research 'are different kinds of measures of the quality, rigour and wider potential of research, which are achieved according to certain methodological and disciplinary conventions and principles'. According to Mason's statement, validity refers to whether "you are observing, identifying, or 'measure' what you say you are" (Mason, 1996:24). Other scholars

use different terms to describe reliability and validity in qualitative research. For example, LeCompte and Goetz (1982) mention external reliability, internal reliability, internal validity, and external validity. The current study is a qualitative research, so quantitative methods may not be appropriate to this research. Qualitative research should be judged or evaluated according to quite different criteria from those used by quantitative researchers.

In this research, several ways were adopted to ensure it was reliable. Silverman (2006) argues that high reliability in qualitative research is associated with low-inference descriptors. Silverman further suggests some ways to ensure reliability of qualitative interview:

- Tape-recording face-to-face interviews.
- Carefully transcribing interview recordings according to the needs of reliable analysis instead of handing the problem over to an audio-typist.
- Presenting long extracts of data in the research report, including the questions that provoked any answers. (Silverman, 2006,p.287)

The researcher followed all these criteria above in research processes. For example, all the interviews in this research were recorded, which allowed researcher to re-listen and to transcribe exactly what respondents said, and in turn to conduct reliable analysis. In addition, long extracts of interview transcript are quoted in the research findings part. In these ways, reliability was ensured.

Validity can be internal and external. Internal validity is important for qualitative research. Internal validity in this research focused on the reality of the interviews. Several approaches were employed to enhance internal validity. First, this research used triangulation in data collection, because triangulation can overcome biases inherent in a single perspective and is a major way to validate qualitative research (Silverman, 2006). Data were collected from different channels, locations, and groups. For example, the current research involved three case companies of different sizes. Moreover, the interview respondents were from different hierarchical levels and different departments. These respondents included TM practitioners, senior managers and talented employees. Furthermore, collecting data from different

resources such as interviews, internal documents, and external media enabled triangulation and produced a more complete picture for the research.

Probing allowed the researcher to ask some more specific questions and encouraged respondents to describe experiences in detail and to elaborate on what they had said. This is clarified respondents' words and avoids biases. Meanwhile, the researcher's probing allowed respondents to clearly understand the interview questions and to clarify exactly their TM experiences in the organisation. Thus, probing helped the researcher to obtain a profound understanding of respondents and to enhance the research validity. Moreover, this research adopted cross-checking to enhance validity. Collected data from different sources were compared in order to check respondents' words. The researcher kept interviewing different people from different hierarchical levels and cross-checking their words from internal TM documents. In addition, the researcher occasionally asked the same questions in several ways to the same respondent. So that different versions of an answer to the same question could be compared, this helped to reveal hidden facts. All these methods were helpful to enhance the research validity. Moreover, the researcher sent data back to interviewees for corrections and clarification in the case of anything vague and uncertain being found, because when data are verified by respondents, one can be more confident of the validity (Silverman, 2006).

Although external validity is often a problematic issue for qualitative research, this qualitative research based on case studies could be generalised to TM theory rather than to populations. Bryman and Bell (2007) argue that regarding the findings of qualitative research, it is the cogency of the theoretical reasoning, rather than statistical criteria, and the quality of the theoretical inferences is crucial to the assessment of generalisation. Schofield (1993) argues that external validity is enhanced when researchers choose a situation that is typical of its kind. In line with this principle, this research only focused on real estate POEs in China and applied theoretical and strict criteria to select case companies and respondents. Thus, the research findings about TM can be generalised to enterprises in a similar context.

In general, this chapter has elaborated the research questions, and discussed the research methodology employed by this study. Based on the research questions, empirical research findings and analysis will be presented in the following chapters.

As how to define a talented employee is the first step of TM, chapter 4 explored talent definition in the context of Chinese POEs. Empirical data showed that the three case companies define talented employees in a similar way, thus, the structure of chapter 4 is based on themes that emergence from case interviews. From chapter 5 to chapter 7, the thesis analyses the behaviours of attracting talents, developing talents and retaining talents. As talent attraction, development and retention are main parts of the TM process (Thunnissen et al, 2013), this research takes the three processes as a lens to explore case companies' TM activities. It not only avoids the never-ending debate about TM definition but also allow the research to make empirical TM explorations. The structure of Chapter 5 is based on themes, because three case companies' talent attraction behaviours are similar, this chapter focuses on compare and contrast among the cases. However, the structure of Chapter 6 and Chapter 7 are based on different case companies, because these case companies' talent development and retention practices have their own characteristics, analysis based on each case company is better to elaborate TM practices. Moreover, Chapter 8 explores talented employees' expectations and turnover intentions; its structure is based on themes emerged from all interview respondents in the three case companies. In addition, based on the findings of former chapters, Chapter 9 bridges both TM findings and talents' expectations to propose TM mechanisms for retaining talented employees.

Chapter 4: Talent Definition and Identification

4.1 Introduction

How to define talent is a foundation of TM. There is no universal talent definition that is accepted by all organisations, because each organisation has their own conceptualization of what a talented employee is. This chapter tries to explore how these case companies define their talented employees. It analyses some themes that are closely associated with talent definition and finds some common perspectives of talent definition in the research context, and demonstrates how these are linked to Chinese cultural influence and the characteristics of Chinese POEs. The chapter begins with competence and position based definitions, then goes on to address the role played by internal and external guanxi and its impacts on talent definition.

4.2 Defining talents through competence and position perspectives

The data from the three case companies yielded various descriptions of talent definition. Although there was no universal standard to define talented employees, the understandings regarding talented employees in the three case companies were not without some consensus. In some ways, case companies defined talented employees in similar ways to the literature. For example, “viewing key people with high competence and potential as talented employees” and “viewing the right people at key positions as talented employees” were confirmed by many interviewees.

Individual competence or potential was considered as the first standard to define talented employees; this talent definition was often linked to position as well. Company A’s HR director indicated who are considered as talented employees in the enterprise as follows:

“Our company focuses on developing commercial real estate. Every functional department has its own business and characteristics. According to its business characteristics, we need to find some talents who have good competence and high potential in those positions. Potential means the people can work better and further in those positions. His/her potential should link to the core business of our company.” (Company A HR Director)

According to the statement, Company A defined talented employees through individual competence and potential, which were position-related. Different positions may have different requirements for individual competence or potential. However, the company was only interested in the competences or potentials related to the company’s core business.

Similarly, a manager from Company B indicated that competence and position were two important perspectives of talent definition in his company. As described by the manager:

“Our company contains some critical departments such as architecture, operation and each real estate project department. These departments are very important for the company’s operation. I think some people in pivotal posts of the departments are talents for our company. Of course, these talents should have strong individual competence, which supports them to make good performance at relevant posts. For example, in my architecture department, talents need to have a strong design competence or potential...” (Company B Department Manager)

The company’s talent definition focused on some key posts that contributed in various ways to the organisation’s competitive advantages. Again, position and competence were significant, and individual competence was associated with the attributes of the post; since different posts may have different competence requirements. As the real estate enterprise’s operation involves diverse fields, it needs a variety of professional talented employees. Although these talented employees have different individual competences, all should contribute well to organisational performance. This was expressed by another manager from Company B:

“For a private-owned enterprise, some employees who are able to create more profit and value for the company and are able to support organisational development are talents in our company. Our company’s talents could be some senior managers or some people in critical positions, such as chairmen of subsidiaries.” (Company B Department Manager)

In addition, Company C also paid attention to individual competence and posts in defining organisational talents. As described by the HR Director:

“In our company, talented people are competent employees at key departments, because they can create more value for the company.” (Company C HR Director)

These descriptions show that individual competence and job position were closely linked to talent definition in these case companies. This is in line with previous TM literature, indicating that talented employees can be identified through exclusive

perspectives such as competence/potential and job posts. In contrast, the inclusive perspective that views everyone as talents was not found in the case companies. They preferred to differentiate talents from other employees by criteria such as competence and job position.

4.3 Defining talents through a guanxi perspective

Comparing to TM literature, it was found a new talent definition perspective, guanxi. Most interview participants mentioned the guanxi when they talked about talent definition. Guanxi as a Chinese cultural characteristic influences many business behaviours; talent definition is no exception. As guanxi is helpful to establish a firm's competitive capabilities and superior performance in China (Chen and Wu, 2011), these case companies identified talented employees, taking account of guanxi influence. Guanxi, as a special perspective on talent definition, not only reflects a talent's personal attributes, such as loyalty and trust, but also predicts how much value the talent may bring to an enterprise. A HR manager from Company A explained what kind of guanxi attributes they considered in the process of defining talented employees:

“Guanxi is an important criterion when we identify talents. In my opinion, guanxi has two aspects. The first aspect is about internal guanxi, which refers to maintaining good guanxi with colleagues. The second aspect is external guanxi, which refers to external social guanxi networks.....The first guanxi aspect focuses on maintaining harmonious guanxi with colleagues around you. It is a requirement for all the talented employees. For example, a research organisation can accept a talent who is good at doing research alone. But unlike the research organisation, our real estate enterprise involves various co-ordinations among different departments. In our company, talents should have good guanxi competence to work with other colleagues.....The second guanxi aspect (external social guanxi network) is a requirement for some talents in special posts, for example, some posts that need to communicate with government, and some posts about expanding projects. It is desirable for talents in these posts to have social capital and external guanxi networks. If a talent does not have existing guanxi resources, he/she should have a strong ability to establish guanxi networks.”
(Company A HR Manager)

The statement shows that talent definition is influenced by two different aspects of guanxi concepts. Although all the talents have to achieve a certain level of guanxi requirements, the company may adopt different guanxi criteria to identify talents in different posts. Similar findings were found in other two case companies as well. Guanxi was an unavoidable perspective when these case companies defined a talented employee. The guanxi requirements are posted related as well.

4.3.1. Internal guanxi

Internal guanxi influences talented employees' loyalty and working efficiency. As talents' behaviours are influenced by guanxi factors, identifying talented employees through a guanxi perspective may help the enterprise to evaluate different attributes of the individual. The guanxi perspective is helpful to evaluate talents' implied attributes such as loyalty and trust. For example, the chairman from Company A explained the talent definition in his enterprise:

“In my company, the first requirement for talents is to ‘be of one mind’. That’s a kind of loyalty and trust, which are attached with guanxi. As Chinese people can easily establish loyalty and trust based on good guanxi, we are likely to take into account a guanxi perspective when we identify talents.” (Company A Chairman)

The guanxi concept mentioned by the chairman refers to internal guanxi, between talented employees and the manager. This guanxi concept was helped to identify a trustworthy talent, who is loyal to the manager and the organisation. The Chinese POEs pay great attention to personal trust and loyalty, which are enhanced by good guanxi between manager and employee (Pearce and Robinson, 2000).

Another reason for defining talents from a guanxi perspective is that talents need to maintain harmonious guanxi with colleagues and continuously contribute to cooperation in an organisation. A real estate enterprise, in particular, requires a high level of cooperation between different departments, so good internal guanxi helps to increase talents' working efficiency, because it helps to foster information flow, mutual understanding and trust among colleagues (Su et al, 2007). These case companies were concerned with whether their talented employees had the ability to maintain good guanxi within the organisation. As expressed by the chairman of Company A:

“...Talents in my company should be able to maintain harmonious guanxi with other colleagues, because my talents must cooperate closely with different departments.” (Company A Chairman)

Similarly, Company C’s HR director argued:

“According to my empirical experience, talents should be a master of professional knowledge and know guanxi as well. Talents in our company don’t just do professional work. They need to know how to deal with guanxi with other colleagues, because all the departments in our company are not isolated. Especially in a real estate company, (departments) need intensive cooperation. So it requires talents to have good guanxi competence to communicate with other colleagues.” (Company C HR Director)

Good guanxi skill was considered as a requirement for talented employees. Informal networks and communication were important to cross-functional collaboration. Without acceptable guanxi competence, employees were not identified as talents, even though they might have a high level of professional competence. As described by Company C’s HR director:

“I think an ability to deal with internal guanxi is a basic requirement for a talent. If a person can’t deal with guanxi within the organisation, that guy cannot be recognised as a talent in our company. We recruited two architectural designers who had strong professional competence but were not good at dealing with guanxi with other colleagues. Neither of them could cooperate with other colleagues very well. They had to leave our company.” (Company C, HR Director)

These enterprises required talents to have good guanxi with colleagues and facilitate a high level of cooperation within the companies. It was found that good internal guanxi was a fundamental requirement for talented employees to engage in frequent collaboration on projects. Obviously, the quality of internal guanxi or guanxi competence was an important criterion to define talented employees in these enterprises.

4.3.2. External guanxi

External guanxi refers to guanxi with external stakeholders such as suppliers, customers and government. As these stakeholders often influence the achievement of

an enterprises' objectives to a greater or lesser extent, maintaining a good guanxi with these stakeholders is necessary (Su et al, 2007). It was found that all the case companies paid attention to employees' external guanxi networks and even considered external guanxi as a significant talent definition criterion for some posts. Talents with various guanxi resources might help their enterprises obtain more resources, so talents who had various external guanxi networks that fitted the company's long-term needs were viewed as valuable assets in the company. As expressed by a senior manager from Company A:

“In China business guanxi is closely associated with persons.....I think any enterprise, as long as posts relate to market, needs to find some talents who have guanxi networks. Even if an employee does not have good educational qualifications or professional competence, if he or she has useful guanxi networks in the market we think the employee is a talent, because his/her guanxi networks can bring the company resources.” (Company A Chairman)

External guanxi networks were considered as important attributes of talented employees. As expressed by Company A's HR manager;

“We care about applicants' guanxi resources when we identify some talents, because some social guanxi networks may bring the company more resources and benefits”. (Company A HR Manager)

Guanxi resources were considered as a significant requirement for some managerial talents. For example, a senior manager from Company A argued:

“In the context of a private-owned enterprise, a managerial talent should be aware that ‘a market-oriented economy is a guanxi economy’”. (Company A Vice-President)

This statement reflected the importance of guanxi resources for managerial talents in private firms. The idea of considering guanxi resources as a significant criterion for defining talented employees has not been found in previous TM literature.

This specific talent definition method was associated with Chinese cultural influence and the business context of Chinese POEs. The importance of external guanxi in the Chinese business environment is driven by Chinese culture and resource availability

in China. Chinese POEs' business behaviours rely heavily on interpersonal guanxi and cooperation. Two key factors of business success, trust and commitment (Morgan and Hunt, 1994) tend to be based on guanxi rather than contracts (Su et al, 2007). Furthermore, resource allocation in China is largely dependent on people in power or authority, rather than markets (Tsang, 1998); Chinese POEs therefore have to exploit various external guanxi networks to gain access to resources. Considering guanxi as a talent definition perspective might help these Chinese POEs to find some talents who can bring more competitive advantages to the organisation. This was confirmed by another manager from Company A:

“I am willing to keep some talents who can utilise their guanxi background to make contribution for the company, even though their other competencies are weak. For example, Xiaopei and Wenjing are both relatives of our important stakeholders. Actually, I don't expect them to do much actual work in our company. I need them to maintain good guanxi with our important stakeholders. Guanxi ties play a significant role in the market.....Sometimes lack of guanxi ties may cost the company more money to do public relations. That costs could be much more than keeping the two talented employees in the company. I think managers of POE are quite clear about this calculation.” (Company A senior manager)

The case company understood that talented employees with effective external guanxi networks were helpful to increase organisational competitive advantages. For real estate enterprises, in particular, developing new real estate projects required official permission and approval from various relevant authorities. Having talented employees who have external guanxi networks with such authorities is likely to expedite this process. As elaborated by a manager from Company B:

“...Our company has a special project development department, which focuses on obtaining permissions and approvals from relevant authorities. I used to make a calculation. If a real estate company wants to successfully complete a construction project, the project development department has to contact more than 600 people (government officials) to obtain relevant permissions. Good guanxi plays an important role in getting approved. For example, according to government regulations an application should be approved within 10 working days; if you have

good guanxi ties with these officials, you can get your approval within 5 days. If you have better guanxi ties or do something more to lubricate guanxi, you may get it done within 3 days. With my guanxi networks, I can take half an hour to get a licence for which I would otherwise have to wait 7 working days.” (Company B department manager)

This statement reflects the advantages of external guanxi for a real estate enterprise. In China’s transition economy, the government still controls resource distribution, and real estate companies need to obtain various resources from the government to support their operations (Zhang and Bright, 2012). External guanxi networks helped case companies to gain access to enabling resources. Some talented employees in specific posts need external guanxi networks to bring resources into the company. Therefore, it is easy to understand why the case companies viewed guanxi as an important factor in defining talented employees.

However, only those individuals whose external guanxi networks are related to the organisation’s important external stakeholders were considered as talents. With changes of important external stakeholders, the guanxi ties that companies sought were adjusted correspondingly. Thus, the criteria for external guanxi networks were dynamic; consequently the identified talents may not be permanent. Useful external guanxi ties are likely to change over time according to organisational priorities. Some talents who only have external guanxi ties may lose their talent status due to the dynamic nature of guanxi, and these expired talents may also pose a dilemma for organisations because they may lead to overstaffing.

4.4. Impact of guanxi perspective of talent definition on TM

It was found that in China’s transitional economy, especially for the Chinese POEs, the special value of personal guanxi challenged the traditional concept that employees’ talent depends on personal competence. Some case companies paid more attention to individuals’ external guanxi ties than individual competence in the process of identifying talents. A talent definition that emphasises external guanxi ties might influence other TM behaviours, including talent attraction, talent development and talent retention. Based on this perspective, some case companies were willing to recruit individuals who had specific guanxi ties with important stakeholders, even though their personal competences were weak, because these enterprises could

utilise their employees' personal guanxi networks to build organisations' external guanxi networks and obtain more resources. Similarly, as will be seen in later chapters, the guanxi effect influenced talent development activities, for example, developing both internal guanxi competence and external guanxi networks. Also talent retention may involve retaining some talents who have guanxi networks and adopting guanxi to retain talents. None of these TM behaviours regarding guanxi have been discussed in existing TM literature, but these issues are not only common TM phenomena in POEs but also very important for Chinese POEs' operations. Therefore, discovery of talent definition from a guanxi perspective raises further research interests about TM in the context of Chinese POEs. Understanding guanxi's impact on TM behaviours is necessary to have a complete picture of TM.

4.5. Summary

Cultural context and organisational characteristics impact on the definition of talent. Definitions of talented employees are relative and subjective rather than absolute, and ways of defining them vary according to the organisation's type and its internal and external circumstances. It was found that these case companies tended to adopt an exclusive approach to defining their talents based on differentiation of the workforce. Talents were generally defined through three main perspectives.

- Competence and potential
- Key positions
- Guanxi

Firstly, individual competence and potential was widely used to identify talented employees in the case companies. As real estate enterprises contain different kinds of posts that involve diverse types of work, case companies had different competence requirements for different posts. Relevant skills, competences, and knowledge were diverse and strongly associated with the nature of the work. Individual competence was often reflected by a high level of performance in a post. Some competent individuals who demonstrated successful performance in specific posts were recognised as talented employees. Also, employees with potential, which was reflected in post-related individual creativity and initiative that could create more value for the organisation, were considered as talented employees. Thus, competence

and potential was considered as a basic requirement for defining talented employees in the case companies.

Secondly, key positions were considered as a significant criterion for defining talented employees. Real estate enterprises contain various departments that involve different disciplines. These case companies concentrated on some pivotal posts that were associated with enterprises' core competitive advantages, such as architectural designers, project managers and those responsible for handling bureaucratic procedures. People in these pivotal posts were likely to be defined as talented employees. Indeed, post and individual competence could not be separated in talent definition, because many individual competences were post-related.

Talent definition is based on competence, potential or pivotal posts are mentioned in existing TM literature (Lewis and Heckman 2006; Collings and Mellahi 2009; Davies and Davies 2010). However, a new talent definition perspective was found, *guanxi*, which has not been mentioned in existing TM literature. Competence, potential and position were not sufficient to identify talents in the context of Chinese POEs. All the case companies viewed *guanxi* as an important perspective in the process of identifying talents, because *guanxi* not only facilitated cooperation within the organisation but also brought competitive advantages such as obtaining more resources. In China's business context, talented employees should have their own *guanxi* networks or an ability to develop *guanxi* networks, because *guanxi* in China's business community brings inside information, trust, scarce resources, and extra support from business partners (Su and Littlefield, 2001). Since the case companies operated in a *guanxi*-orientated market, they consequently needed to draw on *guanxi* to build and sustain their competitive advantages (Shou et al, 2012). In this respect, employees who can make good use of their external *guanxi* networks to support their company are identified as talented employees.

The importance of *guanxi* explains why these case companies viewed *guanxi* as an important talent definition perspective. The valuable discovery of this *guanxi* perspective adds to the understanding of talent definition in the context of Chinese POEs, which can contribute to both TM knowledge and TM practices. Some other TM activities, including talent attraction, talent development and talent retention, which are impacted by *guanxi*, are analysed in the following chapters.

Chapter 5: Attracting Talents

5.1. Introduction

One purpose of this study was to examine how TM is used to retain talents in the context of Chinese real estate POEs. Following the definition of talented employees in the previous chapter, this chapter explores how the case companies attracted and recruited talented employees, especially since some guanxi ties that are useful in retaining talents are already established in this talent attraction stage. Talent attraction is aimed at the external labour market and involves the use of recruitment and selection techniques to attract the most suitable people to meet an organisation's human resource requirement (Beardwell and Claydon 2010). The ability to attract external talent depends on how potential applicants view the organisation and the field in which it operates, and whether they share the values of that organisation (CIPD, 2012). Beardwell and Claydon (2010) argue that the choice of methods and media used for recruitment influence the effectiveness of attracting talents, because recruitment methods influence whether the right kinds of applicants are encouraged to apply and to persist with their applications. This chapter, therefore, examines what practices were used to attract talents in the three case companies and how cultural factor and the characteristics of Chinese real estate POEs influenced talent attraction. It was found that three main talent attraction channels were used in the case companies: internet recruitment, job fair recruitment and guanxi recruitment, which are explored in the following sections. In each theme, the experiences of the three companies are reported individually. Then the relevant methods are analysed, in order to explore how those case companies attract talents.

5.2. Internet recruitment

Internet recruitment was widely used to attract external talented individuals in the case companies, being thought to improve recruitment effectiveness and reduce costs. However, internet recruitment was mainly used for technical posts and basic posts in those case companies.

Company A

Internet recruitment was a popular method to recruit employees for low level posts in Company A. A HR assistant stated:

“Internet recruitment is a major recruitment channel, because it is quite convenient and we don’t need to go to the job fairs in person. Many basic posts, such as structural engineer, and sales assistant, are recruited through internet recruitment.” (Company A HR Assistant)

Besides publishing recruitment information on the corporate website, Company A used some professional recruitment websites to advertise vacancies and select candidates. Their websites include “51job.com”, and “China Real Estate Talent Network”. “51job.com” is a leading recruitment website in China, offering a broad array of services in the area of recruitment solutions. Company A used it to identify and recruit non-professional talents. Another industrial recruitment website, “China Real Estate Talent Network” was used to acquire real estate professionals. Different websites were used for acquiring talented employees for different posts.

Company B

Similarly, Company B used internet recruitment methods to acquire talented individuals for common posts and technical posts. The recruitment information was published through the corporate website, industrial recruitment websites and regional recruitment websites. As Company B has many subsidiaries located in different provinces in China, regional recruitment websites were used to recruit local employees. An interesting finding was that most job vacancies publish through website were low level posts, rather than middle or senior managerial job vacancies. Company B made good use of its corporate website to published recruitment information, which emphasised its social recruitment scheme and campus recruitment scheme. In 2011, real estate developers were suffering from industrial depression. However, Company B launched a significant annual recruitment scheme that involved 5300 job vacancies. The recruitment information was published via various recruitment websites. The news and corporate name resounded through the whole real estate industry in China and attracted much more attention from the labour market. In particular, the campus recruitment scheme attracted many excellent graduating candidates. The recruitment information not only set out recruitment conditions, recruitment trips, and the application process but also introduced the company’s compensation benefits and professional development mechanism and published testimonials from outstanding staff. The recruitment unit in the corporate

website was a window for job seekers to learn the advantages of working in the enterprise. Company B utilised the internet recruitment section to reinforce its employer brand.

Company C

Company C used its corporate website and professional recruitment websites to attract talents. Most job posts advertised in websites were technical and basic posts, such as structural engineer, marketing planning assistant and secretary. Internet recruitment was a platform to acquire talents at low levels. The company also used the corporate website to publish recruitment information, which not only listed job descriptions but also introduced the organisation's background and current projects. It tried to use internet recruitment to promote its employer brand. It was found that few senior managerial posts were recruited through internet. In this respect, the company was similar to Company A and Company B.

Advantages of attracting talents by the internet

According to the findings in the three case companies, internet recruitment was an effective recruitment method to attract talents for basic and technical posts. It saved case companies' time and reduced recruitment cost. This is consistent with prior literature arguing that internet recruitment offered opportunities to communicate a large volume of information about enterprises and job characteristics to a large number of geographically dispersed job seekers at a relatively low cost (Allen and Mahto, 2007). China is a large country, and real estate enterprises often engage in projects located in different areas, so geographical distance could be a challenge to attracting and recruiting talents. Internet recruitment overcomes this problem. It also aligns well with theories that internet recruitment can speed up the recruitment cycle and streamline administration; it is a cost-effective way to build a talent bank for future vacancies (Beardwell and Claydon, 2010). The three companies took advantage of this facility to attract many applicants. Internet recruitment replaced some redundant works such as attending job fairs and reducing cost. It helped case companies to handle a high volume of job applications in a consistent way.

Furthermore, Beardwell and Claydon (2010) point out that internet recruitment can not only reach a wide pool of applicants but also provide the image of an up-to-date organisation and reinforce employer branding. In line with this view, the case

companies set up web-recruiting sections in their corporate websites, which contained up-to-date information or corporate development and the benefits of working in the organisation; it was an effective way to promote employer brand and to attract more talents.

The three case companies used both corporate websites and professional recruiting websites to publish their recruitment advertising, because attitudes to advertisements influence organisation attractiveness and intentions to join the organisation (Allen et al, 2007). Recruitment websites provided job seekers with information about the employer and to improve corporate image. Employer brand offers an orientation to talented individuals in the job seeking process, because a good employer brand serves as a quality indicator to the employment market (Wilden et al, 2010). For example, Company B made good use of recruitment websites to promote its employer brand and attract talented individuals, especially young talents. As the early stage of recruitment involves uncertainty, anxiety, and incomplete information, talented individuals might use whatever information they have as signals to evaluate an employer. Thus, internet recruitment offered a channel to publish employer brand signals and to enhance employer brand for the case companies. The case companies had realised the importance of employer brand in attracting talents, and as private enterprises, they tried to build a good employer brand and increase its perceived value in the talent market.

It was found that basic posts and technical posts were easily filled through internet recruitment, as candidates for such posts were relatively plentiful. Online-selection and CV-matching software could easily provide short listing of candidates. Furthermore, candidates for those posts might not need too much guanxi and trust, because performance of manual and clerical jobs is task-specific and easy to measure. Real estate enterprises would face little risk in recruiting those candidates through the internet recruitment.

Disadvantages of attracting talents through the internet

It was found that scarce talents in senior managerial posts and senior technical posts were recruited through internal recruitment or guanxi recruitment. As such posts are usually not task-specific and the performance is hard to measure, quantify or monitor; an employer may face high risk in using internet recruitment to fill them. The case

companies preferred to use internal recruitment or guanxi networks to seek trusted candidates to fill those posts. This phenomenon is largely associated with Chinese cultural attributes: guanxi and trust. Internal recruitment benefited from development and selection of trusted candidates to fill posts. Guanxi networks involve trustworthiness, which is the building of trust through long-term informal interaction with relevant stakeholders; and guanxi networks provide a basis for trusted relationship building in the Chinese business environment (Mak et al, 2011). Thus, promoting internal talents or acquiring talents through guanxi networks were more trusted for these case companies. China's business context required senior managerial talents to have guanxi networks that may help the enterprise to obtain more resources in the market, and with internet recruitment, it might not be possible to evaluate accurately a candidate's guanxi ties and trustworthiness. CV scanning or internet communication could only provide a quick indication of a candidate's attributes. More tacit attributes, such as guanxi ties and social capital, needed to be evaluated through trusted referees.

5.3. Job fair recruitment

Job fair recruitment was another method used for talent attraction. In this research job fair recruitment mainly involved social job fairs and university campus job fairs. All three companies tried to attract external talents through these means. Company B effectively attracted many external talents through job fairs, especially campus job fairs, whereas Company A and Company C faced recruitment challenges. The employer's attributes, including (a) employer brand, (b) career development opportunities and (c) reward packages, influenced the effectiveness of attracting talents via job fairs.

Company A

It was found that Company A could not effectively attract suitable talented individuals through job fairs. Job fair recruitment involved more cost such as time, space and labour, compared to internet recruitment; and its recruitment effectiveness was uncertain. Company A targeted university graduates, and tried to attract talented individuals through campus job fairs, but unfortunately, most shortlisted applicants from campus job fairs did not join the company after their graduation. As explained by HR Director:

“In the past two years, our campus fair recruitments were poor. Because those talents selected from campus job fairs are our prospective employees. They are white papers. And they have many career choices before graduation. ... After our rounds of selection in the campus job fairs, we selected some excellent graduating applicants as prospective employees. But after their graduation, those candidates gave up our offer and accepted other companies’ offers that may give better pay and career growth opportunities. As there is a time gap between obtaining offers and their graduation, those candidates who have many different offers may not accept our offers finally. So our campus fair recruitment was not effective and it was difficult to attract excellent talents.” (Company A HR Director)

It was found that employer brand influences the effectiveness of attracting talent in the job fairs. Its weak employer brand led Company A to fail to attract talents through job fairs. As a HR assistant pointed out:

“Although our company has been listed successfully in Shenzhen Stock Exchange and is known within the industry in the local area, job seekers and talents do not know the enterprise very well. The company’s brand awareness and employer brand have not been well established. Currently, it is a big obstacle to attract talents in our recruitment process, particularly in job fairs. It cannot help us to attract excellent talents.” (Company A HR Assistant)

Company A needed a well-known employer brand to attract talents in the job fairs. In campus job fairs many potential talents, who had little working experience or industrial experience, were concerned with employer brand when they chose an employer. A good employer brand was therefore a significant tool to attract these talents. A HR manager stated:

“In terms of attracting talent, (our) company’s employer brand is not strong enough.....And, our company has recognised the problem as well.....The current issue we need to emphasize is improving employer brand to support our talent attraction. We aim to write this issue into our strategic plan and establish an employer brand that makes people proud of working in our company.” (Company A HR Manager)

Moreover, Company A's recruitment was influenced by applicants' value orientation. Many graduates preferred to work in SOEs and hoped to enter a stable enterprise. In the job fairs Company A as a developing POE had been at a disadvantage compared with some strong competitors that had a government background and occupied monopolistic industries. Many graduates preferred to work in the government organisations or SOEs. For example, the government official was a popular career choice for many graduates. Company A as a POE did not have many advantages to compete for talents in campus job fairs. As expressed by a senior manager:

“A large number of graduates prefer to apply for the posts of civil servants, because the government is the most powerful (organisation) in China. In China's social context, the government's power is extremely strong and people who approach the government's power do have advantages. So currently, a huge number of applicants want to be civil servants.....The second powerful organisations are “Yangqi” (SOEs directly controlled by central government). Actually, “Yangqi” have huge power as well. A lot of excellent graduates try their best to apply for the posts of civil service or some posts in the “Yangqi”. So it is a challenge for POEs to attract talented individuals from campus fairs.” (Company A Senior Manager)

Since China's social context and talents' value orientation placed Company A at a disadvantage, it would need to use attractive offers to compete for talents in the campus job fairs.

A competitive offer should be a significant selling point, but failure to provide an attractive offer such as high pay and career development opportunities made Company A lose many talented individuals in the job fairs. A HR manager in Company A argued:

“A main problem is we are difficult to recruit suitable talented individuals through job fairs. It is not easy to find qualified applicants who reach our requirement. Nobody applied for our job vacancies; or we found a suitable candidate, but he /she didn't accept our offer at the last stage, because our reward package and

career development space could not meet their expectations.” (Company A HR Manager)

In the job fairs, Company A faced particular challenges to attract professional talents such as architectural designer and structural engineer; because its reward package and career development opportunities were not competitive. The HR manager noted:

“In terms of reward for a designer post, there is a big gap between ours and other companies’ reward level. For example, the head of the design department may get less (salary) than a senior designer’s salary in other enterprises. The income gap exists. It is a reason for losing talents in the job fairs.”(Company A HR Manager)

External talents might accept other enterprises’ offers in the job fairs because Company A’s reward packages were less attractive.

Furthermore, career development opportunity was another part of a competitive offer. It was found that many candidates were quite concerned with the career development platform when they chose employers. Company A could not attract some excellent talented individuals due to lack of a career development platform, such as promotion. As explained by the HR manager:

“We did find some external professional talents in architectural designing area. They had already achieved a good professional level. They want to get promotion and to take managerial posts. But we can’t offer them managerial posts or promotion opportunities. So this is an obstacle as well.” (Company A HR Manager)

Many professional talents were interested in taking managerial posts and pursuing career promotion opportunities. However, Company A’s offers could not satisfy their expectations. Inability to provide a career development platform made Company A fail to attract external talented individuals in job fairs.

In general, Company A faced some challenges in attracting talented individuals in the job fairs. First, without a well-known employer brand, it found it difficult to compete for talents especially graduating talents. Second, graduates’ value orientation placed the company at a disadvantage, as young talents preferred government organisations and SOEs. Furthermore, lack of a competitive offer,

especially reward packages and career development platform, impeded Company A from attracting mature talented individuals as well.

Company B

Company B placed a strong focus on acquiring talented individuals through campus job fairs. It successfully attracted many graduating talents through a campus recruitment scheme, which was directed and operated by corporate headquarters. The company tried to attract excellent graduates through campus job fairs was because, as a large real estate enterprise whose business ranged from property construction to property selling and management, it had a strong talent demand in different fields. Company B made good use of its employer brand to support its job fair publicity in order to attract more talented individuals. It hosted Campus Talks in many key universities all over China. This direct communication with university graduates effectively conveyed its employer brand. Touring campus job fairs were held in November and December every year and covered 38 key universities in 28 cities in China. This large-scale campaign had helped Company B to attract excellent potential talents in recent years, most of whom joined the company after their graduation.

With the advantages of employer brand, competitive rewards and publicity, Company B effectively attracted many talented individuals through job fairs. A HR manager from Company B stated:

“Our company’s employer brand and reputation are significant strengths for attracting talents. With our increasingly employer brand and corporate reputation, including the company’s rapid development, our company has more and more advantages to attract talents in this industry. And we do not feel too many challenges in campus job fairs.” (Company B HR Manager)

Company B had a growing corporate reputation, which increasingly helped the enterprise to attract talents. In the context of real estate industry in mainland China, Company B was ranked first in terms of core indicators, which included the sales areas, the main business income, the net profit and the area under construction. According to its organisational statistics, its total assets were more than 150 billion Yuan and the brand value was more than 21 billion Yuan. The top ranking and

famous corporate brand were advantages to the enterprise when seeking to attract external talented individuals.

In order to develop its employer brand and attract more external talents, Company B exploited its intangible organisational attributes and employee experience such as *guanxi* atmosphere, to distinguish itself in job fairs. Through campus job fairs and Campus Talks, Company B described a bright career future to applicants. For example, it emphasised its harmonious working atmosphere in campus talks. As the HR manager noted:

“We let external talents know they will be happy to work in our organisation. A good working environment is our advantage to attract talents. This environment does not refer to the hardware environment. It refers to harmonious *guanxi* between people....., harmonious *guanxi* between superiors and subordinate, harmonious *guanxi* between colleagues.....This advantage is part of our reputation. Many people work in our company, so its working atmosphere is known in the industry. A good working atmosphere has a positive effect to attract talents. They (employees) know that the working atmosphere in our company is very nice. No need to flatter superiors. Only rely on hard work, good competence, he/she will have promotion opportunities.....The good working atmosphere is an advantage of our company. This advantage not only establishes a good word of mouth in the recruitment, but it is a strength in talent retention when they join in the enterprise.” (Company B HR Manager)

It was found that a harmonious *guanxi* atmosphere was an intangible attribute of employer brand, which might not be reflected in figures or reports. In order to enable more external talents to understand the enterprise’s employer brand attribute, Company B invited some internal talents, who had joined the company as graduating candidates, to describe their personal development experiences and perceptions of the organisational working atmosphere through Campus Talks. Some employees’ testimonials were posted on its recruitment website as well. In the touring campus recruitment fairs, inspiring speeches and testimonials from current employees were an important means to let external talents perceive the company’s employer brand.

Under the umbrella of the employer brand, Company B adopted an intensive collectivized talent attraction mechanism to acquire talents for the whole group. All

the talent attraction activities, including subsidiaries' talent attraction plans, were concentrated in group headquarters' management. The whole process of talent attraction, including online application, touring Campus Talks, CV evaluation, online tests and interviews, was operated by the HR department at group headquarters, which made good use of corporate reputation and employer brand. The collective talent attraction activities allowed the enterprise to effectively acquire talents.

Moreover, Company B's ambitious corporate prospects became an important factor in attracting talented individuals. Since the establishment of the enterprise and building the first project in 1997, Company B has become a leading real estate enterprise in China, with more than 200 projects in over 100 cities. This not only created a high demand for talented employees but also was good publicity for attracting them. Rapid development and good prospects helped the enterprise to attract talented individuals. As expressed by the HR director:

“Attracting talents employees cannot rely on the HR department only. It also relies on an organisation's development to attract talents.....Our enterprise's development prospects and ambitious strategy is quite attractive to talented individuals.....Based on the good organisational development, we are able to provide talented employees with good benefits, environment and career development space.” (Company B HR Director)

However, due to the rapid organisational development, Company B still faced challenges of talent attraction, and found it difficult to acquire enough talented individuals to meet the organisation's talent demand. The HR manager commented:

“With the rapid development and organisational expansion, we have a large demand for talents. But in the labour market we cannot recruit enough mature talents who can be directly used by the company. So we focus on making internal talent development to satisfy, the company's talent demand.” (Company B HR Director)

When external talents alone could not meet the organisation's demand, developing talents internally was a way to meet the shortfall.

In addition, reward packages and benefits were significant attributes to attract talents for Company B; it was found applicants were quite sensitive to their salary and financial compensation, which were important indicators when they compared job offers. Company B used competitive reward and benefit packages to attract talented individuals. The HR manager added:

“Reward level is our advantage.....Reward levels in our company are very high. We also have some humanised benefits packages that can free employees’ mind of worries. Those advantages are good to attract talents.” (Company B HR Manager)

Company B’s above-average reward levels were an obvious advantage in attracting talented individuals in job fairs. Real estate development is a hot industry in China, with reward levels higher than in other industries, Company B’s reward package, which was among the highest in the industry, was very attractive to the graduating applicants in the campus job fairs.

With the advantages of employer brand, corporate prospects and competitive rewards, Company B successfully attracted external talented individuals through job fairs. Unfortunately, Company C did not have these advantages.

Company C

Company C tried to attract some potential talents from campus job fairs and develop them internally. However, the company came across some challenges in doing so. Although Company C had many subsidiaries located in different parts of China, it was found the recruitment process was not directed by the group headquarters; each subsidiary was responsible for its own recruitment. Thus, its campus recruitment lacked the benefit of a scale effect. The HR manager from Company C argued:

“I think attracting talents relies on three factors, employer brand, company strength and prospects.” (Company C HR Manager)

Unfortunately, Company C did not have a well-known employer brand in the labour market. Talented individuals were less aware of it and might not be interested in Company C in the job fairs. Its business performance was in a decline, so the company did not have much financial strength to offer competitive rewards. Moreover, the limited number of candidates to be recruited could not form a scale

effect in the campus job fairs. All these shortages impeded the company from attracting excellent graduating candidates in the campus job fairs. This was emphasised by another senior manager:

“...Talents are quite concerned with an enterprise’s development prospects. It is their significant consideration. Currently, our company’s business performance is not very good. So it is difficult to attract talents. Actually, the critical things impacting talent attraction are employer brand and organisation’s financial strength....” (Company C Senior Manager)

Nor did Company C have competitive advantages to attract mature talents in social job fairs. It was found many talents with industrial experience often consider some deeper issues when they are looking for a job. They are interested with the organisation’s future trend. Company C, without good business prospects, might not attract talents’ attention in job fairs. The company was facing a risk of recession; it did not have new real estate projects and previous projects were nearly finished. Neither existing talented employees nor external talented individuals could see good prospects in the enterprise. Even though the company provided a competitive reward offer for some critical posts, it was still difficult to attract excellent talented individuals, particularly some professional talents.

Key factors impacting talent attraction in job fairs

The empirical findings from the three case companies showed that employer brand, development prospects and reward packages impact the effectiveness of talent attraction in the job fairs. Linking to China’s context and analysing these factors through employer’s and talents’ perspectives can better explain the three case companies’ different talent attraction situations in job fairs.

From a talented individual’s perspective, in campus job fairs, initial interest was influenced by perceptions of the employer brand. Based on secondary data, it was found that Chinese university graduates not only had little working experience but also were not familiar with the real estate industry. Most of those graduating applicants evaluated their potential employers through general criteria, such as company reputation and employer brand. Wilden et al. (2010) argue that employer

brand signals can reduce potential employees' information cost, and influence their perceptions of job quality and the risk associated with joining the company. However graduating applicants in the campus job fairs were not familiar with every potential employer, and did not have access to all potential employers' internal information, such as employee career development, working climate and financial compensation. Hence, employer brand was graduating talented individuals' first way to evaluate their potential employers in the job fairs. If they received job offers from different potential employers in campus job fairs, a good employer brand impacted their choices, because a strong employer brand often serves as a quality indicator to the employment market (Wilden et al, 2010). Talented individuals in job fairs often consider statements given by a company with a good employer brand to be more trustworthy. With the help of its reputation and well known employer brand, Company B could easily attract talented individuals through campus job fairs. However, Company A and Company C, which did not have inborn institutional advantages, like SOEs, or employer brand, came across applicants' disinclination in the first round of consideration. In China's context, an enterprise's institutional status and employer brand is not only the face of the Company but also the face of its employees. Hence, Chinese talented individuals are quite concerned with the face factor when they select an employer. Working in an enterprise with a well-known reputation and employer brand can gain face for the employees and even their families. As expressed by a young manager: ***"I am proud of working in this prestigious company. Even my family are proud of my job as well."*** (Company B Department Manager) It was found that working in an organisation with a good reputation and employer brand could enhance an individual's social status and influence other people's perceptions of him/her.

Moreover, rewards and organisational prospects played important roles in impacting talented individuals' choices in job fairs. Young talents in an early career stage are very concerned with their career future and would like to choose an employer who can provide long-term career development opportunities. It was found that Chinese young talents' applications were based on future career expectation; they were more likely to invest their limit time and resource into an employer that offered a bright future career. As expressed by a young manager from Company B: ***"Future career prospects are much more important than current financial offers, I won't waste***

my time in a company that cannot offer me career development” (Company B Assistant manager). Talented individuals might be discouraged from applying for a job if they perceived of difficulty in achieving future career growth in the enterprise. Thus, an enterprise’s good business prospects could attract more applicants in job fairs. In addition, some talented individuals, especially graduating applicants, use rewards as criteria to compare and contrast different employers, because pay not only can be directly compared but also is an important symbol of personal success in China’s context (Ma and Trigo, 2008). Graduate job seekers need money to establish a family, so a higher rewards package is helpful to attract talents.

From the employer’s perspective, enterprises’ attributes including reward packages, corporate prospects and employer brand influenced their talent attraction behaviours. Company B, as a leading real estate enterprise in China, adopted competitive reward packages to attract talents in job fairs. Its highly competitive pay package enhanced Company B’s attractiveness. Company B also clearly understood that young talents expected to get a job that could provide learning opportunities and career growth. The company’s leading position in the industry and promising prospects attracted many talented individuals with ambitious career goals, because Company B let talented individuals know that they would have a bright career future in the enterprise. Attracting knowledge workers requires employers to provide them with clear opportunities for personal and professional growth (Horwitz et al, 2003). Company B adopted talent attraction activities such as Campus Talks to communicate with potential talents by highlighting its employer brand and career growth opportunities. These behaviours were effective in attracting talented individuals because they described visions directly linked to the talents’ future career.

Employer brand is able to help to increase the perceived value of an enterprise and to enable segment-specific recruitment strategies to be developed (Wilden, et al, 2010). It was found that Company B made good use of its employer brand and reputation to differentiate itself from other employers to compete for talents in the job fairs. It invested heavily in attracting talented individuals through its Campus Talks Scheme, which conveyed employer brand signals such as employee benefits and career development opportunities to potential talents and ensured the company’s leading position was understood by potential employees. A segment-specific recruitment strategy helped Company B to recruit many excellent graduating candidates, which

became potential talented employees for the whole enterprise. China's universities are classified into different tiers, and key universities often obtain more resources from the government and can cultivate more high quality graduates. By focusing on these universities, Company B could attract more talented individuals to build its talent pool. Furthermore, its large recruitment volume, and its collective talent attraction activities provided economies of scale in the job fairs.

In contrast, Company A and Company C, in which recruitment could not reach economies of scale, might not be able to afford the cost of publicity. These companies did not launch enough promotion activities in universities to pass their employer brand signals to potential employees. Failure to deliver these employer brand signals might result in failure to attract talents' applications in the job fairs, because the effectiveness of a brand signal to potential employees is dependent on the consistency, clarity, credibility, and associated investments in the employer brand (Wilden et al, 2010). In order to attract more talents from campus job fairs, these case enterprises would need to invest in making information available to potential employees, particularly graduating candidates, as employer brand investments have positive effects in attracting talents.

5.4. Guanxi recruitment

Guanxi recruitment is another channel to attract talents in the Chinese POEs. It was found that the case companies were likely to acquire talents through *guanxi* networks, such as referrer recommendation, due to the influence of the Chinese cultural context and the characteristics of POEs. This research defines *guanxi* recruitment as all recruitment practices that use informal channels to recruit people who are directly or indirectly known to the company. Attracting talents through *guanxi* networks might not only bring positive effects, such as reducing uncertainty, and reciprocal favours, but also cause some dilemmas to the case companies. As *guanxi* is already embedded at the stage of acquiring talents, understanding *guanxi* effects may help us to explore talent development and talent retention in the context of the Chinese POEs. This section, therefore, critically evaluates how *guanxi* influenced talent attraction in the case companies.

Company A

Company A adopted guanxi recruitment to acquire talents. The HR manager stated that ***“Recommendation from guanxi networks is a recruitment channel. There are many referrer recommendations in our company.....Our company doesn’t mind this (method). But our company requires the candidate to meet our recruiting criteria and conditions.”*** (Company A HR Manager) Guanxi recruitment involved referrers, who could be internal staff, friends, relatives and stakeholders, or looking for talents through the guanxi networks. This recruitment method often targeted special posts. A HR assistant explained:

“We use different recruitment methods for different posts. Guanxi recruitment is often used in our recruitment process. For some posts that need more trust and we should clearly know the candidates’ backgrounds, we consider using guanxi recruitment firstly, such as a friend’s recommendation. In terms of other posts, we publish the recruitment information on the Office Automatic System. Everyone (staff) can recommend (candidates); but the referrer and candidate cannot be direct relatives, (they) cannot be too close. This recommendation recruitment platform is provided for internal staff.” (Company A HR Assistant)

The statement shows that recommendation from guanxi networks was a popular recruitment method in Company A, particularly for some posts that required more personal trust. The company believed talents from guanxi networks were more reliable, because guanxi networks could transfer trust and reduce uncertainty or potential risks. For example, the employer could better understand a candidate’s personal attributes such as credibility, background and personality, through referrers in guanxi network. This phenomenon was associated with the Chinese cultural context. Employers often assume that a referrer-pre-screened candidate is more appropriate (Han and Han, 2009); with Chinese guanxi networks, the referrer’s personal face can be a kind of intangible guarantee for the referral. Moreover, internal staff utilised their *guanxi* networks to recommend candidates to the company, which could help to enrich connections between new employees and old employees and enhance cohesion within the staff team.

Furthermore, the interview results showed that Company A took advantage of guanxi networks to acquire some scarce talents. For real estate enterprises, some professional talents were quite scarce in the labour market, and open medias might

not find suitable talents, so Company A relied on guanxi networks to seek scarce talents. As described by the HR manager from Company A:

“Some professional talents such as architects are very difficult to recruit in the real estate industry, because they are scarce talents. So we may rely on guanxi networks and headhunting service (to find suitable candidates). For example, some staff or friends have guanxi networks in architectural design organisations or construction supervising agencies; we could take advantage of those guanxi networks to seek relevant professional talents. We do encourage everyone (staff or friends) to recommend.” (Company A HR Manager)

It was effective to use guanxi networks to seek scarce talents in the real estate industry, as such networks might help the company to save resources and time in attracting suitable talents for professional posts. Guanxi networks could help the HR department to look for suitable candidates and narrow down to the targeted group.

Another interesting finding was that Company A’s HR department did not use headhunting services much, although it did so occasionally to recruit some senior professional designers and engineers. However, guanxi recruitment was the main channel to attract talents in senior or higher management level posts, and in such cases, the HR department did not take part in the talent attraction process. As explained by a HR manager:

“For the senior or higher level posts, the Chairman may use his own guanxi networks and channels to look for suitable talents. Our HR department is not involved in that recruitment level. Our HR department is only involved in recruiting senior professional designers and engineers with the support of a headhunting service.” (Company A HR Manager)

The statement shows that Company A preferred to use guanxi networks to seek managerial talents. The higher the post, the more guanxi networks were involved. The HR department did not have much decision making power in recruiting senior managers, as the process of attracting senior managerial talents was dominated by the chairman’s personal opinion and guanxi networks. This phenomenon reflects the management characteristics of the Chinese POEs. Particularly for the senior managerial posts that involve more personal trust, the chairman of the enterprise

preferred to use personal guanxi networks to seek suitable talents, because guanxi referrers might provide more information on the attributes of the candidates. Furthermore, a real estate enterprise's operation involves various guanxi networks. External guanxi networks are important for an enterprise to obtain valued goods, services, and information that are not readily available in the marketplace (Vanhonacker, 2004). Thus, when the company recruited talents at senior management level, the chairman might think about the candidate's guanxi networks in the business context.

Although much debate and criticism has been addressed to guanxi recruitment, such as claims of unfairness and nepotism, this recruitment method was still popular in many Chinese companies, and Company A was no exception. Guanxi recruitment was acceptable in Company A, given the Chinese cultural context, institutional environment and business environment. As the chairman of Company A noted:

“China’s context has its characteristics. Chinese people do have their characteristics. According to tradition, Chinese people emphasise consanguinity, geographical relations, and some natural relations, in which personal trust is easy to be established. Chinese POEs are not like western enterprises that are professional and experienced. Our company has various channels to attract talents, including formal recruitment and guanxi recruitment such as friends’ recommendation, recommendations from government officers and so on. We can find talents through different channels.” (Company A Chairman)

Guanxi recruitment was popular in Company A, since cultural traditions made it an effective way to acquire talented employees, and made it easy to establish trust between talented employees and the organisation, because of consanguinity, geographical relations or natural relations.

However, Company A also adopted other formal recruitment methods to attract talents, because guanxi recruitment could not be guaranteed to find better candidates than other recruitment channels. As expressed by the Chairman:

“We don’t exclude any recruitment channels. Candidates from government officers’ recommendations sometimes are good, sometimes are weak. Candidates from social recruitment sometimes are good, sometimes are weak. Even if some

employees come from your relatives or friends, you can find good ones and weak ones as well. Actually, guanxi recruitment could not guarantee to acquire better talents. But sometimes we have to use guanxi network and accept some guanxi candidates.” (Company A Chairman)

The comment implies that guanxi network recruitment might bring some employees whose personal competences are not fitted to the posts, but had to be accepted. According to technical view of attracting talents, guanxi recruitment might recruit unfit talents and cause “over-staffing”. The research tried to make further exploration: Why was the case company willing to acquire unqualified talented individuals through guanxi networks?

It was found that recruiting unfit employees from guanxi networks may bring the enterprise strategic benefits. The company sometimes has to accept unfit talents due to pressure from the guanxi networks or because the company wanted to utilise guanxi networks behind the talents to obtain some favour in exchange. For example, if the enterprise sought to establish a reciprocal guanxi with a government official in order to obtain business protection or favour, it may recruit the official’s referral as an employee. This referral might not be an ideal candidate, but the company has to accept. For example, a HR manager noted:

“...Real estate enterprise needs to report construction plans to the government and obtain approval to develop properties. We hope to recruit some talented employees who have relevant social capital or guanxi networks, because the enterprise has to deal with external stakeholders, such as government agencies.” (Company A HR manager)

This means that guanxi factors do influence the processes of attracting talents. However, it was difficult to judge that guanxi recruitment bring unqualified talents and affect the effectiveness of attracting talents, because the judgement depends on how talent is defined in the context of the enterprise. Some people whose personal competencies were weak were still identified as talented employees in the enterprise, because their personal guanxi ties were able to bring strategic benefits to the enterprise. Some companies in China curry favour with local government officials by recruiting additional staff who have guanxi ties with government officials, and

expect to negotiate some reciprocal benefits from the local government (Beardwell and Claydon, 2010).

However, special talents with external guanxi ties might not bring permanent benefits to the company, because external stakeholders such as government officials are not permanent. Although Company A used guanxi recruitment to approach the local authorities in order to gain favour exchanges from government officials, such favours might be of limited duration. As the chairman of Company A stated:

“We do pay attention to social guanxi networks (with government officers); but we do not assume it as a permanent thing. As the power of the government is very strong in China, so you have to approach the government. But when the government power is represented by individuals, it is not permanent. Today this guy is the mayor; tomorrow that guy is the mayor.Even though an enterprise establishes guanxi ties through attracting special talented individuals, it (enterprise) probably gets some favours at the beginning; but with a long-term development, it still has to rely on the enterprise itself. Establishing a good guanxi with the government is a slow process which requires contacting constantly. This is a characteristic of China’s context.” (Company A Chairman)

The statement shows that, while recruiting special talents who have guanxi with government officials may bring some favours to the enterprise, in policies or resources, this kind talents is limited in ability to maintain guanxi, because establishing guanxi with the government is not a short-term behaviour.

Moreover, it was noted that guanxi recruitment could have negative influences on attracting talented individuals, as some candidates might take advantage of their guanxi networks to gain priorities, which is unfair to some talented individuals without guanxi support.

Generally, guanxi recruitment had both positive and negative effects on talent attraction in the company. On the one hand, Company A actively adopted guanxi networks to look for scarce talents, because this channel may be more effective than other formal recruitment methods to acquire suitable talents for senior managerial posts and special posts. On the other hand, the company might also recruit some unfit candidates due to the negative effect of guanxi networks. Moreover, relying on

special talents who have guanxi ties to maintain good guanxi with local authorities was not a permanent solution for the enterprise.

Company B

Although most enterprises in China may face guanxi issues in the recruiting process, different companies may have different ways to deal with the issue. Unlike Company A, Company B did not advocate guanxi recruitment. The chairman favoured using a standardized management, which advocates all business operations should strictly follow the organisational regulations and be controlled by group headquarter. The standardized management system made all the business operations in different subsidiaries follow one organisational standard. This management system enabled all the business operations to be intensively supervised by group headquarter. This management system avoided recruiting unqualified employees through guanxi effects. Based on more than ten years' development, Company B had grown up as a group corporation and gradually established a standardized management system, which involved recruitment, selection, and performance appraisal. The group headquarters was in charge of subsidiaries' TM activities. The whole group, including local subsidiaries, had to follow group headquarters' standardized recruitment regulation. This centralised talent attraction process was not flexible enough to conduct informal recruitment through guanxi networks, and reduced the possibility of accepting unqualified employees through guanxi networks or unethical recruitment channels. The standardized recruitment process helped the company to acquire qualified talented employees. For example, Company B attracted many talented individuals from key universities' graduates every year. Over several years' campus recruitment, it had established a youthful, well-educated and highly qualified staff team, in which 92 per cent of employees in the real estate development system had a university degree or above, and had rich working experience. Open social recruitment was popular, since Company B had a well-known corporate reputation and employer brand, and could easily attract large numbers of candidates, particularly for basic posts.

Although guanxi recruitment was not advocated in Company B, it was very difficult to avoid the guanxi effect, given the Chinese cultural context. Company B did have some recruitment cases that were influenced by guanxi networks. Some candidates

were recruited based on recommendations from internal staff or external guanxi networks. Indeed, it was found that the senior management team in Company B tried to use their guanxi networks to look for scarce talents, such as senior managerial talents and professional talents, because doing so was more efficient than open recruitment. For example, a managerial staff member pointed out:

“A senior manager who is in charge of commercial real estate development was recruited through the chairman’s guanxi networks. As senior managers in commercial real estate are scarce talents in the labour market, it is difficult to recruit through open recruitment. Guanxi recruitment may be the fast way to acquire qualified talented employees.” (Company B Department Manager)

Although guanxi recruitment was not advocated in Company B, it did exist in this organisation. However, the company tried to avoid unfair guanxi recruitment, such as lowering recruiting standards to recruit unqualified candidates through guanxi networks. The company was not only strict about the quality of candidates but also tried to establish a fair working environment, which emphasized individual working performance rather than guanxi networks.

It was found that guanxi recruitment was viewed as an informal recruitment method in Company B. Standardized recruitment processes were main methods to attract talented employees, and recruitment practices were controlled by group headquarters, via a standardized management system that did not allow to recruit unqualified employees. The boss of the company did not favour accepting unqualified employees through guanxi networks. Nevertheless, some guanxi networks still influenced recruitment, particularly of senior and scarce talents. This kind of guanxi recruitment might focus on taking advantage of guanxi networks to enhance recruitment effectiveness, rather than reciprocal guanxi ties. Therefore, the use of guanxi recruitment was associated with the company’s context and organisational culture.

Company C

It was found that guanxi issues influenced talent attraction in Company C as well. Guanxi networks were allowed to be used for attracting talented employees. Internal staff could recommend a member of their guanxi network to join the company. Nevertheless, there were some restrictions regarding the guanxi networks. According

to the enterprise's recruitment regulations, the company could not recruit internal staff's relatives or relatives of higher managers, unless the recruitment was approved by the group headquarters. The company regulations indicated that guanxi recruitment should avoid kinship, including spousal and blood relations.

However, acquiring talents through guanxi recruitment might involve much more complex situations that are not easily identified by the organisation's recruitment regulations. Some candidates who were recommended by company stakeholders, such as government officials, suppliers and business partners, reflected that guanxi recruitment could not be clearly restricted by the recruitment regulations. Those guanxi networks might bring both talented candidates and unqualified candidates. It was difficult to assess whether guanxi recruitment was lowering standards to recruit unqualified candidates. Although Company C mainly relied on open recruitment to attract talents, it occasionally accepted some special talented individuals through guanxi networks. The HR Director from Company C stated:

“We did recruit some employees through guanxi networks. But the cases were not many. I've been in charge of recruitment for many years; I prefer to use open recruitment. We accepted some candidates who were recommended through guanxi networks only in the case that they were very capable.” (Company C HR Director)

In order to recruit capable candidates, Company C preferred using open recruitment. Even though the company accepted candidates recommended by guanxi networks, personal capability was still a main criterion for attracting talents, because this company used to come across some problems of guanxi recruitment.

The company faced a dilemma regarding accepting incapable candidates from guanxi networks. Due to the characteristics of the real estate industry, the company's operations involved various stakeholders, such as local authorities and business partners, which formed complex business guanxi networks. For example, the company might have to accept a candidate recommended by a government official, even if he/she was not capable. The HR Director added:

“We are willing to recruit capable candidates through guanxi networks. But sometimes we come across dilemma situation.....We used to accept candidates

introduced by government officials. But they were allocated to basic posts because they were not capable. They were not in key posts. Once they enter our organisation, we are mainly concerned with personal capability.....Recruiting incapable employees from guanxi networks may put the enterprise in a dilemma, because those people are very easy to invite in but difficult to get them out. The enterprise can accept the candidate only in the case that the government officer (referrer) is at a high level and very important to the enterprise and the candidate's personal networks can bring a huge benefit; in such case, we cannot reject the candidate.” (Company C HR Director)

The statement suggested that guanxi recruitment existed in Company C, but this recruitment channel had some disadvantages. On the one hand, the company was willing to attract some talented employees through guanxi networks; however, the possibility of receiving capable employees through guanxi networks was not high in the Company C. On the other hand, in order to obtain some protection or reciprocal favours from external guanxi networks such as stakeholders, the company had to accept some guanxi candidates, even though they might be unsuitable. If these unsuitable candidates were viewed as special talents solely because their referrers or guanxi ties behind them could bring the company reciprocal favours, their recruitment posed a dilemma as it was easy to recruit unsuitable candidates from guanxi networks but difficult to fire them, due to pressures from those networks, and the need of reciprocal favours. Attracting talents through guanxi networks was not, therefore, a simple recruitment method in the company. It involved establishing or maintaining guanxi networks with stakeholders in order to obtain protection or reciprocal benefits for the company.

5.4.1 Benefits and drawbacks of guanxi recruitment

Research findings showed that guanxi networks recruitment was widely used for attracting talents, because it is natural in the context of Chinese POEs, and given due to the operational characteristics of real estate enterprises. We need to note that guanxi networks had both positive and negative influences on attracting talents.

Benefits

Real estate POEs attract talents through guanxi networks might achieve better recruitment effectiveness in China's context. First, by this means enterprises can

enlarge the pool of potential talents. As real estate professional talents are quite scarce, open media cannot attract enough candidates. Employers can use guanxi networks in the relevant industry to approach scarce talents. Guanxi networks involve many partners, and more partners in a network create more opportunities to obtain complementary and supplementary resources (Ling and Lin, 2011), including talented employees. Second, utilising guanxi networks to attract talented employees can improve the match between job applicants and employer. Employers prefer acquiring talented people through guanxi networks because they believe guanxi networks may recommend more suitable candidates. Han and Han (2009) pointed out that employers often assumed that referrers pre-screened candidates and referred only the most appropriate ones. Compared to open media job advertising, referrer in guanxi networks may provide more specific and more accurate information to job applicant. So it can help both employer and job applicant. Referral is a good means for both talents and employers to understand each other's hard-to-measure attributes. Guanxi recruitment can give candidates greater role clarity, more realistic expectations, and better adjustment to the new job, which can help employees to have more positive attitudes, higher performance, and less turnover intentions (Han and Han, 2009). In addition, talented individuals recruited through guanxi networks can easily establish trust among colleagues. For example, Company A often recruited talents recommended by internal staff. Pre-hire ties between new talents and existing employees can enhance colleagues' trust, which has a positive influence on work cooperation. Similarly, Han and Han (2009) noted that the referrer, who serves as a mentor to the new employee, helps to enrich the connection between the new hire and employer.

Chinese POEs' characteristics and the guanxi influence in the Chinese context explained why those case companies adopted guanxi networks to attract talented employees. It was found that Company A and Company C, which were not leading enterprises in the real estate industry, accepted attracting talents through guanxi networks, whereas Company B, the leading firm in the industry, did not advocate guanxi recruitment. It could be argued that attracting talents through guanxi networks is useful for some POEs that do not have a large budget for recruitment. Company A and Company C were not leading enterprises in the industry and did not have a well-developed HR function. They did not like adopting sophisticated

recruitment campaigns or formal selection practices to seek talented people in the labour market, and their small scale of recruitment and lack of financial resources made them unwilling to adopt investment-intensive methods to attract talented individuals. In contrast, guanxi networks offered, a cheap and convenient way of acquiring talented individuals. Through guanxi networks, potential employees could obtain information about the employer privately way (Shane and Cable, 2002). Employers and potential employees exchanged information through private channels, which were free. Thus, some POEs, like Company A and Company C, with an undeveloped HR function and limited financial budget, preferred to attract talents through guanxi networks. In contrast, Company B, a leading real estate company with strong financial resources and a well-developed HR function, was able to adopt sophisticated and investment-intensive methods, such as campus recruitment and headhunting, to acquire talents. Furthermore, its large recruitment volume allowed economies of scale in the practice of attracting talents. Thus, Company B was less concerned with the cost advantage of guanxi recruitment.

Attracting talents through guanxi networks helped to form trust between managers and talents in the case companies. This behaviour was associated with Chinese POEs' management characteristics. Organisational culture and management style are directly influenced by the manager's personal manner in the context of Chinese POEs. Personal connections and loyalties may be more important than organisation affiliations or legal standards for some employees (Wang, 2005). Among Chinese POEs, the relationship between superiors and subordinates is reciprocal rather than contractual and paternalism is very common; guanxi that is highly valued in the organisation tends to be based on personal trust rather than on a formal contractual relationship (Jun and Ritch, 2006). Due to the nature of interpersonal guanxi in the Chinese context, where trust is highly emphasized, POEs' managers prefer to rely on personal trust and guanxi ties to manage their subordinates. As the chairman from Company A described:

“The first thing I am concerned with my talents is personal trust. My talents must be loyal to me. Chinese private-owned enterprise’s management is likely based on personal trust. Unlike Western firms, their operations are based on professional managerial mechanisms or regulations.” (Company A Chairman)

Fang (1999) argues that trust is the ultimate indicator of Chinese business behaviour; Chinese with high trust would do business as courteously and offer generous help and favours; however, with low trust, the same Chinese would play the role of strategist to knock the opponent off balance. In the case companies, personal trust and connection was a significant mechanism to support organisational operations and to maintain a reliable superior-subordinate relationship. The greater the personal trust between the manager and subordinates, the more subordinates identify with the manager and the organisation. In order to attract more trusted talents who are loyal to superiors and organisation, the case companies preferred to attract talents through guanxi networks. For talented individuals recommended by trusted referrers, it was easy to establish personal trust and guanxi with the manager. According to social identity theory, in the Chinese society, superior-subordinate guanxi is a significant platform to form and develop trust between superiors and subordinates based on their identity of family membership, in-group relationship or work team identity building; from both supervisors' and subordinates' perspectives, perceived insider status is a source of trust (Han et al, 2012). Guanxi tie helps to create perceived insider status from both supervisor and subordinate's perspectives and makes both parties feel obligated to trust and commit to each other (Han et al, 2012). As personal trust is an important criterion in defining a talent in the context of Chinese POEs, senior managers selected candidates with more personal trust as their subordinates or partners. Where potential talents or employees have pre-ties and a similar identity, it is easy to develop trust between superior and subordinate. As Company A's chairman asserted, "*Chinese people emphasize consanguinity, geographical relations, and some natural relations, which make it easy to establish trust.*" (*Company A Chairman*) Thus, from the internal perspective of an organisation, attracting talents through guanxi networks also facilitates development of personal connections and loyalty, such as superior-subordinate trust, within the organisation.

In addition, attracting talents through guanxi networks had external effects for case companies. It supported those real estate POEs to enhance their external guanxi networks, because guanxi networks at the individual level can be transferred into the organisation. All business activities are conducted by individuals, and any individual is a member of an organisation; when the individual joins the organisation, his/her resources, including guanxi, are introduced into the organisation (Zhang and Zhang,

2006). Although guanxi is still the personal property of the individual, it can be beneficial to and used by the organisation (Zhang and Zhang, 2006). These case companies needed some talented employees who had guanxi networks or background to support organisational development in the business context. Thus, for those companies, guanxi influenced talent identification and recruitment. Recruiting talented employees with valued guanxi ties could enhance the company's competitive advantages in China's business context, where work is greatly affected by guanxi networks; and the value of guanxi networks in China could facilitate the exchange of intangible or tangible favours (Han and Han, 2009). The Chinese real estate industry relies heavily on people's guanxi networking at each stage of its business processes, and various complex links among participants, such as contractors, subcontractors, customers, clients, governments, suppliers and consultants, make guanxi networking an important competitive strategy (Ling and Li, 2011). Real estate enterprises, which require various resources to support their property development projects, often try to obtain valued resources through external guanxi networks. Some enterprises can obtain valued goods, services, and information not readily in the marketplace through personal connections (Vanhonacker, 2004). Recruiting talented individuals through guanxi networks could enhance ties with external guanxi networks for obtaining favours in future, because favours are more easily exchanged between individuals who are strongly tied, due to the trust and reciprocal obligation embedded in such ties (Chen and Chen, 2004). For these reasons, POEs paid much attention to the role of guanxi networks in their practices of attracting talented employees, and considered giving priority to candidates who had special guanxi ties, even though the companies had mature and formal recruitment channels.

The practice of attracting talented employees through guanxi networks in POEs is favoured not only by employers but also by applicants. From job applicants' point of view, they perceive information from guanxi networks as more reliable. The trust and sense of obligation prevailing in guanxi networks would ensure higher quality information transfer between employer and applicant. As personal competence was employers' main concern, as shown in the three case companies, it would be difficult for an applicant whose competence was weak to find a job relying on guanxi favour alone. Valuable and high quality information was crucial for job seekers, because of

asymmetric information, asymmetry between employers and job seekers (Adams et al, 2000)., some applicants, from guanxi networks, try to find trusted referrers who are familiar with the potential employers to seek job information. In addition, some POEs, such as Company A and Company C, did not have developed HR functions, so the practices of attracting talents were often influenced by managers' personal manners. This created a space for guanxi recruitment to link employers and potential talents.

Drawbacks

This study found that case companies might face dilemmas when they attract talented people through guanxi networks, as guanxi recruitment has some disadvantages.

First, attracting talented individuals through guanxi networks negatively impacted on recruitment fairness. In order to obtain favours and benefits from external stakeholders, the case companies might prioritise the recruitment of talented people who were recommended by guanxi networks, because the companies may obtain favour exchange. If one of the exchange partners receives favours or benefits based on the humanitarian ideology, it is implicit that they are expected to repay the favour or benefits in the future; the recipient partner must consciously reciprocate to avoid feeling guilty and damaging his/her own social prestige (Zhang and Zhang, 2006). If a company has received or would like to acquire business favours or benefits from guanxi partners, it may feel guilty about rejecting a partner's request to offer a job to a referral. Thus, some case companies had to accept unfit candidates. This was unfair to other candidates who did not have strong referrers, because the recruitment was not based solely on individual competency. Companies might consequently miss some talented candidates. Nevertheless, some case companies had to accept unqualified candidates due to pressure from guanxi networks or strong referrers, such as government officials, as indicated in Company A's statement: "***As the power of the government is too strong in China, so you have to approach the government.***" (*Company A Chairman*) In China's business context, those real estate POEs had to establish guanxi networks and personal ties with critical stakeholders such as government officials to obtain resources or favours, so candidates' guanxi background did influence recruitment decision-making. This pattern might conflict

with recruitment fairness and undermine the confidence of talented individuals who did not have guanxi network supports. This phenomenon could obviously be viewed as unethical in western recruitment practices; however, it might not attract job seekers' protest in the context of Chinese POEs.

Second, ethical dilemmas might be posed by attracting talented individuals through guanxi networks for those companies, because it was not easy to identify whether the guanxi effect was ethical or unethical in recruitment. Although in some cases a company had clear restrictions regarding guanxi recruitment, such as forbidding relatives' recruitment, nevertheless, guanxi recruitment was still prevalent. Besides relatives, guanxi involved much more social ties or connections; it was a dilemma to identify whether those guanxi networks were ethical. Another dilemma was whether guanxi networks could provide qualified talents. Some guanxi networks might bring suitable talents; some others might not, depending on the definition of talents. From an individual perspective, personal competence should be the main criterion of selection. A talent's personal competence should be the best among the candidates and match the post's requirement. However, in China's context, real estate POEs had to attract some special talents from guanxi networks. Although these special talents' personal competence might not qualify for their posts, they could bring strategic benefits to the enterprise because of the guanxi networks behind them. POEs might lower their recruitment criteria to accept those individuals, because they were recognised as talents at a strategic level. Therefore, guanxi recruitment might recruit both qualified and unqualified individuals. It was unfair to lower recruitment criteria for some special talents who had guanxi background; but real estate POEs needed those special talents for obtaining favour exchanges in China's business context.

After recruiting unqualified talents, case companies might face another dilemma in dealing with those talents from guanxi networks. Those unqualified talents might bring benefits or support to the enterprise, but only for a limited period, because government officials or important guanxi networks are not permanent. Similarly, the business requirements of real estate enterprises were dynamic. Those enterprises needed different favours at different times. When those special talents' guanxi networks expired or became unnecessary for the business, the enterprise faced a dilemma of how to deal with the expired talents. As a HR Director mentioned, *"Those people are very easy to invite in but difficult to get them out"* (Company C

HR Director). Keeping unqualified employees might increase labour costs and lead to overstaffing. However, dismissing those extra staff might not only involve the cost of economic compensation but also risk of offending internal and external guanxi networks. In the Chinese business context, dismissing an employee may be an embarrassment for both the employee and his/her referrer. It may also raise some criticisms and negative effects in guanxi networks.

5.5. Summary

This chapter explored how the case companies attracted talented individuals and evaluate the practices they used to acquire talented employees. Their main talent attraction practices involved internet recruitment, job fairs and guanxi recruitment.

Internet recruitment was widely used to recruit talented individuals for technical and basic-level posts, for which candidates were plentiful and candidates might not need much personal trust or tacit attributes. Thus, internet recruitment not only easily acquires suitable talents for these posts but also helps to enhance employer brands. However, senior professional talents and managerial talents were unlikely to recruit through internet recruitment, as the competencies required of such employees were usually not task-specific and performance was hard to measure; those posts involved much more personal trust and social networks. Thus, case companies preferred to acquire trusted talented individuals through guanxi networks, because the trust transmitted by guanxi networks helped to reduce uncertainty and potential risks when choosing candidates to fill managerial posts (Huang, 2008).

Another popular method of attracting talented individuals was job fair recruitment, which involved campus job fairs and social job fairs. This was often used for low level posts as well. Employer brand, competitive offer and applicants' value orientation influenced the talent attraction in the job fairs. From employers' perspective, a well-known employer brand, and a competitive offer, such as a good reward package and career development opportunities, might help a POE to attract more talented individuals. With these advantages, Company B successfully attracted many talented individuals through campus job fairs. In contrast, Company A and Company C, which did not have such advantages, faced challenges in attracting talented individuals in the campus job fairs. In addition, Company B as a leading enterprise in China's real estate industry had the power to publicize its recruitment

scheme intensively and made good use of economies of scale, which helped to attract talents in the job fairs. In contrast, Company A and Company C did not have these advantages in job fairs. Moreover, applicants' value orientation influenced case companies' job fair recruitment results. Many talented individuals, particularly graduates, prefer to work in government agencies, SOEs or leading enterprises. This value orientation placed POEs, like Company A and Company C, at a disadvantage in attracting talents in the job fairs. In China's cultural context, working in an enterprise with a well-known reputation can gain face not only for employees but also for their family members. Therefore, a leading enterprise, like Company B, had an advantage in attracting talents in job fairs.

Attracting talents through guanxi networks was also an important recruitment channel in the case companies. It was found that guanxi recruitment was often used for managerial posts and scarce talents, which were difficult to recruit through open media. Guanxi recruitment was cheaper and more effective than other recruitment methods. Moreover, compared to open media job advertising, referees in guanxi networks may provide more specific and more accurate information to job applicants. As senior managerial posts require more personal trust, employers trusted candidates recommended by guanxi networks, because guanxi networks could reduce uncertainty or potential risks. Guanxi recruitment could help to enrich connections between new and existing employees and enhance cohesion within the staff team.

The popularity of attracting talents through guanxi networks was associated with real estate POEs' operational characteristics, cultural influence and business context. Regarding POEs' internal environment, attracting talents through guanxi networks helped to form trust between managers and talented employees. Since Chinese POE's organisational culture and management style is directly influenced by the managers' personal manner, personal guanxi and loyalties may be more important than organisation affiliations or legal standards for some employees, and the relationship between superior and subordinates is reciprocal rather than contractual (Wang, 2005). Guanxi is highly valued in the organisations. These managers preferred using personal trust and guanxi ties to manage their subordinates. Therefore, guanxi networks were often used to attract managerial and senior talents in the case companies.

Regarding the POEs' external environment, attracting talents through guanxi networks might support the real estate POEs to enhance their external guanxi networks, because guanxi networks at the individual level can be transferred into the organisation. Chinese real estate industry heavily relies on networking to enhance trust and ties with external partners and bring strategic favours for the enterprise in future. Hence, POEs attached much attention to the role of guanxi networks in attracting talents, even when they had mature and formal recruitment practices. In addition, job applicants thought job information derived from guanxi networks was reliable and they tried to look for jobs through guanxi networks as well.

However, the case companies might face dilemmas as a result of attracting talents through guanxi networks. First, guanxi might have negative impacts on recruitment fairness. Since recruitment was not based solely on competence, unfit candidates from guanxi networks could be accepted and talented candidates could be missed. Guanxi impacting recruitment may be seen as unethical to Western morality, and could be restricted, but the Chinese may perceive it acceptable according to their cultural perspective. Second, although some case companies were quite strict about guanxi effect on recruitment, it was a not easy to identify whether guanxi effect was ethical or unethical, because besides relatives, guanxi involved a variety of social ties and connections. Furthermore, another dilemma was whether guanxi networks could recruit qualified talented employees. This dilemma was associated with the definition of talents. On the individual level, candidates who had excellent personal competence and fitted post requirements were talents. On organisational level, in the Chinese real estate POE's context, candidates with weak personal competence but could bring strategic benefits to the enterprise through guanxi networks behind them might still be recognised as talented employees. Therefore, case companies faced dilemmas. It was unfair to lower recruitment criteria to accept special talented individuals who had a guanxi background; but real estate POEs needed those special talented individuals for obtaining resources in China's business context. In addition, after recruiting unqualified individuals, case companies might face another dilemma, because once recruited, they were not easily dismissed, even when their usefulness expired. Keeping unqualified employees might increase labour costs, but dismissing them would risk offending internal and external guanxi networks. In the business context of the case companies, where such guanxi issues make talent attraction

complex, existing talent attraction literature may not be appropriate to explain Chinese POEs' talent attraction activities. The research findings help to uncover Chinese POEs' talent attraction practice. Understanding the talent attraction practices help us in exploration of talent development and talent retention in the following sections.

Chapter 6. Developing Talents

6.1 Introduction

After recruiting and identifying talents, developing those people is an important process of talent management. It was found that all case companies implemented several talent development activities to develop their talented employees. But each case company's talent development practices have their own characteristics, so the structure of this chapter is based on the three case companies. This chapter explores the talent development practices, taking account of some characteristics of real estate POEs and cultural context factors, and identifies some key factors that influenced the effectiveness of talent development. Understanding their talent development behaviours also helps to explore talent retention in the later part of this research.

6.2 Company A

Based on analysing organisational documents and interview transcripts, it was found that Company A's talent development practices focused on developing some staff in key posts in the organisation. Some key talent development practices used in the company are analysed in relation to characteristics of Chinese POEs and Chinese cultural issues, such as organisational identification and guanxi. It was found that talent development closely impact on talent retention as well.

6.2.1. Talent development practices

In 2010, Company A established a talent development policy, based on which, it launched a series of talent development practices in 2011. The company's talent development plan was implemented through three schemes, which involved internal and external training, new employees' induction and "one-to-one" mentoring.

Company A's talent development plans were designed in accordance with post characteristics. They were post-related and focused on developing talents on the job. Talented employees in critical posts were identified according to type of department, such as functional departments, project development department and operation departments. Target those critical posts, individual and collective development practices were implemented in this company. The talent development practices were organised, coordinated, supervised and evaluated by the HR department.

In terms of the key posts, Company A's talent development plan formulate a five-year talent demand. A talent development proposal was provided for each core post,

and served as a guide for talent development practices. Some detailed talent development activities were implemented collectively and others individually in the company.

Collective development

Collective development practices involved internal lectures and seminars, which aimed to improve employees’ professional capabilities and develop talent pools in different departments. The internal collective development activities emphasised updating professional knowledge and sharing good experiences of successful commercial real estate projects. Targeting critical business activities of commercial real estate, these activities tried to build a talent pool for the company. As the HR manager stated:

“We have a collective training plan that lists 10-20 special subjects and trainers. Lectures are organised based on this plan. Prior to each lecture we select some trainees from relevant departments. It is compulsory for them to attend the lecture. Of course, other employees can join the lecture voluntarily.” (Company A HR Manager)

As shown in the collective talent development sessions plan below (see table 6.1), those training sessions covered typical processes of operating a commercial real estate project, such as real estate project positioning, attracting commercial tenants and project operation.

COMPANY COMMERCIAL REAL ESTATE PROJECTS CASE STUDIES INTERNAL WORKSHOPS PLAN		
TIME	WORKSHOP TOPICS	LECTURERS
March	Based on current real estate projects, summarise and review experiences of project positioning and planning	Kai Liao
April	“South Lake City Plaza” case study , summarise and review experiences of attracting commercial tenants and pre-opening management	Huadong Luo
May	“South Lake Metropolis” case study, summarise and review project operation.	Feng Jing
June	“XIHUI” case study, summarise and review experiences of operation management.	Zhoubin Nin
Requirement: The lecture should prepare relevant materials and ensure the effectiveness of group discussions.		

Table 6.1, Source: *2011 Company A Annual Talent Development Plan*

Those internal workshops or seminars provided a collective talent development platform for internal talents to share valuable working experience. The trainers were selected from internal managers and relevant experts. These internal talent development activities were also open to some employees who had relevant interests and helped more employees to understand the whole business process, which might in turn help to develop more potential talents in different posts.

In terms of real estate professional areas, the company organised internal workshops, which were organised by the HR department and delivered by relevant specialists. These talent development activities focused on developing real estate professional talents and establishing talent pools. Those talent development sessions were shown internal talent development documents (see table 6.2):

COMPANY BUSINESS AND PROFESSIONAL FIELD INTERNAL TRAINING PLAN		
TIME	WORKSHOP TOPICS	LECTURERS
March	Attracting commercial tenants	Xiaoxian Yu
April	Project develop and marketing	Jie Zhou , Wenting Ma
April	Project operation and marketing	Minjie Zhang
May	Project operation and worksite management	Haiqing Xia, Yongbo Sun
	Project operation and equipment management	Bobing Fang, Xianbiao Wei
June	Engineering management	Feng Gu
	Design management	Hua Jiang, NianhuaZhang
July	Cost management	Hongyun Zhang
July	Real estate project bid & approval	Xinqiao Xiao, Liwen Xiao
August	Financial management	Ming Zhou
September	Legal knowledge training	Yongzhong Tan
September	Knowledge training: human resource management	Shengjun Hu
Requirements: The lecturers should prepare relevant materials and ensure training		

effectiveness.

Table 6.2, Source: *2011 Company A Annual Talent Development Plan*

Furthermore, internal and external talent development practices were used to develop talented employees collectively. Knowledge sharing seminars were organised once a quarter for key managerial posts such as project managers. Key managerial talents in real estate development centre and commercial operation centre were target audiences of these development activities. It provided a platform for middle and senior managerial talents to share up-to-date industrial knowledge. Indeed, Company A's talent developing practices were differentiated and post-related.

The company also sent talents to join external trainings organised by industrial training agencies, to learn from successful real estate cases. These external activities helped to develop talents' professional skills and broaden their professional horizons. Internal reflective seminars were organised following the external training and development in relevant groups, in which new ideas and reflections from external field studies were shared with other colleagues. In addition, external development activities may involve some general skill training, which aimed to improve managerial talents' general managing skills, such as organisational strategy, performance management and talent development. These collective development activities showed that company already established routine talent development practices, which covered a group of key employees. It was different from previous literatures that Chinese POEs were reluctant to implement employee training and development.

Individual development

Individual talent development practices were widely used in Company A. A "One-to-one" mentoring programme existed, in which each talent was allocated a mentor. This programme aimed to establish talent pools and to maintain talent succession. The mentors were middle or senior managers with extensive working experience, while mentees were selected from talented employees, who had good individual competency, an enterprising spirit and development potential. Mentees and mentors signed a "talent development agreement", which not only identified the mentee's weaknesses and strengths but also set a target post for the mentee. The mentor was responsible for mentoring and cultivating the mentee, trying to develop skills to

overcome the mentee's weakness and help the mentee to avoid detours. Besides working communication, each month the mentor and mentee were expected to engage in three-hour formal mentoring activities, which focused on working out the mentee's problems, confusions and psychological barriers faced in recent work. The mentoring programme lasted for one year and its record was listed in the performance appraisal for both mentors and mentees.

The mentoring programme involved both formal and informal development activities, such as supervising, supporting, and coaching. Mentors and mentees were immediate supervisors and subordinates on the job. Consequently, the direct working relationship offered more time and opportunities for mentoring. Informal talks, conversations after work and on-job coaching were popular ways of mentoring and learning. It was found that the mentoring programme not only was an effective way to develop talented employees' skills but also enhanced personal guanxi between mentors and mentees, which made talents loyal to the organisation.

Moreover, Company A adopted job rotation as an individual talent development practice to cultivate key managerial talents, such as project development managers and project operation managers. This practice tried to offer talented employees opportunities to practise in different important posts, such as department manager or assistant director, for three to six months. Such practices aimed to produce talented employees with the experience of managing a whole real estate project. Those talented employees were often appointed as managers when a new real estate project was launched. It reinforced talent pool for the organisation.

In addition, external training and development activities were used to develop talented employees individually. It was found that Company A supported talented employees to receive further education or off-job study. For example, the company sponsored talented employees to study Master courses relevant to the company's business; the company would reimburse fifty per cent of the tuition fees after graduation. This talent development activity aimed to improve individual talents' knowledge level, particularly for managerial talents in critical posts. This long-term development activity not only developed talents' generic competences but also increased their organisational commitment.

Implementing talent development

Analysis of interview transcripts and organisational documents revealed that Company A recognised the importance of talent development and invested significantly in talent development practices. Although many talent development practices had just been launched and were still in the starting stage; Company A's commitment to such activities was in contrast to previous literature indicating that Chinese POEs were reluctant to invest in employee training and development, and viewing it as costly and disruptive to production (Shen, 2008; Shen and Darby, 2006). As expressed by the HR manager:

“...Funding is not a problem for our training and development activities. Many other companies may come across budget problems. But our company has enough budgets for talent development practices.” (Company A HR Manager)

Although Company A was a POE, the senior manager was willing to spend on talent development activities, and allocated enough funding to support them. A HR assistant added:

“Our company is a typical private owned firm. Actually, the organisational culture is the boss's culture. The senior manager is an enlightened leader; he is not as closefisted as other private owned entrepreneurs. Take talent development as an example, we provide many training opportunities to our talented employees. If they have training and development requirements, such as external field study or further education, we [HR department] do give funding support if the senior manager agrees with that. The HR department does not impede the individual application. ...Company's funding can support short-term training and field study, including reimbursing training fees and travel expenses. In terms of further education, such as an MBA course, the company can reimburse 50% of the tuition fees.” (Company A HR Assistant)

Various resources were invested in talent development activities. Company A showed strong interests in talent development activities. The enterprise's senior management team had strategically recognised the importance of talent development.

Nevertheless, although Company A tried its best to develop internal talented employees, its talent development practices came across some challenges. For example, it was a challenge to ensure effectiveness of external talent development

activities. The HR department could not monitor external training sessions. A major problem was *“the company have not got suitable mechanisms to monitor external training and development activities” (Company A HR manager)*. The company often ordered external training services due to urgent demand, which might be difficult for HR department to monitor the development quality systematically.

Another challenge was uncertain employee turnover. The company did not want to lose some talented employees who were developed by the organisation, but a risk that some talented employees who had benefited from training and development might leave the organisation. How to retain those talents developed by the company was still an important issue for Company A. Talent development opportunity itself might be a motivation for talents to stay in the company. As expressed by a middle manager, *“learning and development is a motivation to continuously working here” (Company A Department Manager)*. But how long does the motivation work for? There were many uncertainties. As expressed by a HR manager:

“The company gives talents training or development opportunity. They may be grateful to the company. This grateful attitude can retain these talents for a while. How long does the grateful attitude last? It depends on how an individual talent views this grateful attitude. ...This attitude cannot be maintained too long. So we do need some other tools to enhance this grateful attitude. Training itself does not have this great charm.” (Company A HR Manager)

Thus, how to use talent development to support talent retention was still a practical problem for Company A.

Even though talent development was considered as a priority, Company A had not built a mature talent development system yet. The effectiveness of some talent development practices, especially external training, was still uncertain. Company A paid more attentions to internal development activities, particularly the “one-to-one” mentoring programme, which was Company A’s main talent development practice. Since it was found that some cultural issues and Chinese POE’s characteristics influenced the talent development practices, which have not been explored by previous talent management studies, Company A’s mentoring programme is explored in the following section.

“One-to-one” mentoring programme

It was found many talented employees in Company A were selected as mentees to join the “one-to-one” mentoring programme. Indeed, the mentoring activity was an effective method to develop talented employees. This finding was supported by some key themes including development through practice, guanxi influence and identification, which emerged through the interviews.

Development in practice

The “one-to-one” mentoring programme was helpful to develop talents in practice, as the mentor’s practical guidance was effective to develop managerial talented employees. The HR manager argued that *“the best way to cultivate managerial talents is still mentoring and coaching in practice”* (Company A HR Manager). This practical way was reflected by a mentee, who described the programme as *“mentoring in practice and progressing in practice”* (Company A Department Manager). Developing talents in practice was a critical theme that emerged from interview transcripts. Both mentors and mentees argued that teaching and learning in practice was a good way to develop managerial talented employees.

The mentoring programme was considered suitable for developing managerial talents in the real estate company. As a manager described it, *“Giving mentees challenging assignments is the best way to develop a talent”* (Company A Department Manager). Giving mentees some hints and practical experience was helpful to develop managerial talented employees. For example, an assistant manager in the Customer Service department said:

“Our departments may not involve too much professional technology. But it needs some skills to manage people, such as maintaining good guanxi with customers. Those skills can only be developed in practical work. With my supervisor’s mentoring, I have got quite a lot of hints and improved my skills through practical work, such as negotiating with commercial tenants.” (Company A Assistant Department Manager)

It was also found that mentoring was a suitable way to develop talents’ external guanxi networks. A real estate company had to look after various external guanxi ties with many important external stakeholders, such as suppliers and local authorities.

Some experienced managers could transfer their guanxi ties to their successors in a practical context only. An assistant manager in the marketing department stated:

“I accumulated many valuable business contacts when I worked with my mentor. He not only introduced me to external contacts in practice but also gave me on-site hints about maintaining good guanxi with different business partners, because he knows these business partners’ personalities. These soft skills are difficult to learn from books. Actually, mentoring in practice may be the only way to support me to establish business contacts” (Company A Assistant Manager)

In the Chinese business context, some critical business contacts can only be established through guanxi ties, which is something that cannot be learned through training courses. Some external contacts that were based on personal guanxi could be introduced in person only. For example, it was found that many external guanxi contacts were obtained through social events, such as dinners and Karaoke. Some talented employees had to learn to take advantage of private guanxi to establish business contacts and to pursue benefits for the company. Some guanxi skills involved industrial unspoken rules and tacit knowledge, which could be mentored in practice only. As an operation manager described:

“My supervisor and I often attend business dinners together, because we need to keep good guanxi with our business partners. In this practical context, my supervisor often gives me hints. Even my mentor shows me how to utilise drinking skills to establish good guanxi with business partners in business dinners. Ha-ha... I don’t think this skill can be learned through a formal course.” (Company A Department Manager)

The statement showed that mentoring in practice was essential to develop talented employees in the real estate business context. For some talented employees who had to look after some external guanxi contacts, it was important to learn practical guanxi skills.

The Chinese cultural factors and real estate industrial characteristics influenced talent development practices in the company. Much tacit knowledge and know how that was attached to practical work might be better delivered to mentees through “one-to-one” mentoring. This findings show that talent development practice in

Chinese POEs context involve developing guanxi skills, which has not been analysed in previous TM literature. For guanxi skills, mentoring in practice or action learning were suitable to develop talents guanxi skills.

Moreover, the mentoring programme had a direct effect on improving work effectiveness. It took place in the daily working context, so it supported mentees to improve working efficiency. Unlike off-job development practices or training courses that might invade working time and affect work progress, the mentoring was conducted during practical work and did not invade working time. As expressed by HR Director:

“‘One-to-one’ mentoring has a positive effect on our working efficiency. It is easier to be accepted by each department, because it doesn’t suspend work for training. Each department has its workload. They are OK to stop to attend training sessions occasionally. But they are reluctant to attend training continuously. Although many people know training is important, they argue that completing their workloads is more important than training. They might not have time to do both training and working.” (Company A HR Director)

Mentoring might be acceptable for all departments in this company, because it implemented in practical working context or non-working hours, without too many disruptions on work progress.

Furthermore, it was found that the “one-to-one” mentoring programme set a clear and practical talent development target for both mentor and mentee. Each mentoring programme was individualised and linked to the target post, which could be department supervisor or a similar post to the mentor’s. Based on the post requirements and mentee’s personal ability, a tailored talent development objective was set. As expressed by a department manager:

“The ‘one-to-one’ talent development programme focuses on cultivating target talented employee- in practice.... Their targeted post could be assistant manager or manager in each department. According to the targeted post requirements and individual ability, the mentoring programme supports the talented employee to progress. ... An advantage of this programme is that both mentor and mentee have

a clear objective. A targeted post is just over there.” (Company A Department Manager)

Specific mentoring behaviour could be implemented on purpose in a practical working context. Mentors could focus on developing managerial talents’ specific abilities, closely linked to their targeted posts.

For mentees, a practical and clear talent development plan not only helped talented employees to consciously improve their capabilities but also gave them a motivation because of the clear career path within the organisation. With targeted posts, talented employees were clear about their personal strengths and weaknesses when they were working in a practical context. As stated by an assistant manager:

“The ‘one-to-one’ development programme is a big motivation for me and gives me a clear target. I am assistant manager now. In the future, I may take the post of department manager. It gives me a career path and lets me clearly know what I need to improve in practice.” (Company A Assistant Manager)

With a clear personal development target, talented employees were more actively committed to the talent development programme. As another mentee expressed:

“Before joining the talent development programme, I was only doing my own job. Once I was selected as mentee, I had a clear personal development goal. In my practical working context, I would be conscious to put myself in the targeted post to view department work holistically and to consider how to organise the department’s work. My vision was enlarged.” (Company A Department Manager)

The findings showed that “one-to-one” mentoring was suitable for Company A’s business characteristics and was helpful to develop talent pool in practice. The “one-to-one” mentoring synchronised talent development activities and practical works. It did not invade normal working time, and it gave clear and practical talent development objectives to both mentor and mentee. A targeted post was not only a clear career development path for a talented employee but also motivated talented employees actively to commit to talent development.

6.2.2. Guanxi and talent development practices

It was found that “one-to-one” mentoring helped to cultivate close superior-subordinate guanxi between mentors and mentees. This is a type of internal guanxi tie that links employees within the organisation. It involves personal trust and emotional attachment.

This mentoring activity built close guanxi ties between mentors and mentees, because the mentoring was delivered in both formal and informal ways, and even in a private environment. As expressed by a mentee:

“The mentoring programme is quite flexible. I communicate to my mentor very conveniently. My mentoring is often conducted in off-duty time or private time. He (the mentor) is both my mentor and friend.” (Company A Department Assistant)

Close interactions both inside and outside working hours made mentor and mentee more familiar with each other, and so personal trust and harmonious guanxi were developed. As another mentee described:

“In our department, my mentor is my immediate supervisor. She is quite sensitive in emotion. She even cares about my life. The mentoring programme creates a harmonious atmosphere between us ... En... It looks like a family atmosphere. I feel this atmosphere bridges the gap between superior and subordinate and enhances mutual trust.” (Company A Department Assistant)

As most mentors were their mentees’ immediate supervisors, the mentoring programme became a good platform for superiors to develop guanxi with their subordinates through mentoring and demonstrating care to subordinates in the talent development process. It was found this process made mentees ally with their mentors, whom they considered as friends. Establishing a high quality supervisor-subordinate guanxi in the working context enhanced mutual trust. As an assistant manager expressed:

“As my mentor, my supervisor is hands-on-hand to cultivate me. The close interactions and supports both inside and outside working time build trust between us. I think I am attracted by his personal charisma...” (Company A Assistant Manager)

The mentoring programme encouraged mentors and mentees to be involved in each others' non-work lives and to enhance private guanxi between them. It not only provided formal channels, such as daily work, but also private channels for both supervisors and subordinates to communicate, interact, and exchange. It was found that Company A's mentoring programme required mentor and mentee to have at least three hours of one-to-one talk regarding personal improvement each month. Those talks could be implemented formally or informally. Guanxi between supervisors and subordinates was developed through those individual mentoring talks and social activities, such as dinners and doing favours for each other. A mentee stated:

“The ‘one-to-one’ mentoring programme helps mentor and mentee know more about each other. My mentor and I often have dinner together, or drink together. Social occasions help us to make further communication with each other and develop personal guanxi.” (Company A Assistant Department Manager)

The mentor's special care for the mentee built close guanxi between superiors and subordinates, and enhanced talents' loyalty to their supervisors. As supervisors did not have enough time or energy to develop all the subordinates, the mentoring programme required supervisors to provide extra support to talented employees. Meanwhile, these talented employees had more opportunities to establish close guanxi with their supervisors, who demonstrated attributes such as integrity, dependability and ability. This close superior-subordinate guanxi was characterized by high levels of information communication, mutual support, informal influence and personal trust. For example, some mentees might receive more supervisor support, such as resources, premium assignments and career development opportunities, than others. Of course, those mentees were willing to establish close guanxi with their mentors / supervisors, because other employees might not have the benefits of the close guanxi. In the context of Chinese POEs, close personal guanxi might be utilised to secure resources or advantages when working in the organisation or in the course of social life (Davies, 1995). The decision making process in the company was often dominated by supervisors' personal manner rather than

democratic appraisal or organisational institution. For example, employee rewarding, resource allocation and career development opportunities were mainly at the supervisor's decision. Immediate supervisors, therefore, were very important to employees. Certainly, talented employees as mentees were happy to seize mentoring opportunities to build good personal guanxi with their superiors in order to receive care or protection. Moreover, since Chinese guanxi is associated with reciprocation, those mentees were willing to reciprocate their mentors' support, cultivation, and care through their demonstration of a high level of trust and personal loyalty towards mentors. Based on good personal guanxi with superiors, talented employees felt reassured about their work in the company. As expressed by a mentee: ***“Through the mentoring programme, I have established a good guanxi with my supervisor. With the good guanxi, I feel everything goes well with my work.” (Company A Assistant Department Manager)***

Similarly, it was found that supervisors were keen to form close guanxi for reciprocal exchanges with some subordinates who they viewed as committed, trusted and capable. A manager argued:

“Establishing good guanxi with subordinates, especially some key talents, is very important. I think good supervisor-subordinate guanxi can bring your talented employees around you and support your teamwork.” (Company A Department Manager)

Moreover, due to the special care and close guanxi between the mentor and mentee, the “one-to-one” mentoring programme might not only build reciprocal relationships but also fostered affective orientation. Some mentees who had a good guanxi with their supervisors might develop a higher self-esteem when they believed themselves to be more important than other employees. The prestigious feeling led to a positive affective attachment to the supervisors. Personal loyalty was cultivated through both close guanxi and affective attachment between mentor and mentee. An assistant manager, who was also a mentee, expressed:

“I am following my supervisor because he cares about me very much....I get a lot of support and recognition from my supervisor. We have established a close

guanxi through the mentoring process. This is a strong cooperative and reciprocal guanxi. We are fighting side by side. In this company, I am proud of having this guanxi with my supervisor. This guanxi retain me to work with him.” (Company A Assistant Manager)

It was found that the close guanxi cultivated through the mentoring programme involved interaction outside of work; it involved much more than a pure work relationship. The close guanxi helped talented employees to feel supported and to gain recognition from their mentors. Much personal trust and affection was attached to the guanxi. Some talented employees formed personal loyalty to their superiors, because once guanxi has been established between two people, each can ask a favour of the other with the full expectation that the debt incurred will be repaid sometime in the future (Wong et al, 2003). The personal loyalty between a talented employee and supervisor will not fade away in a short-term time, because of an affective attachment, as illustrated by an assistant manager:

“A close guanxi between my boss and I retains me to work in the company. I have followed my supervisor since the establishment of the company. He has cultivated me since I started my personal career. This guanxi is a kind of affective attachment. ” (Company A Assistant Manager)

Moreover, in the context of Chinese POEs, good guanxi with superiors can bring more benefits to talented employees. In Company A, it was found that many department supervisors as mentors had responsibility for dealing with the daily work of their mentees, implementing the company’s policies, and co-operating with their subordinates to achieve the objectives of the company. As such, mentors’ interaction with talented employees tended to be frequent and direct. It was common for talented employees to view their mentors as the representatives of the company; especially as the company’s decision-making process was often determined by the superior’s manner. Therefore talented employees’ trust and loyalty in their mentors or supervisors was likely to be linked to their trust in the company. This was supported by a mentee’s statement:

“The mentoring programme gives me a feeling that the company pays close attention to me. Because my mentor often looks for opportunities to talk with me, and lets me know I am considered by the company. I can feel the company’s care through my mentor. I am willing to work in this company and follow my mentor.”
(Company A Department Manager)

In addition, close supervisor-subordinate guanxi fostered by mentoring played a significant role in building an in-group identity for talented employees and developing trust, as it integrated talented employees into the supervisor’s guanxi group. Such guanxi between supervisor and subordinate can develop group identity, family membership identity and perceived insider status (Han et al, 2012). This was found to be the case in Company A. The group identity could be perceived in certain phrase that tended to recur in the interviews. For example, *“we have good guanxi”*, *“we are one group”* and *“in our internal group”* implied the way that guanxi facilitated the transformation from “I” into “We”. Different group identities were differentiated by guanxi style, such as the top manager’s relative guanxi, or supervisor’s group identity. As a department manager explained:

“Currently, there are two kinds of guanxi group in our company. The first guanxi group identity is based on kinship. The second guanxi group identity is based on interpersonal guanxi or supervisor-subordinates ties. The latter guanxi group is more popular in the organisation.” (Company A Department Manager)

Some supervisors formed their own internal guanxi group among colleagues and subordinates connected by personal guanxi, and such group identity was a source of trust in the organisation. Guanxi identity might not only offer a better cooperative environment and protection in the working environment but also make both talented employees and their supervisors feel obligated to trust and commit to each other. So both superiors and subordinates needed their guanxi group in the organisation. As a department manager stated, *“Any person who is promoted to a higher management level needs to own a group of people”* (Company A Department Manager). In a guanxi group, members might place greater trust in the leader and provide better

support inside and outside work. In return, the group leader might give more care and protection to group members. Some talented employees who joined the mentoring programme might try to integrate into their mentors/supervisors' cohesive group in order to obtain protection or care from superiors, because supervisors had more power and resources in the guanxi group. This phenomenon in Company A confirms previous literature attesting that Chinese supervisors' main function is to create an 'in-group' identity amongst team members and build selflessness and personalised trust owed to the in-group (Han et al, 2012). According to this study, in the view of talented employees, close guanxi between mentor and mentee offered them more opportunities to become in-group members. As a mentee expressed:

“As a mentor had mentored some talented employees before, [he/she] knows them, appreciates themThese talented employees are already integrated into his/her guanxi group. When the mentor is promoted to a higher position and needs to promote some subordinates, he/she would firstly choose some candidates based on individual competency; however, the mentor probably considers his/her guanxi group members with priority.” (Company A Department Manager)

This shows that the mentoring programme facilitated development of close guanxi and mutual trust between talented employees and their supervisors/mentors, which could confer on some talented employees a kind of group membership identity, which might enable them to benefit from superiors' special care and career development opportunities.

The group identity also enhanced some talented employees' organisational commitment. Some talented employees were reluctant to leave the company, because leaving would mean loss of the guanxi group within the organisation. A project manager indicated:

“Some head-hunting companies tried to poach talented employees from our company with higher salaries. When I faced the attractions from other companies, I was impervious. Why? Because I cannot lose my guanxi group in this company. And I am afraid I cannot adapt to a new environment and cannot enter a new guanxi group in the new company.” (Company A Department Manager)

It was found that talented employees' organisational commitment was reinforced when they were tied to heavily connected members who were more stable supervisors in the company. A talented employee who left a guanxi group would forfeit valuable connections with influential members in the company and lose the ability to seek favours. As Chinese POEs' management style is dominated by managers' personal manner, personal connections and loyalties may be more important than organisation affiliations or legal standards for some employees (Wang et al, 2005). It would be difficult for talented employees to pursue a new career before being accepted by important guanxi groups in the new organisation. Therefore guanxi identity made talented employees reluctant to leave the company or enter a new organisation.

However, guanxi is regarded as a double-edged sword (Warren et al, 2004); this guanxi group identity developed through the "one-to-one" mentoring programme had some negative influences for talent development. As the HR department did not require good performance in a supervisory role for the talent development activities, guanxi group identity might influence supervisors' decision-making. It was found that a close supervisor-subordinate guanxi or guanxi group identity might give a guanxi member favours and resources such as promotion opportunities, at the expense of talents or employees who did not have guanxi group identity or close supervisor-subordinates guanxi. In such cases, guanxi influence might undermine some talented employees' confidence about working in the organisation. As an assistant manager described:

"Our company has just grown from a small-medium size POEs. Certainly, it is facing various guanxi influences. For example, some colleagues have guanxi; I rely on my endeavour. Actually, there is an unfair situation regarding job rank. My competency may be much better than that of a person who has guanxi; but my job rank is lower or at the same level of that person. This is an obvious problem. Some large enterprises have a clear HRM system, competency is dominant.... But in our company, the small and medium POEs, guanxi influence is obvious."
(Company A Assistant Manager)

It was found that the guanxi factor, including kinship guanxi and good supervisor–subordinate guanxi, influenced talent management activities, promotion and other rewards. In Company A, decision making and resource allocation, such as selecting talent development programme mentees, were influenced by the extent of guanxi between the supervisors and subordinates. For example, some talent development opportunities were allocated by department supervisors, whose decision making might be strongly influenced by guanxi. An assistant manager argued, ***“How does the company select mentees for the mentoring programme? Currently, I find it is just based on superiors’ personal judgements. HR department actually is not involved in the process of selecting talents”*** (Company A Assistant Manager). Better supervisor-subordinate guanxi could bring a subordinate more valuable opportunity. Conversely, some supervisors were unlikely to promote subordinates they did not appreciate, even when those subordinates were actually more competent. As expressed by a manager:

“Mentees are decided at the higher management level but not officially announced. If a leader feels this guy is OK, just tick the name. If the leader feels the guy is not good, just delete [from the shortlist]”. (Company A Assistant Manager)

This phenomenon could be a negative influence of guanxi. Bad supervisor-subordinate guanxi could lead to employee turnover: ***“bad supervisor-subordinate guanxi is a significant reason for employee turnover in the company”*** (Company A HR Manager). Similarly, an unfair situation might not only affect talent management activities but also undermine some potential talents’ motivation. As expressed by a member of managerial staff: ***“Some employees do not have close guanxi with immediate supervisors or senior managers. Those people may feel helpless in this organisation”*** (Company A Managerial Staff). The statement implies that guanxi factors made some managers value personal loyalty or guanxi group identity more than individual competence. Thus, the close supervisor-subordinate guanxi cultivated through the “one-to-one” mentoring programme might have a negative impact on the organisation. Company A needs to think about overcoming these negative guanxi effects in future talent development practices.

In general, it was found that “one-to-one” mentoring built close guanxi between mentors and mentees, because the mentoring process facilitated much willingness

and effort to be involved in both the working and social lives of mentors and mentees. It enhanced mutual trust between mentors and mentees, and fostered affective orientation between both parties. Mentees/talents reciprocated their mentors' support, cultivation, and care with trust and personal loyalty. Meanwhile, mentors sought close guanxi for reciprocal exchanges with committed, trusted and capable mentees. As well as supporting cooperation between supervisors and subordinates in the working context, the close guanxi formed through the mentoring programme built in-group identity for talented employees, as it fostered a close supervisor-subordinate guanxi, which helped some talented employees to integrate into the supervisor's guanxi group. This guanxi group identity not only offered a better cooperative environment and protection but also made both talented employees and their supervisors feel obligated to trust and commit to each other. As talented employees might be reluctant to lose the guanxi group, it enhanced talents' organisational commitment. However, a disadvantage of close guanxi built through "one-to-one" mentoring was that guanxi members might receive favours and resources, such as promotion opportunities, at the expense of some talents or employees who did not have guanxi identity or close supervisor-subordinates guanxi. The guanxi influence undermined some people's confidence to work in the company.

6.2.3. Summary for Company A's talent development

Company A had just launched some talent development practices, which included both collective training and individual training, and were conducted internally and externally. Talent development practices were post-related, focusing on core talents from critical posts.

Talent development practices increased talented employees' organisational identification, because they gave talented employees feelings of belongingness and self-enhancing, which helped them to feel a sense of membership of their organisation. This in turn made them likely be more committed to the organisation and have less turnover intention.

Training and mentoring opportunities gave talented employees a sense of job security and organisational recognition. According to social exchange theory, employees and their organisation are engaged in exchange of social-emotional resources, including organisational support; receipt of organisational support may

fulfil employees' needs for belongingness, which helps employees to build organisational identification (Ngo et al, 2013).

Talented employees who build a high level of organisational identification through talent development practices had strong organisational commitment and less turnover intention. This is in line with previous research showing that organisational identification is positively associated with affective organisational commitment and negatively associated with intentions to leave (Ngo et al, 2013). As expressed by a manager:

“Since I was identified as a talent to take part in company’s talent development activities, I have got a lot of support and development opportunities from our company. My boss’ mentoring and personal care increased my organisational belongingness. I have already identified with this company and view myself as part of this company. I feel comfortable to work in the company because I have already integrated to this organisation. I may feel guilty towards my boss if I leave the company.” (Company A Department Manager)

“One-to-one” mentoring was a popular and effective method. It developed talented employees in a practical working context, with immediate teaching and coaching. The mentoring activities not only develop talented employees’ competences and offer them career prospects, but also built high quality of supervisor-subordinate guanxi ties, which played a significant role in retain talented employees. However, it necessary to note some shortcomings of guanxi ties, which may negative impact talent development practices.

6.3 Company B

It was found that Company B focused on developing talented employees internally and invested heavily in talent development activities. These were implemented at three organisational levels: corporate group, subsidiaries and departments. The talent development practice aimed to cultivate a first-class talent team for the rapid development of the enterprise, as well as to satisfy personal career development requirements. The talent development practice aimed to develop talented employees through several aspects, such as managerial experience, morality and organisational

culture. Company B's general talent development policies, as reflected in its internal documents, are summarised below:

- Inductive orientation: senior managers transmit the organisational culture to talented employees, and ensure they understand its institutions and norms of behaviour. This development practice systematically imparts industrial process knowledge.
- One to one mentoring: middle managers or experienced key staff mentor talented employees on a one-to-one basis. This talent development activity targets young talented employees and to provide one-year mentoring support.
- Post training: on-job training in post-related skills, exploring talented employees' personal potential. This training aims to broaden talented employees' knowledge in an industrial level and to help talented employees to understand whole value chain within the industry.
- Professional training and development for middle and senior managerial talents: the headquarters organised professional training and development activities four times a year. It targeted talented employees at managerial posts. This development activity covered thirteen different management areas.
- Seminars: according to the enterprise's strategy and management requirements, headquarters organised seminars in various subjects, such as talent succession planning, mentor training, and brand promotion skills. Some seminars were organised with the support of the industrial authority. It aimed to improve talented employees' managerial competences.
- Post trial: in order to develop and select managerial talents, talented employees in the talent pool receive job rotation development in different managerial posts, in an attempt to provide talented employees a better career development platform.
- Welfare education: in collaboration with a university, the enterprise supports talented employees to study from a master degree (part-time). Talented employees are eligible to voluntarily join the welfare education scheme. They receive reimbursement of 50% of the tuition fee when they successfully graduate. The Master course involves project management, MBA, and engineering management. All these courses are delivered in the group

headquarters in the evenings. The sponsored education mechanism linked employee welfare to talent development.

- Double-channel career planning: the enterprise offered two career promotion channels for managerial talents and professional talents, with the aim of providing talented employees with broad career prospects.
- Humanized job allocation: considering talented employees' family issues, job allocation planning helps talented employees a posts nearby their families.
- Open competition: based on personal competency, the enterprise organises internal post competitions. It is open to all the internal staff. It offers an open and fair competition environment.
- Appointing people based on ability: irrespective of qualification and service time, managers are appointed on personal competency. Talent selection and promotion is based on a broad platform, which covers posts in the whole group. It provided talented employees a broad career development space within organisation.

6.3.1. Talent development activities

The company tried to develop talents' professional skills and managerial capabilities through continuous on job training. As the company's real estate projects were expanding rapidly, the company established a series of talent development plans that covered three years' talent demand. Rapid organisational development offered broad career development prospects for talented employees.

Professional training

The company provided a series of training opportunities for talented employees at different levels. It offered some talented employees overseas training opportunities to enable them to acquire advanced professional experience. The company also sponsored some talented employees at middle management level to receive further education, such as Master degree study. This activity aimed to improve talented employees' professional skills and help them to identify with the organisational culture. Moreover, the company had a long-term incentive mechanism, "tuition reimbursement programme" to encourage talents to keep learning. Since 2004, Company B had invested funding to establish a joint Master degree programme with

a University and organised a “project management” course for its talented employees. Any candidate who passed all the assessments and obtained a degree would have his/her tuition fees reimbursed by the company. This talent development programme had been successfully implemented for several years and developed many young managerial talents. In addition, Company B provided a wide career development platform to some excellent talented employees. Talented employees were encouraged to compete for managerial posts within the organisation. The promotion mechanism not only established a good environment for developing talented employees but also facilitated internal flow of talents, and talented employees could show their competence within the company. This talent development mechanism was linked to the company’s expansion strategy and provided many career development opportunities for internal talented employees, who in turn contributed to the enterprise’s development.

Individual talent development practices

It was found that individual development activities, such as mentoring, and post trial, were used to develop talented employees’ personal competencies. The company had reformed its HR system to encourage talents to show their potential. It was also found that these talent development activities emphasised transmitting the organisational culture and encouraging talented employees to identify with the organisation, with an aim of enhancing organisational commitment.

“Post trial” was a special individual development programme in Company B. It allowed some talented employees to bypass conventional HR regulations and to work managerial posts for a trial. It offered opportunities for some young talented employee to show their managerial competencies in first-line posts. They would be promoted to a full managerial post if they performed well in the “post trial” period. Otherwise, they could return to their original posts to acquire experience. This method was a big innovation to the HR system for the company. “Post trial” not only optimized promotion criteria but also offered broad prospects for talented employees to choose their career development path. As expressed by the chairman of the company:

“The ‘Post trial’ programme aims to develop talents through practical work and create a suitable condition for talents to show their managerial abilities. It is a

good learning and promotion opportunity for some talents”. (Company B Chairman)

Another senior manager argued:

“Talent development practice should resolutely remove institutional or conceptual hurdles that may constrain talents’ career development. The HR system should be innovated continuously in order to support talent development practice”. (Company B HR Director)

The “post trial” programme encouraged talented employees to show their competencies in broad areas which is from assistant manager posts, to vice-general manager posts. Many trial managerial posts such as assistant marketing manager, assistant project managers, were set up in the organisation in order to help talented employees to obtain more practical experience. This talent development practice also helped the company to establish a talent pool. With the rapid expansion of the company, a lot of young talented employees were sent to subsidiaries to perform managerial roles.

6.3.2. Key themes that emerged from talent development practice

Based on analysing the talent development practices and interview transcripts, a number of themes, including the learning environment, guanxi environment, institutional environment and mental model emerged from the data. Here, how the company effectively developed talented employees is examined in relation to the characteristics of real estate POEs and the Chinese cultural context.

Learning environment

Company B was a large size POE that had established a good learning environment for its employees. Some effective learning mechanisms were used to develop talented employees. Coding results showed that training and mentoring were important parts of the learning environment.

On-job training

Company B focused on providing talented employees with learning opportunities in a practical working context. It was found that talented employees in this industry need to keep learning in practical working context. Chinese real estate industry is

still in a transitional period and the government is continuously promulgating new policies and regulations to control the real estate industry, this turbulent industrial environment requires talented employees to keep updating industrial knowledge in practice.

Training in practice was a popular way to develop talented employees in this company. It was found that Company B invested large capital to establish an internal training centre, which was directed by a vice-president. It aimed to improve talented employees' managerial competences and professional skills through continuous and scientific on-job trainings. The training programmes focused on providing talented employees more practical learning opportunities. As expressed by the HR director:

“...our talent development practices may be associated with the nature of the industry. We would like to develop talents in their posts, such as on-job training. It is much more effective than an off-job training course.... talented employees are often developed in his/her practical working context. For example, a manager develops his/her assistant manager through delegating work tasks, coaching and mentoring the talents to do something. This is an effective way...” (Company B HR Director)

Talented employees in a real estate company need comprehensive knowledge. Some tacit knowledge may be gained only through practical work only. Learning in the practical working context was a suitable way to develop talented employees for the company. Company B's chairman added: *“Knowledge from the text books is not enough for our talents. The most important process is keep learning in practice and transferring the knowledge obtained from practical works into personal competencies.” (Company B Chairman)* The real estate enterprise needed managerial talents who could draw lessons from practical experience, because managing real estate projects requires practical experience. For example, some managerial talents have to deal with guanxi issues, which might differ from one project to another. As expressed by a project manager:

“A real estate enterprise developing a new project needs to report to local authorities and get approval. Some managers who are responsible for getting approval from local authorities need to establish good guanxi networks with government officials. Once the manager is allocated to another project in a

different location, the manager may face a different guanxi environment and different local authorities. The manager has to accommodate to the different local guanxi environment and start to establish guanxi networks with different government officials again.” (Company B Department Manager)

It was found that an experienced managerial talent in the real estate industry should be able to adapt to a complex and ever-changing business environment. Apart from some explicit skills, some managerial talents needed to develop tacit knowledge and know-how regarding operating a real estate projects and dealing with guanxi. For example, some managerial talents had to handle external guanxi with stakeholder, such as local authorities. The importance of developing guanxi ability for a managerial talent was explained by another senior manager as follow:

“Chinese enterprises may be different from Western enterprises. The Western enterprises doing a business could just follow the institutions and may not be influenced by guanxi. In China every single business involves guanxi. Actually, the guanxi ability involves public-relation skills... The Western public-relations skills are based on regulations; the Chinese one is based on personal guanxi.” (Company B HR Manager)

Managerial talents needed to enhance their competencies through working experience. The HR director argued, *“Our managerial talents must develop their leadership, organisational coordination ability and guanxi ability in practical context” (Company B HR Director)*. This was essential in order to deal with a dynamic business environment. The chairman mentioned the need for managerial talents to *“adjust to the social change, adjust to the business rules, adjust to the environment and change yourself” (Company B Chairman)*. The research therefore found that those talented employees had to keep training and learning guanxi in practice. It raises a guanxi development issue for talent development practice. Although previous TM theories did not offer clear suggestions regarding developing talents’ guanxi skills, the researcher found the case company had its own practical method to develop guanxi skills.

“One-to-one” mentoring

Company B also established a “one-to-one” mentoring programme to develop talented employees, especially those in managerial posts. This programme offered an individual learning environment for talented employees in early career stage. Mentors were selected from key staff or middle and senior managers. Mentees were young talented employees in lower management levels. A mentor was required to prepare a learning plan for his/her mentee every week, and the mentee needed to have a formal meeting with the mentor to discuss the learning plan and reflect on his/her learning. These learning plans and reflections were documented for reference in future promotion decisions. In Company B, “one-to-one” mentoring emphasised guiding talented employees to learn in practice and supporting them to learn and reflect the organisational culture and values in practice. The chairman argued: ***“According to our talent management strategy, identifying with organisational culture is the ultimate goal... Talents can only integrate with the enterprise when they identify with the organisational culture”*** (Company B Chairman). Thus, the mentoring programme not only supported talented employees to improve their personal competencies but also guided them to learn the organisational culture.

Furthermore, it was found that “one-to-one” mentoring established close supervisor-subordinate guanxi, which helped mentees to reflect the organisational culture and values through their working behaviour. For example, a young talent described:

“I have built close guanxi with my mentor. My mentor just gives me a simple oral recognition when I have done something right during working. The close guanxi help me to reflect those details, I gradually understand the norms of business behaviour in this company. Based on mentor’s recognition and guanxi, I have confidence to do some more difficult tasks in the company”. (Company B Assistant Department Manager)

A close guanxi between mentor and mentee built a flexible learning environment for young talents to learn the norms of organisational behaviour and the organisational culture.

Young talents were very appreciating the valuable learning opportunities given by mentors. As expressed by a young manager:

“Young people are not pursuing very high salary but find a mentor to impart personal core competitive competitiveness. A good mentor is very important to me. This company offered me a good mentor. He influenced me, taught me and gave me the right direction when I was confused.” (Company B Assistant Department Manager)

It was found that learning from a mentor was a key way for talents in early career stage to improve themselves. Nobody is a natural-born talented employee and error is inevitable. Talented employees are developed from action learning and receiving guidance. Mentors supported mentees’ reflective learning and helped them to learn from both mistakes and achievements. In this learning environment, mentees learned the right way to work in the organisation, which would be of long-term benefit. As expressed by an assistant manager: ***“I like this learning environment, because my mentor teaches me working methods, He teaches me to fish rather than giving me fish.” (Company B Assistant Department Manager)***

However, the research also found shortcomings of developing talents in a practical working context. Some mentoring teams could not reach learning objectives, and it was difficult to establish an appropriate supervisory mechanism to track the learning process. Learning in practice implemented informally, the development process was predominantly experiential and depended on the contingent nature of work. Development process also depended on the subjective initiative of mentees and their mentors; it depended on mentees’ conscious attempts to learn. In addition, mentoring was also influenced by the supervisors’ personal working style and mentoring skills. Some mentors who were good at mentoring and coaching could effectively cultivate mentees in a practical working context. However, some supervisors who lack of mentoring skills might not effectively develop their mentees in practice. As described by a mentee:

“My supervisor is a good expert because of his professional competency. But he may not be a good mentor or teacher. He just asks me to do this to do that every day. He is busy with some more important tasks. I receive little personal guidance or support. If I fail to do a task, he just does it again by himself, because it is just a piece of cake for him. I am still confused about the task.” (Company B Engineer)

It was found that appointing the right people as mentors was a challenge to the mentoring programme. Similar comments in the initial interviews showed that some mentors' mentoring skills and working style did not provide enough support to their mentees. Hence, the "one-to-one" mentoring programme could not be implemented to a consistent standard. For this reason, by a HR manager commented: ***"Actually, training mentors is very necessary for us, because we do need high quality mentors."*** (Company B HR Manager)

Furthermore, as the mentoring programme was flexible and scattered, the HR department could not easily to supervise the mentoring progress. As expressed by the HR director:

"Due to our enterprise's rapid development and high working pressure, many talents are developed in their practical working posts. It is still difficult for us (HR department) to establish a system or mechanism to track each talent." (Company B HR Director)

Without a complete monitoring mechanism, some talents' development progress was still uncertain. While Company B had recognised the importance of talent development, but faced a dilemma between pursuing rapid organisational development and developing talents systematically.

In addition, supervisor-subordinate guanxi was an important factor influencing mentoring effectiveness. Some mentors and mentees could not effectively cooperate with each other due to the barrier of poor personal guanxi. As the mentoring process was implemented through practical work, or via an informal teaching environment, in which teaching behaviours were not mandatory, learning and mentoring effectiveness would be influenced by personal willingness and guanxi. Poor supervisor-subordinate guanxi would lead to subjective reluctance toward mentoring and learning. As described by a mentee: ***"My supervisor does not like me. She is not interested in mentoring me as well. She likes cultivating some other mentees who have good personal guanxi with her."*** (Company B Environmental Designer)

Similar statements emerged from other interviewees as well. Poor guanxi status

influenced young talents' personal progress in the working environment. This was reflected in a manager's experience as well:

“My department manager did not like me. I had high mental stress. But, as a mentee, I should know I do not work for him. I work for myself, for the company. So I just try my best to do my job.” (Company B Assistant Manager)

This shows that poor supervisor-subordinate guanxi might bring mental stress to some mentees, which could be a barrier in the mentoring process and affect talented employees' progress. The quality of supervisor-subordinate guanxi influenced “one-to-one” mentoring effectiveness. Consequently, guanxi influence talent development.

Learning courses

Besides developing talented employees through mentoring in practical working context, Company B offered some learning courses to managerial talents, which constituted a better learning environment. Development in practice only could not satisfy talents employees in early career stage, and these talents were interested in theoretical improvement. Company B also provided talented employees courses training, such as the “entrepreneur fast-track training course”, which focused on developing middle managerial talents through seminars and workshops.

Moreover, Company B supported its talented employees to study Master courses, which related to the organisation's business. It aimed to develop managerial talents' multiple skills, such as decision-making, planning, implementing and evaluating. The HR director stated:

“We support talents to receive degree education because it can improve talents' comprehensive competencies and potentials. A talent in a higher management level needs more comprehensive competencies. This development practice may not target some specific professional skills.” (Company B HR Director)

Company B tried to provide talented employees with a favourable learning environment to enhance personal comprehensive competencies. It was a good way to develop talents' theoretical foundation and to cultivate internal talent pool for higher

managerial posts. Various talent development programmes confirmed that blended development methods are needed for talent development.

Guanxi environment

It was found that guanxi environment was a significant factor influencing talent development. Talented employees preferred to work in a harmonious guanxi environment that supported people to work and progress in the company. Some key phrases such as “harmonious guanxi” and “supportive environment” were mentioned repeatedly by interview participants.

A harmonious guanxi environment within the company was a foundation for talent development activities. In order to develop talents, not only did talented employees need to be “*flexible to learn*”; but also the company needed to offer a “*harmonious and supportive guanxi environment*” to help them to learn. As advocated by the company’s Chairman:

“...Developing talents also involve a ‘harmonious guanxi’ concept. It emphasises on integrity and team spirit. There is an adage, ‘A harmonious family will prosper’. Our company’s success and rapid development relies on an internal harmonious atmosphere. And this harmonious atmosphere can support talents to have a good personal development...” (Company B Chairman)

It was found that the harmonious guanxi environment included personal trust, which could support talented employees to learn openly from other colleagues. With harmonious guanxi environment, supervisors or mentors were happy to pass valuable professional knowledge and experience on to subordinates or mentees. A harmonious guanxi environment fostered mutual trust which encouraged learner and teacher to exchange knowledge and experience. Company B tried to build such an environment to encourage talented employee to pursue personal development within the organisation. As expressed by the HR director:

“Our working atmosphere is widely known in this industry...We have a good working atmosphere and harmonious guanxi environment. Employees do not need to worry about conflicts between factions or flattering the superiors within our

organisation. Talented employees can obtain ample scope for career development, if they work hard and show their personal competencies.” (Company B HR Director)

The harmonious guanxi environment not only supported talented employees to work hard but also retained them to develop themselves in the company, because they established personal trust with their superiors, colleagues and the organisation.

It was found that the harmonious guanxi environment removed psychological obstacles between mentors and mentees in the talent development process. Chinese employees are very sensitive about knowledge / skills transfer and the disclosure of valuable information, particularly in the relationship between mentor and mentee. For example, according to Chinese culture, masters often keep some skills and knowledge from their students in order to maintain a personal competitive advantage; Chinese people may not transfer or disclose their knowledge and information easily to those not in their “in-group” or circle (Ramasamy et al, 2006). This selfish attitude is a psychological obstacle to developing talented employees in an organisation. Hence, establishing a harmonious guanxi environment and enhancing personal trust and employees’ holistic consciousness was significant to break down this psychological obstacle and to offer a better learning environment for young talents. In Company B, a harmonious guanxi environment was an enabler of talent development practices, particularly for the mentoring programme, which involved transferring valuable knowledge, skills and even personal guanxi contacts. This behaviour was not amenable to enforcement by contract, but relied on personal trust. From the mentees’ perspective, mutual trust would encourage mentees to actively accept knowledge from their mentors, because a mentee might not be willing to learn from a mentor he/she does not trust. This view is supported by a mentee’s statement:

“My supervisor and I have established a good guanxi. He knows me well. I trust him as well. We are not only colleagues but also good friends. So we cooperate with each other very well in the company. As my mentor, he really gives me a lot of support without any personal reservation. I can feel that my supervisor tries to help me to get more personal development in the company.” (Company B Department Assistant Manager)

Good guanxi between mentors and mentees facilitated the exchange of knowledge and enhanced the effectiveness of talent development activities. For example, managerial talents were often developed through mentoring, which were highly social and informal. In these circumstances, good guanxi became a significant enabler of mutual support and mentoring. As described by a senior manager, ***“A family that lives in harmony will prosper. The company is a family that keep all the employees together in a harmonious guanxi environment. This guanxi environment can support talents to develop.”*** (Company B Vice President) As Chinese people view access to valuable information more as a privilege than a necessity (Ramasamy et al, 2006), good guanxi is a lubricant for information transfer. Good guanxi and attached personal trust led to a better quality of mentoring and learning, which in turn built a solid based for developing talented employees.

Furthermore, it was found that a harmonious guanxi environment could build talented employees’ organisational commitment. As expressed by a department manager:

“Particularly in a private-owned enterprise, building personal guanxi with the boss or senior managers is very important. Sometimes just based on the personal guanxi, an employee may do a lot of things for the company, regardless of the return for the work, without consideration of personal gain.” (Company B Department Manager)

This high quality supervisor-subordinate guanxi increased the talented employees’ confidence to pursue career development within the company, because they trusted the supervisor who had close personal guanxi with them. A good superior-subordinate guanxi, developed through the mentoring programme, could improve working cooperation, guanxi’s reciprocity nature creates an obligation towards the benefactor on the part of the beneficiary (Wong et al, 2003). Mentors could gain their mentees’ respect and trust once guanxi had been established between them. Some talented employees received superiors’ specific cultivation and support in mentoring; those talented employees were more committed to their superiors because the norm of reciprocity encouraged interpersonal trust and commitment. As a mentee stated:

“I am grateful for my supervisor’s specific care for me. We accumulated much more private guanxi and trust through the mentoring process. I feel the mentoring team is like a family. Of course, I would also try my best to support my supervisor.”
(Company B Department Assistant Manager)

Good guanxi caused talented employees to have a tendency to favour to mentors, who were seen as dependable and trustworthy, making talented employees willing to work for their superiors and pursue career development in the organisation.

The harmonious guanxi advocated by Company B aimed to enhance team spirit, rather than establishing small cliques within the organisation. It was a solid foundation to enhance employees’ holistic consciousness and team spirit. The mentoring programme encouraged supervisors to take time to mentor and demonstrate concern for mentees. The high level of interaction between mentors and mentees allowed both sides to get to know each other well, so guanxi was built through not only working interaction but also private channels and social occasions, such as dinners, and mutual support. Consequently, mentors and mentees were often concerned about and considerate of each other even outside of work. This kind of guanxi was much more stable and reliable than a pure working relationship, because talented employees might view their supervisor not only as a mentor but also as a personal friend. Close guanxi made talented employees become allied with their mentors / supervisors. Although this guanxi is a kind of relationship between supervisor and subordinate, it was different from the Western concept of “leader-member exchange (LMX)”. LMX only involves a quality work relationship that gets things done on the job; but guanxi refers to a quality social relationship that involves interaction outside of work (Chen and Tjosvold, 2006). This guanxi made talented employees commit to their supervisors and the organisation their supervisors represented. Personal guanxi enhanced talents’ organisational commitment, because individuals were connected by the guanxi network within the organisation. The harmonious guanxi atmosphere established a supportive environment for talented employees to pursue development in the company.

Organisational institutional environment

The organisational institutional environment was an important theme associated with talent development in the Company B. This theme was reflected in phrases such as

“institutional innovation”, “broader career space” and “freedoms to express myself”. Such phrases showed that Company B tried to offer a favourable institutional environment to encourage talent development.

Firstly, Company B established an open institutional environment to encourage potential talents to express themselves. Freedoms and flexibility were essential for employees to express themselves in the workplace. The chairman of Company B argued:

“Many employees have potential productivities and competencies. You can only recognise those potential talents when their potential productivities and competencies are explored. These potential talents are able to create more value when they apply their potential competencies. So we need to explore their competencies and apply their competencies in practical work.”(Company B Chairman)

As expressed by the chairman, Company B had a flexible HR institution that focused on giving potential talents opportunities to demonstrate personal competencies. As described by the chairman:

“To innovate and improve our talent institution, our HR mechanism should be people oriented. Talent institution must focus on arousing talents’ personal enthusiasm and helping talented individuals to stand out from the crowd. Our HR mechanism should offer support to improve talents’ ideological standard and professional ability. The organisation should focus on developing talents’ all-round development.” (Company B Chairman)

Based on the “people oriented” talent institution, potential talents had more opportunities to be recognised by the company, because the HR mechanism aroused their personal enthusiasm to show their potential competencies. Irrespective of age, qualification or hierarchical level, each employee had a chance to perform in the organisation. As a young manager explained:

“Compared to other companies, I feel our company provides young employees more opportunities for learning, training and developing. Our company does not mean to provide opportunities to excellent employees only. The company provides you a ‘big stage’ first to show yourself. You can fight for a piece of space on the

stage to show your competencies and stand out from the crowd.” (Company B Department Manager)

For example, the flexible talent institution provided many opportunities for young potential talents to practise in first-line managerial posts. Quite a lot of young managerial talents emerged through this mechanism, which not only helped young talented employees to stand out from the crowd but also helped the company to establish a talent pool.

Second, internal talents flow was another feature of the talent institution in Company B. The company established a systematic talent institution that involved talent attraction, talent development, talent motivation, talent control and talent withdrawal. This comprehensive mechanism enabled talented employees to go up and down within the organisational management hierarchy, and facilitated orderly flow in the company. As explained by the chairman:

“Since 2004, the company has bypassed certain regulations to promote quite a lot of young talents to front line managerial posts. For example, according to our extreme record, we set 20 assistant manager posts, which were used as a for talent pool. The talent mechanism innovation has experienced unprecedented success so far. It fully reflected the innovation and practice of our talent institution. This method not only helped our company to find more excellent managerial talents but also provided free career space for our talented employees.” (Company B Chairman)

The flexible institutional environment provided employees more opportunities to pursue career develop in the enterprise. Particularly for the young employees, the company’s institutional environment encouraged talents to learn in practice, to be promoted within the organisation and to pursue personal development. Based on this environment, many young talented employees made great achievements in the enterprise.

From talented employees’ perspective, the organisation’s flexible institutional environment and HR policies were good motivation for talented employees to pursue career development in the enterprise. As expressed by a young manager:

“For young managerial staff, like me, payment is not important; personal career development would be the first thing to pursue... The youngest vice-president of our enterprise is only 30 years old. Nine years ago, he joined the company when he had just graduated from the University. It means the company’s talent institution environment is very open to internal young talented employees and provides a lot of promotion opportunities for us. It is a good motivation for us.” (Company B Middle Manager)

Similarly, many young managerial staff were appointed as assistant managers or in subsidiaries. This was a big promotion opportunity for those young talents, and other enterprises could not offer this opportunity. As described by a young manager:

“Our company was in an organisational expansion period when I joined the enterprise. We were new staff. The company sent a large number of young managerial staff to subsidiaries. I was appointed as assistant general manager, which was a very high post for me. I could not achieve this management level if I worked in other companies, because their HR policy might not allow promoting a young manager to such a high post. They might adopt external recruitment to fill those managerial posts.” (Company B Department Assistant Manager)

The flexible talent institution involved more promotion opportunities, which gave talented employee a sense of achievement and increased their organisational commitment.

On the other hand, the flexible talent institution also allowed replacement of some unsuitable managers. Personal competencies and professional ethics were critical criteria for selecting talented employees, and candidates who did not meet the criteria would not be retained in their positions. As described by the chairman:

“Talents’ appointments should be suitable for promotion and demotion. Any candidates who are found incompetent for the managerial posts can receive demotion. We aim to establish a flexible talent institutional environment that advocates ‘competent candidate promote and incompetent candidate withdraw’.” (Company B Chairman)

In Company B, talented employees were promoted on merit. This mechanism of competing for posts not only encourage talented employees' development and commitment but also made some unsuitable managers ***“move down to reshape”***.

Furthermore, Company B established personal career development plans to attract and retain more talented employees. It tried to ensure an ample talent supply for the enterprise's sustainable development, by retaining talented employees with career development and future prospects. As expressed by the HR director:

“Firstly, with the development of the employees, talents' working platform and career platform should be raised correspondingly. Secondly, the enterprise's development should enhance talents' confidence. Personal career plans can let our talents clearly know they have better career development opportunities in our enterprise. Even though it [promotion] may be not available currently, they can be patient.” (Company B HR Director)

Mental model

Another interesting theme that emerged through interviews was the “mental model”. Company B developed talented employees through establishing a mental model, in which the organisational culture was well understood by talents. The chairman of the company highlighted its policy of ***“focusing on changing talents' mental model and improving talents' behaviours; rather than simply attracting talents and managing them”***. (Company B Chairman) Company B aimed to cultivate some talented employees who were able to integrate the organisational culture into their working behaviours.

Some sub-themes, such as “innovation”, “hardworking” and “faithful” were attached to the “mental model”. Based on the mental model, Company B tried to cultivate a group of “innovation talents” who could create new business situations for the enterprise, because the organisational culture advocated innovation, hard work, and loyalty. Helping talented employees to identify with the organisational culture was a main purpose of talent development in this company. Thus, its talent development practices involved transmitting organisational culture and shared values. “Innovative talents” was an innovation-related norm advocated by the company. The talent

development processes tried to foster talents who were able to apply innovative ideas into working practices. As described by the chairman:

“Innovation style talent means the person is able to put the leader’s decisions into practice and to create a new business situation... We need to cultivate some talents who are able to implement the company’s guidance creatively and made good performance.”(Company B Chairman)

Thus, the talent development activities encouraged talented employees to do their job in a creative way, which was also a main point of the organisational culture.

Although Company B provided talented employees with work autonomy to develop their creativity, some guidance and support was offered to them. The talent development practice encouraged managerial talents to engage with decision making processes and help them to fully understand the background of each business plan and to apply their creativity to address problems. As expressed by the chairman, ***“Fully understanding can enhance your confidence to implement the decision” (Company B Chairman)***. Some professional mechanisms were also used to control business risks in the Company B. As expressed by a department manager:

“Every young managerial talent desires to be in charge a big project independently. In our company, the boss may let young managerial talents control a project that involves 7-8 hundred million Yuan. In other companies, it is impossible to let a young manager be in charge of such a big project..... Anyway, our company has some professional mechanisms to control business risks. With the help of these mechanisms, young talents can operate these projects safely.”(Company B Department Manager)

With some monitor mechanisms, an innovative working style was encouraged by the enterprise, enabling talented employees to apply their creativity in working practices.

In addition, organisational culture was transmitted through talent development. The talent development practices focused on cultivating talents’ hardworking spirit and faith. Those points were also in line with the organisational culture. As explained by the chairman:

“Innovation style talent should be hardworking and faithful. Hard work is the only way to success. An enterprise often pays attention to an employee’s competency and morality. Morality is more and more important in the current business context. If a person loses his/her honesty, even if the person has good individual competency, that guy is a bad talent, who will be abandoned by this world.”(Company B Chairman)

Company B aimed to foster talented employees’ mental model through the talent development practice and enable talents to identify with its organisational culture. Some unconscious assumptions, values, and beliefs that were shared by the organisation were transmitted to talented employees. In this company, hard working meant workaholic. For example, senior management meetings often finished at middle night. Talent development practices tried to make the organisational culture become part of talents’ beliefs and shared values; it facilitated talented employees’ behaviours in line with the organisational culture. Some shared values, such as innovation, hard working and faithfulness, were passed down through the talent development practice.

6.3.3. Summary for Company B’s talent development

Company B focused on developing internal talented employees and invested many resources in talent development activities, which included collective training and individual development practices. Talent development activities were supported by the learning environment, guanxi environment, institutional environment, and mental model.

Establishing a learning environment was a significant part to talent development in Company B. Formal courses such as degree education and internal training course develop general managerial competencies for talented employees. On-job training such as “managerial post trial” and “one-to-one” mentoring were effective ways to develop talented employees in practice, and it enhance talented employees’ skills and knowledge related to real estate industry. Some tacit knowledge and skills, such as guanxi skills, are well reflected in practice. Moreover the “one-to-one” mentoring is not only a good learning environment for talented employees to improve their competencies but also to reflect organisational culture, develop harmonious supervisor-subordinate guanxi in a practical working context. Therefore, this

learning environment fulfilled talented employees' learning expectations and increased their organisational commitment as well.

However, it was found that developing talented employees in practice involved some shortcomings. First, learning in practice might not ensure every single talent to receive a standard training and development, because some learning processes were dependent on the subjective initiative of both talented employees and their mentors, and the different working situations they came across. Second, the effectiveness of mentoring was influenced by mentoring skills. It was critical to select the right mentor for the right mentee, and training qualified mentors cannot be neglected. As the mentoring process was relatively flexible and scattered, it is difficult for HR department to monitor mentoring effectiveness in time. Also, poor personal *guanxi* between mentor and mentee could lead to ineffective mentoring and learning. Thus, a harmonious *guanxi* was essential for building a good learning environment for talented employees. Given the rapid development of Company B, developing talented employees in practice were not sufficient to the company's talent demand. All these shortcomings need to be noted by TM practitioners.

It was found that harmonious *guanxi* environment support talented employees to learn from supervisors, mentors and colleagues, because this *guanxi* environment could support talents to openly learn from other colleagues. Moreover, a harmonious *guanxi* environment helped to enhance talents' organisational commitment, which helped to retain those talented employees. All these *guanxi* effects brought a high level of trust, respect and obligation, and leading talents to become allied with their mentors / supervisors.

A suitable organisational institutional environment, particular HR system, could support the company's talent development. Its open HR policy encouraged potential talents to express themselves in organisation, and helped the organisation to identify talented employees. Open HR policies also helped organisation to develop talented employees and to offer more career growth opportunities. Company B's institutional environment encouraged talented employees to pursue long-term career prospects within the company. Finally, it was found that reshaping talented employees' "mental model" through talent development practices could help talents to internalise the organisation's culture and values.

Company B's talent development practices linked organisational development and talents expectation. It not only ensured a talent flow for organisational development but also increased talents' organisational commitment.

6.4. Company C

Company C's talent development behaviours were different from the other two companies' behaviours. Company C did not launch explicitly designated talent development programme for its managerial talents, and most development practices focused on real estate professional training and development. This company had suffered from a high talent turnover rate of in recent years, and its business situation brought some challenges for developing internal talents.

6.4.1. Talent development behaviours

Although Company C did not have a specific programme named "talent development", it had some talent development behaviours, which focused on developing key employees in critical posts. For example, it organised many training and development programmes for key employees. These training and development activities can be recognised as talent development activities. These talent development involved several fields, such as organisational strategy, organisational culture and the dynamic business environment. Most of these talent development activities were post related. These talent development behaviours were consistent with Collings and Mellahi (2009)'s argument that talent development focuses on developing talent pools, which involve key employees in pivotal positions. It was found that Company C's talent development target employees in key technical posts, such as architectural designer, and the organisation invested a lot in real estate professional training and development activities. As mentioned by the HR director:

"We do pay attention to offering training opportunities to our talents...We send professional talents to receive regular training. According to the company's regulation, some employees in professional posts such as, design, and project management need to receive relevant training every year...En... Professionals should receive training at least for 72 hours per year per person." (Company C HR Director)

Company C had an annual budget for employee training and development, and most of them were used for developing talented employees in key posts. It is different from claims in previous literature that Chinese POEs are reluctant to invest in employee training and development due to its cost and disruptive effect on production (Shen, 2008). As explained by the HR director:

“We have training and development budget, which is 1.4 per cent of employees’ payment...This 1.4 per cent refers to 1.4 per cent of the company’s gross payroll. Our company always runs out this budget every single year.” (Company C HR Director)

This shows that Company C recognised the importance of training and development and had routine talent development activities.

It was found that its talent development activities emphasise developing talented employees in professional posts. Internal research seminars and external short-term trainings courses were popular talent development activities for professional talents. As mentioned by a HR manager:

“...Most of our professional staff are young employees. They’ve just left university and are aged 25-30. Those young talented employees are hungry for knowledge. Professional knowledge in real estate industry is constantly updated as well. We invite lecturers to deliver professional workshops and organise internal research seminars in our company. Besides that, we send staff out to receive short-term trainings, such as visiting and learning other company’s excellent real estate projects. So the expense for developing talents is very high.” (Company C HR Manager)

It shows that Company C’s talent development activities inclined to exclusive talent development approach, which was consistent with exclusive talent definition. Its talent development practice targeted special talented group and emphasised developing technical competencies rather than generic competencies. These empirical findings proved that technical competencies development was important to talents in the initial career stage. Moreover, its development behaviours further confirmed that exclusive talent development approach was more popular than inclusive approach in this company.

Although Company C kept developing its professional talents, its talent development activities came across some challenges. Professional training required high training investment. As described by a HR manager:

“Inviting a lecturer to deliver a real estate professional training lecture might cost 30000 Yuan. The training is extremely expensive. Financial support is still a challenge for us.” (Company C HR Manager)

Moreover, professional training and development courses required time. It was found that Company C often organised professional training course during weekends. A HR manager indicated: ***“We often implement half-day training session for some staff in pivotal posts during weekends.” (Company C HR Manager)*** Although this avoided disturbing the normal work progress, it used employees’ private time to implement talent development activities. Thus, time is maybe another challenge for talent development activities in this company.

An interesting finding was that talented employees in managerial posts were often developed in working practice. They did not have formal training sessions for developing managerial talents. Informal coaching and mentoring were the main development forms for managerial talents. Experience learning was a popular method to develop generic competencies, such as commercial sensitivity, establishing guanxi, and leadership. These mentoring and coaching activities aimed to foster successors for pivotal posts. According to talent development theories, Company C’s activities are similar to blended talent development approaches (Conger, 2010), which accelerate the learning curve and encourage talented employees to perform. However unlike blended approaches mentioned in western TM literature, Company C’s talent development activities did not adopt formal training techniques, such as simulation tools or structured projects (Carava et al, 2011); learning in practice was a main talent development activity for managerial talents.

Mentoring was an important talent development activity to develop talented employees in practice. It was found that key managers were required to establish mentoring relationship with their talented employees (successor). Company C use a mentoring guide to support some managers to develop their mentees / talented employees, who were often considered as their successors. These managers were

expected to help mentees to set learning objectives and to evaluate their performance. The mentoring activity involved identifying mentee's weaknesses, both in competency and psychology. The mentor was also responsible to help the mentee to solve working problems and to establish positive working attitude. The mentoring programme effectively developed talented employees' competences in working context. It shows that some formal talent development techniques mentioned in literature were not used in Company C, and lack of developed talent development techniques and relevant resources made several formal practices unfit the company. Mentoring and experiencing learning played comprehensive roles in developing managerial talents.

It was found that its mentoring activities have some shortcomings. The mentoring guide highlighted mentors' responsibilities, yet actual implementation fell short of the intention. Managerial talent development behaviours were informally implemented; the company did not set strict monitoring mechanisms. Also, these activities might not attract talented employees' attention. Consequently, actual development activities were not effective, because mentees did not actually improve their generic competencies or meet their original development targets. Many factors influenced the effectiveness of such activities. Firstly, Company C paid more attention to developing professional competencies, while giving generic competencies less attention. The company provided managerial talented employees little formal training and few development opportunities. Informal developing behaviours became a major way to develop managerial talented employees, but it could not develop talents in a systematic way, due to the contingent nature of the work. Secondly, personal guanxi between mentor and mentee influenced development in the quality of mentoring. It was not easy to match mentors and mentees, because the quality of personal guanxi between supervisors and subordinates influenced talent development effectiveness. For example, it was found that some supervisors were reluctant to pass on critical skills to subordinates due to low quality supervisor-subordinate guanxi. Moreover, Company C lacked supervision mechanisms to ensure effective mentoring and coaching. Learning from working experience relied on the subjective initiative of mentees and mentors. Without regular supervision, both mentor and mentee might neglect learning and

mentoring in a practical working context. Indeed, some shortcomings related to guanxi issues have not been noted by previous TM literature.

Talent development practices became a platform to increase talents; organisational commitment. It was found that personal guanxi and emotional care was purposely used in mentoring activities. In the process of talent development such as mentoring, the HR director tried to use personal guanxi and emotional care to develop talents' organisational commitment. This mentoring involved not only working issues but also some issues outside of work. As explained by the HR director:

“Mentoring activities allow us to use emotional care to motivate our talented employees. This emotional care involves personal guanxi and motivation. For example, I talk to some talents individually and support them to solve working related problem or even family related problems. Sometimes, I exploit my personality and personal guanxi to impact our talents. It is a way to help them to overcome problems.....Actually this emotional care can help talents to engage with the organisation. Some staff told me: ‘But for your private care, I would have left the company’”. (Company C HR Director)

Emotional care became an important attachment of talent development activity, and this talent development behaviour was associated with personal guanxi. It was found that a feeling of reciprocity made some talented employees feel obliged to reciprocate the mentor's care. And since the mentor also represented the organisation, these emotional attachments made some talented employees feel obligated to repay the organisation. If the talented employee decided to leave his/her mentor and the organisation, he/she might feel guilty not only towards the mentor but also the organisation. To some extent, Company C's mentoring activities successfully took advantage of personal guanxi effect to enhance talents' affective commitment.

However, it was found that relying on emotional care to develop talented employees' organisational commitment could not completely fulfil their career growth expectations. Many talented employees left the company to pursue career growth in other enterprises. Offering career growth should be a main issue in talent development. As expressed by an HR manager:

“Actually, talented employees want to get career growth talent development activities. Career promotion and personal competencies improvement are their main ambitions. We should give them a clear career growth path and development opportunities in through talent development activities. But, we are unable to offer that due to our current business situation.” (Company C HR Manager)

Due to the company’s depressed business situation, many talented employees could not see their career future in the enterprise. Although the company provided successful emotional care through mentoring and personal guanxi, these behaviours could not satisfy some talents and to prevent them pursuing their personal ambitions in other companies. Therefore, failure to provide career growth and competencies development was the main deficiency of talent development in Company C.

Therefore, the “career development platform” posed a problem for this company in developing talents. On the one hand, Company C tried to cultivate internal talented employees. On the other hand, the company could not satisfy some talents’ ambitions for growth in the professional field and promotion up the career ladder. Limited career development opportunities were not only a barrier for talent development practices but also increased talents’ turnover intention. As a department manager argued:

“I feel our company does not care talents, for example, talent development is a problem. Although this company provide us some training and development in professional areas, we are difficult to get career growth, such as promotion. The career promotion bottle neck leads some colleagues to leave”. (Company C Department Manager)

Thus, developing talented employees requires not only providing learning opportunities but also long-term career growth opportunities, such as career promotion, empowering, and practical managerial experiences. Such opportunities would motivate internal talented employees to pursue long-term development within the organisation.

Furthermore, it was found that talent development activities needed to be supported by a flexible HR mechanism that can provide more career development space for talented employees. As some talented employees could not obtain promotions or

career development opportunities within the organisation, they tried to pursue career development in other companies. Indeed, deficiency of talent development led to high talent turnover. As mentioned by a HR manager:

“Our HR mechanisms are not flexible enough to provide more development opportunities for managerial talents. Some young talented employees cannot get enough managerial experience or improvement due to limited promotion opportunities in our company. They may pursue a better career development platform in other companies when they feel a lack of empowering.” (Company C HR Manager)

Limited career development scope not only impeded the company’s talent development practices but also caused talents turnover. A talent-oriented HR mechanism was needed to offer more managerial posts and helped talents to accumulate practical managerial experience were needed, because talented employees in a real estate company need to be skilful in both professional and managerial fields. As the HR director of the company explained:

“Our company needs compound talents, who are not only professionals in real estate fields but also know management. Because any department in our company is not isolated, particularly in the real estate industry, different departments are closely collaborating. Managerial competencies are essential for talented employees.....We can develop talents’ professional competencies through training. But it is difficult to offer enough managerial posts to develop their managerial competencies, because our HR mechanism does not have so many managerial posts. Actually, some of our talents have gone to other companies to pursue promotions.” (Company C HR Director)

Company C did not set up assistant managerial posts, such as assistant manager and assistant director, in the organisational management structure; thus limited availability of assistant posts made it difficult to build a talent pool for developing new managerial talented employees. Given the company’s slow business development, it could not establish new departments or create new managerial posts; some talents’ career expectations could not be fulfilled. Consequently, the limited “career development platform” could sow the seeds of another problem-talent turnover. As expressed by the HR director, ***“If there is no space for personal career***

development, talents may feel depressed to work at the same level”. (Company C HR Director)

6.4.2. Summary for Company C’s talent development

Although there were some training and development activities that target key employees, Company C did not explicitly distinguish talent management and HRM in its practical organisational behaviours. Unlike Company A and Company B, Company C did not name any training and development behaviours as a “talent development programme”. Company C, to some extent, did not set a clear talent development strategy that is independent from human resource developments. A clear talent development strategy that links both organisational development and talents’ individual development may improve its talent development practices and increase talents’ organisational commitment.

Focusing on developing technical competencies and neglecting generic competences development was a shortcoming of talent development in Company C. Developing talented employees’ managerial competencies is important for talent development, because managerial talents direct and influence strategy, control resources, and monitor performance (Sheehan, 2012). Limited management development activities, such as informal coaching and mentoring could not offer sufficient support to develop managerial talented employees, and this weakness negatively impacted talented turnover, particularly in a market where the competition for talent is high.

It was found that supervisors providing emotional care through personal guanxi and mentoring process increased talents’ organisational commitment, making some talents reluctant to leave the organisation, due to affective commitment. Mentors played a role of agents of socialisation in organisations, facilitating positive work behaviours and inculcating skills. A novel finding was that emotional care in talent development activities closely related to emotional intelligence. A mentor’s emotional intelligence involves establishing personal guanxi, counselling on personal issues and offering emotional care. They use their emotional intelligence in developing guanxi with talented employees and to tolerate the stress of work and endure some deficiencies of the talent development practices. Moreover, as the personal guanxi built through the mentoring process entailed a norm of reciprocity, some talented employees who received favourable treatment from supervisors were

inclined to pay back their mentors. The mentor represented the company, so this sense of obligation was transferred to the company. It indirectly increases talents' organisational commitment.

Nevertheless, relying on emotional care and personal *guanxi* effects alone was not sufficient to develop loyal talented employees or fulfil their personal development expectations. As highly educated young Chinese professionals are very dedicated to career growth (Bu and Mckeen, 2000), many talented employees had high expectations of career growth in the organisation. People in Confucian culture emphasise hierarchical order and authority (Farh et al, 1997), a high job status increases a person's self-esteem in the Chinese cultural context. Poor career attainment and dark career prospects in the organisation made some ambitious talented employees dissatisfied with their current jobs, resulting in high turnover. A glass ceiling in the organisational structure meant talented employees could not see development opportunities in the enterprise. Consequently, some talented employees decided to leave the company for better career prospects.

Many talented employees expected to move up the organisation's hierarchy through promotion or to gain career development experiences from increased responsibilities and challenging assignments. However, neither the company's business situation nor its HR policies could satisfy their career growth expectations. The enterprise's HR policies could not offer promotion opportunities, due to lack of managerial posts. Some talents' behaviour was adversely influenced; high turnover rate of managerial talents was a prevalent problem, among managerial talents in particular. Its talent development strategy should consider about modifying its HR policies and establishing a career growth platform, and bright career prospects may attract talents to pursue long-term career development in the organisation.

6.5. Conclusion for talent development practices in the case companies

In the three case companies, various talent development activities, such as training, mentoring and sponsored education were used for developing talents. They used internal or external training to develop talents' knowledge. Collective training activities focused on developing talents' professional skills related to the real estate industry, and individual talent development activities were more likely to develop

talented employees' generic competencies. However, some formal talent development methods suggested by prior TM literature were not popular used in case companies. These traditional talent development methods, such as class-room learning and e-learning, were not suitable to develop talented employees' generic competences in these case companies. Class-room learning and e-learning methods required investing large number of capital and time; and case companies could not practically afford these costs. Furthermore, some generic competencies such as guanxi skills could be improved through experiencing learning only. So mentoring and informal on-job training were popular used in the case companies. It shows some traditional talent development methods might not adequate in the case companies.

Talent development activities were influenced by guanxi effects. It was found that mentoring was a widely used method to develop talented employees in the three case companies, although they might be implemented differently. Mentoring was effective to develop talented employees' generic competences, such as business guanxi skills, organisational identification and managerial skills. Empirical findings show that mentoring was helpful to build good superior-subordinate guanxi and increase talented employees' organisational commitment. Our findings deeply explored guanxi effect in talent development practice, and it pointed out new talent development research fields regarding Chinese guanxi. Guanxi is much more complex than LMX or social capitals that were mentioned in previous TM literature. Exploring talent development behaviours with a consideration of guanxi helped to further understand talent development concept in the context of Chinese POEs.

Indeed, mentoring programmes had its own advantages in developing talented employees in the context of case companies. The three case companies, as typical Chinese POEs, sought to develop talented employees who could identify with the organisational culture, which was often dominated by the boss's manner. Mentoring was a suitable way to transmit shared values. Hunt and Michael (1983) believe that mentoring is good at developing managerial talents, because mentoring relationships not only help young professionals to learn technical knowledge but also help them to learn how to behave at successive management levels. Organisational culture was easily transmitted to talented employees through the mentoring process, because mentors supported mentees to clearly understand the proper orientation towards workplace values (Okurame, 2012), and gave them hints to be active members of

their organisation (Hunt and Michael, 1983; Dawely et al, 2008). Furthermore, it was found that talented employees seek to establish good guanxi ties with superiors and to obtain more career support. Mentoring programmes provided a platform to develop harmonious guanxi between talented employees and their superiors. For example, mentors gave talented employees career support, protection and valuable lessons to manage their career, and they helped talented employees to tolerate the stress of work and to avoid detours in their personal career. Mentors as learning models provided not only working hints and guides but also friendship and counselling on personal issues that may undermine the productivity of mentees. All these behaviours enhanced guanxi ties between mentors and mentees and made talented employees loyal to their mentors. Furthermore, high quality mentoring support could enhance talented employees' organisational commitment. The valuable hints and emotional care received in mentoring activities created an obligation to reciprocate. Individual mentoring gave talent employees psychological support, boosting their self-efficacy and enhancing the sense of competence and self-worth as well as in-role effectiveness (Ramaswami and Dreher, 2007). Based on the norm of reciprocity, mentoring support that met employees' career growth needs should lead to an increased reciprocation obligation (Okurame, 2012). According to this argument, talented employees who received mentoring support from case companies would demonstrate a high level of organisational commitment.

Based on analysing the talent development behaviours in the three case companies, some important themes, including career growth, organisational identification and emotional attachment emerged, as significant factors that influenced talent development. Exploring these factors helped to understand talent development and talent retention in the context of Chinese POEs.

6.5.1 Career growth

Career growth was an important theme that emerged through the research data. All case companies' talent development behaviours involved promoting talents' career growth. Most talented employees interviewed also expressed strong career growth expectations, which might be reflected in climbing up an organisation's hierarchy through promotion and increasing personal career development experiences such as increased responsibilities and challenging assignments. Organisational expansion trend helped Company A and Company B to offer their talented employees'

promotion opportunities; the talent development practice possibly fulfilled both talents' individual expectation and the organisations' development needs requirements. In contrast, Company C with a bleak business prospect could not fulfil talented employees' career growth expectation, and it faced challenges of talent turnover, despite the resources invested in developing employees.

It was found that there was an exchange relationship between talented employees and their employers, which emphasised each party's willingness to fulfil the desire of the other. Talented employees' behaviours were influenced by some talent development activities through a psychological contract, their perception of what their organisation offered in return for their perceived contributions to it (Robinson, 1996). Since the psychological contract is perceptual, implicit and is not shared by both parties, there is an obvious potential for the perception of contract violation (Okurame, 2012). Where talented employees expected to obtain more career growth opportunities from their employers, talent development practice played an important role in building feelings of a psychological contract between talented employees and their organisations. Okurame (2012) argues that employees' expectations can increase employees' strong involvement in the organisation in ways that go beyond the call of duty; especially, career growth in an organisation can increase employees' organisational commitment. Indeed, Company B made good use of its talent development activities such as post trials to fulfil talented employees' career growth expectations and increase their organisational commitment. Offering talented employees career growth prospects through career planning and managerial competencies development practice could fulfil talented employees' psychological contract, and also increased talented employees' organisational commitment. However, Company C failed to fulfil talented employees' career growth expectations, so those talents might feel their experiences and concerns of career growth were incongruent with their actual experiences. Zhao et al (2007) indicate that perceptions of psychological contract breach are commonly shown to have a strong correlation with turnover intentions. If an organisation is seen as renegeing on its promises, employees would neglect to work beyond explicit job requirements; perceived failure of an organisation to comply with the employee's psychological contract lessens employees' organisational commitment (Coyle-Shapiro and Kessler, 2000). Company C's high talent turnover was partly lead by failure to fulfil talents' career

growth expectation. Career growth was a significant facilitator to develop and retain talented employees for these case companies, because individuals' turnover intention is influenced by their subjective perceptions of the value and usefulness of the organisational support available to them (Bjorkman et al, 2013). In order to avoid talented employees pursuing career growth in other enterprises, these companies should utilise talent development practice to fulfil talents' psychological contract and provide them with more career growth. Modifying HR policies and establishing a broad career growth platform can fulfil talents' psychological contract and increases their organisational commitment. Similarly, talented employees who achieve career growth through talent development practice are more likely to work for the organisation, because fulfilling the psychological contract can encourage employee to consciously adhere to the organisation's rule and procedures (Okurame, 2012).

Therefore, talent development practice in China' context should focus on building a long-term career development environment for talented employee, because Chinese talented employees very concern about their career prospects. Offering talented employees ambition personal career prospects can encourage talented employees commit to talent development programmes. Link talent development practice to talents' career growth expectations can increase talented employees' organisational commitment.

6.5.2 Organisational identification

Another theme that emerged from interview transcripts was "identification". It was found that mentoring built close guanxi between talented employees and their mentors / supervisors, and helped talented employees to develop organisational identification, and in turn to express positive job attitudes. With a high level of organisational identification, employees would be more committed to their organisation and have less intention to leave their current employer (Ricketta, 2005). Therefore, the mentoring programme was helpful to increase talented employees' organisational commitment.

It was found high quality supervisor-subordinate guanxi helped talented employees to develop organisational identification in these case companies. As most superiors or managers played a role of mentor in these mentoring programmes, close

interactions between talented employees and mentors develop high quality supervisor-subordinate guanxi ties, which included mutual trust. The mutual trust could facilitate talented employees to identify with their mentors and supported them to openly learn from their mentors. Chinese employees are very sensitive about knowledge / skills transfer and the disclosure of valuable information, so mutual trust associated with harmonious guanxi, which enhanced in-group identification and removed psychological obstacles between talented employees and their mentors, facilitated knowledge exchange. Furthermore, guanxi ties played a significant role in building talented employees' organisational identification. As decision-making in the Chinese POEs is often dominated by supervisors' personal manner, supervisors have significant influence over their subordinates. Talented employees as mentees were aware that the managerial, evaluative and mentoring functions of the supervisors / mentors were carried out on behalf of the company. Talented employees viewed their supervisors as organisational agents and viewed their supervisor-subordinate guanxi as a commitment to the organisation. As a mentee said: *"In my opinion, supervisor's order is the company's order. The direct effort I can do for the company is completing the assignments from my supervisor."* (Company C Department Assistant Manager) Indeed, in the context of these case companies, supervisors had a strong shared identity with the organisation, and serve supervisors became an actual behaviour of serving organisation. Similarly, in mentoring programmes, mentors on behalf of the organisations developed talented employees through giving them individual support. In return, talented employees identified with their organisations, whom they viewed as embodiments of the organisation. The extent of talents' identification with the company was partly seen through their behaviour of identifying with their supervisors or mentors. It is necessary to note that Chinese talented employees do not clearly distinguish private relationship and working relationship, and organisational identification is often based on identifying with supervisors. Thus, building high quality supervisor-subordinate guanxi through talent development activities can increase talented employees' organisational identification.

The close guanxi between mentors and talented employees enhanced talents' organisational identification. In our research context, organisational identification was associated with guanxi, which involved mutual trust, reciprocation and affective

attachments among guanxi group members, organisational identification was linked not only to corporate mission but also to a human entity in the company. High quality supervisor-subordinate guanxi helped talented employees to identify with their mentors' decision making and behaviours in the practical work. An assistant manager's statement supported this point.

“...I identify with the concepts and values my boss advocated. I have followed him to work here since I left the university... My boss is also my mentor. I trust him. His mentoring gets our guanxi close. I am willing to work in the company because I have integrated to a guanxi group that attaches a lot of emotional attachment. It is a kind of spiritual identification. I feel I am a member of this group and this good guanxi lets me feel belongingness.” (Company C Department Assistant Manager)

To summarise, it was found that talented employees viewed their mentors as representative of the company, and talented employees who strongly identified with their mentors were more likely to express positive attitudes of identifying with the company. Thus, mentoring helped talented employees to identify with their companies. Utilising guanxi to enhance talented employees' organisational identification was a novel finding for talent development research. Indeed, Guanxi ties influenced talented employees' organisational identification, organisational commitment and turnover intention. Developing talented employees' guanxi ties should be considered as a part of talent development concept, especially in the context of Chinese POEs.

6.5.3 Guanxi and emotional attachment

Emotional attachment generated from mentoring process enhanced talented employees' organisational commitment. The guanxi ties mixed work-related and non-work-related relationship and involved emotional attachment. Even close guanxi ties could make mentors and mentees view each other as personal friends. Therefore, this high quality supervisor-subordinate guanxi increased talented employees' affective commitment. Mentors act as agents of socialisation, facilitating positive work behaviours and transferring skills (Allen et al., 2004). Some kinds of psychological support from the mentors can help mentees to understand work values and provide more incentives for mentees to be active members in their organisation

(Dawley et al, 2008). In terms of case companies' mentoring programmes, mentors' psychological support such as establishing personal guanxi, counselling on personal issues and offering emotional care, enabled talented employees to tolerate the work stress and overcome personal difficulties. These talent development behaviours and interactions enhanced guanxi ties and made talented employees loyal to their mentors and the organisation. With high levels of mentoring support, the benefits and values received in the mentoring relationship create a greater obligation for a mentee to reciprocate (Okurame, 2012). Therefore, because of the nature of guanxi, talented employees demonstrate considerable levels of loyalty to supervisors and show high level of organisational commitment as well.

It was found that once talented employees as subordinates built good personal guanxi with superiors, they were more likely to stay in the organisation and to pursue personal career growth opportunities. In the context of Chinese POEs, good supervisor-subordinate guanxi is a significant factor influencing promotion and other rewards, because Chinese leadership emphasizes people and guanxi more than job tasks, and high quality guanxi is usually linked to favourable treatment (Wei, et al, 2010). Therefore, it is not difficult to understand talented employees who wished to pursue career growth would like to cherish the good supervisor-subordinate guanxi, and be reluctant to risk losing guanxi networks by leaving the organisation. The high quality supervisor-subordinate guanxi not only brought a high level of trust, respect and obligation but also made talented employees become allied with their supervisors. Mentoring programmes in Company A and Company B played an important role in developing high quality supervisor-subordinate guanxi. Similarly, in Company C, emotional care and mentoring support from some senior managers did foster good guanxi ties between talented employees and senior managers. These guanxi ties indeed made talented employees loyal to their superiors and increased talented employees' organisational commitment. In general, building close guanxi ties between talented employees and their mentors or superiors was not only helpful to talent development but also talent retention.

Our empirical finding uncovered an implied relationship between talent development and talent retention; developing high quality supervisor-subordinate guanxi through talent development activities helped to retain talented employees. Previous talent development literature neglected that building high quality supervisor-subordinate

guanxi benefits to talent retention. Our research found that high quality supervisor-subordinate guanxi not only encouraged talent development but also talent retention.

However, enterprises should emphasise developing talents' competencies and providing talented employees with more career growth opportunities. Even though guanxi ties can enhance talented employees' organisational commitment, guanxi ties might not hundred percent dominate an individual's career choices, and talented employees would not like to follow an organisation that could not offer any career growth opportunities. For instance, although Company C's good emotional care made talented employees feel hard to leave the organisation, the company could not successfully retain its talented employees, due to its bleak business prospects. Consistent with Bu and Mckeen (2000) argue that highly educated young Chinese professionals are very dedicated to career growth, these talents are more likely to hold a long-term view of career prospects and hope their current jobs could be a career stepping stone for future development. In particular, young talented employees wanted to pursue career development in rapid developing real estate industry. Since Confucian culture emphasises hierarchical order and authority (Farh et al, 1997), a high job status adds to a person's self-esteem. Lack of opportunities for development in the organisation made some talented employees dissatisfied with their current jobs and reduced their commitment to the company. This is why Company C still failed to retain its talented employees.

Talent develop practice should focus on talented employees' long-term career growth and guanxi ties. Offering talented employees career prospects was an active way to increase their organisational commitment, developing their guanxi ties and emotional attachments is helpful in retaining talents.

Chapter 7. Retaining Talents

7.1. Introduction

Talent retention is an important dimension of talent management. This chapter explores how these case companies retain their talented employees. Some key talent retention practices and behaviours that are used in the case companies are evaluated in this chapter. Linking to the characteristics of the Chinese POEs and Chinese cultural factors, it was found that some key factors including rewards, career development opportunities and guanxi influenced the effectiveness of talent retention. Each of these points is analysed deeply in the following sections.

7.2 Company A

The problem of talent turnover made Company A know the importance of talent retention. Although Company A did not have a series of formal talent retention practices, some organisational behaviour showed that the company tried to retain talents through spiritual and material aspects. Some relevant themes emerged through interviews.

7.2.1. “Of one mind”

Company A focused on retaining talents through a spiritual aspect, which both the chairman and HR director described as encouraging employees to be as *“of one mind”*. The chairman defined *“of one mind”* as having the *“same vision, same values, and being willing to follow me to develop the enterprise”*. The HR director argued:

“Retaining talents might involve two aspects, a spiritual aspect and a material aspect. Our company does not view the material aspect as the main method to retain talents. The spiritual aspect, namely, being ‘of one mind’, is the most important.” (Company A HR Director)

Company A tried to retain talents through establishing shared values that psychologically retain talents to pursue a long-term corporate development in the enterprise. Being *“of one mind”* was explained by the HR director as *“a kind of common vision”*. Linking talents’ individual development and organisational development together was a main point of the common vision. As expressed by the HR director:

“Talents should not only clearly know the company’s development history but understand the company’s future strategy. In the process of actualizing the business strategy, the person should know his/her own position in the organisation.....Understand what he/she can achieve in the enterprise.”
(Company A HR Director)

Linking individual career goals to organisational development helped to build “one mind” among internal talents and spiritually retain those talents in the company.

According to the company’s “of one mind” talent retention ideas, leading talents to pursue a common vision was a useful way to retain some talents at the original stage, in which both the organisation and talents were working hard towards a common vision, such as successful listing. Talents were keen on working for the organisation to achieve an organisational aim; meanwhile, it also enabled talented employees to achieve their individual goals. The common vision spiritually bonded talents and organisation together and therefore was helpful to retain talents.

However, Company A’s “one mind” was work-related objectives, such as company’s successful listing. Actually, work-related objectives are periodic, once the common vision was achieved and talented employees’ individual goals, such as accumulating personal wealth, were also achieved, talents’ “one mind” might fade away. Their organisational commitment reduced correspondently. At this time, attractions from the job market or work stress could increase talents’ turnover intentions. Indeed, Company A came across a high turnover problem after enterprise successful listing. Many talents, especially middle and senior managerial talents, left the organisation. Fostering a work-related common vision could only retain talents to pursue their short-term goals. Once these goals were fulfilled, talents’ organisational commitment, especially continuance commitment, might be reduced because they had obtained the benefits of staying and would incur little cost by leaving. This situation caused some talents’ turnover behaviours. This view was supported by the HR manager’s statement:

“Although we advocate retaining talents spiritually, it is not easy to retain their hearts through a common vision in a long-term period. Many talents would think about leaving after fulfilling their original goals. For example, selling their managerial ownership for cash. Only some talents who have spiritually embedded

themselves in the organisation may not find it easy to leave.”(Company A HR Director)

Actually, Company A did have some excellent talents who were very loyal to the organisation. With the “of one mind” spirit, these talents were not attracted by other good job offers. Based on deep exploration, it was found these loyal talents were of one mind with their superiors. “Of one mind” here contains an implied concept of loyalty to an individual superior such as boss or supervisor. Such loyalty was based on superior-subordinate guanxi and involved much more private guanxi ties. It not only encouraged talents to be willing to follow the superior but also increased their affective commitment to the organisation. The loyalty to superior might not be established in a short term. Regarding talents who established an “of one mind” spirit and remained in the company because they were loyal to senior managers, the chairman said:

“Being of one mind, includes the common vision and emotional attachment. It gradually developed. For example, a group of key staff around me or a group of key staff who originally followed me to build this enterprise gradually accepted my concepts and are loyal to me. Actually, it was not easy to develop talents’ one mind spiritually.....But once the one mind spirit is established, it is much more powerful and loyal than material favours.” (Company A Chairman)

The loyalty to superior associated with this “one mind” spirit was a leader-related phenomenon in the organisation. Identifying with the chairman’s concept and being loyal to the chairman became a critical part of being “of one mind” in Company A.

It was found that loyalty to the superior involved good superior-subordinate guanxi, which involved personal trust and emotional attachments. Establishing the “*of one mind*” spirit in the organisation needed time and close superior-subordinate interactions, as indicated by a middle manager’s statement:

“I have worked in this company for six years. Our company has a culture that most managers are promoted from internal employees. Our boss likes developing talents from a piece of white paper. I am just this type of manager.....There were not many employees when I joined this company. The boss supported me and

mentored me intensely. We have established good personal guanxi. I really care about the guanxi between us. So it is not easy for me to leave the company. I have been attracted by the boss' personal attitudes and the organisational culture he constructed.” (Company A Middle Manager)

Many interviewees in Company A made similar comments. It was found that individual mentoring and personal support enhanced supervisor-subordinate guanxi between talents and their superiors and also developed the “of one mind” spirit. Some talents were loyal to their superiors, because they received a lot of personal care and mentoring support both inside and outside working hours. A high quality superior-subordinate guanxi encouraged talents to be loyal to their superiors, because Chinese culture fosters a strong vertical linkage between supervisor and subordinate and supervisor commitment is very important in the Chinese context (Cheng et al, 2003). As guanxi influence increased talents’ affective commitment to their superiors, those talents were willing to remain in the enterprise and to follow the chairman to pursue long-term career development. As expressed by a middle manager: *“We have built solid guanxi. It involves too much emotional attachment and personal obligation. I have strong attachment to my boss and his company. This attachment is a long-term bond. I can’t easily say I’m leaving” (Company A Middle Manager)*

Thus, the emotional attachment generated from good superior-subordinate guanxi increased talents’ long-term affective commitment. Unlike continuance commitment, which might fade away when the cost of leaving was reduced, affective commitment that involved emotional attachment might not impacted my organisational periodic objectives. Developing good superior-subordinate guanxi can enhance talents’ willingness to retain in the organisation and to follow their superiors to pursue further career development.

However, a reality we cannot neglect is that this affective commitment largely relied on loyalty to individuals such as senior managers and superiors rather than the organisation; and this loyalty is influenced by the quality of superior-subordinate guanxi. Thus, in some cases, a superior’s leaving may reduce talents’ loyalty to the organisation. Bad superior-subordinate guanxi could also reduce talents’ loyalty to

the organisation. Therefore, how to utilise superior-subordinate guanxi to develop talents affective commitment may be a fruitful research direction for talent retention.

7.2.2 Material aspects

Company A also retained its talents through “material aspects”, which refers to financial rewards. The reward mechanism was used to retain talents by satisfying their material demands. An interesting finding was that Company A did not use high salary to satisfy talents’ material demand. The chairman stated:

“People have material and spiritual demand. In terms of material demand, our company’s pay level is higher than (industry) average but less than (industry) top.”
(Company A Chairman)

The company’s pay level was not very high compared to the industry level was confirmed by another HR assistant: ***“In terms of payments, our company pays attention to industrial comparison. Our pay level is set at the 75% point within the industry.”*** ***(Company A HR Assistant)***

Moreover, a managerial ownership incentive was launched to retain senior managerial talents in the company, whom it tried to retain through long-term rewards. However, it was found that this stock option incentive could only effectively retain some talents for a limited period. Instead of retaining talents, the “financial freedom” of the stock option incentive allowed talents to leave. As explained by the chairman:

“Due to our company’s successful listing, some managers suddenly got financially free. Instead, the company came across a high turnover at senior management level. Talents might have some more consideration after becoming ‘financially free’, so it caused senior managers’ turnover.” ***(Company A Chairman)***

The chairman’s argument was also confirmed by the HR manager’s statistics. The HR manager indicated:

“Our company was just listed two years ago. This might have led to senior managers’ turnover because ‘financial freedom’ helped some talents to accumulate large individual wealth. Instead, there was a high turnover trend at senior management level in this period..... Basically, turnover rate kept increasing by 2% every single year.” ***(Company A HR Manager)***

Thus, financial rewards were not effective tools to retain talents in the long term, in particular senior managerial talents. As expressed by the HR director: ***“some talents might not be retained even though you offer them more money”.*** (Company A HR Director)

7.2.3 Summary for Company A’s talent retention strategy

Company A retained talents through both material and spiritual aspects. Regarding the material aspect, financial rewards such as managerial ownership could retain some talents for a limited period, through increasing their organisational continuance commitment. However, once the talents’ leaving costs were reduced, financial rewards might increase talents’ turnover intention. Regarding the spiritual aspect, Company A emphasised developing an “of one mind” spirit to retain talents, reflected in loyalty to the superior. Establishing a high quality of superior-subordinate guanxi between talents and their superiors could achieve this.

The Chinese are more loyal to individuals than a system, due to the guanxi effect. In the context of Chinese POEs, the guanxi factor is more influenced than organisational regulations, so on employee’s loyalty or disloyalty to the superior is likely to be more direct and intense in driving the employee’s behaviour (Chen et al, 2002). Establishing good guanxi between talents and their superiors through close interactions such as mentoring support was helpful to enhance loyalty. Good superior-subordinate guanxi increased talents’ affective commitment. The immediate supervisor might support talents through mentoring or helping talents inside and outside working hours, this support led talents to become affectively tied to the supervisor. The supervisor, as the organisation’s agent, increased talents’ comfort by fulfilling their needs for esteem, approval and affiliation. Consequently, some talents developed an emotional attachment to their superiors, which was expressed as an affective commitment to the company. For example, some managerial talents who were cultivated by Company A were reluctant to leave the firm because they had a feeling of belonging and loyalty in the company. As one manager expressed:

“I like working in this organisation, because my supervisor care for me, supports me, and gives me a feeling of belonging here. I want to follow him and work for this company.” (Company A Department Manager)

In summary, the loyalty to superior increased talents' affective commitment and strengthened their intentions to stay in the organisation.

7.3. Company B

Company B adopted a series of tools to retain its talents. Some important themes such as pay, stock options, benefits, career development and recognition emerged through data. According to these themes, the enterprise's talent retention behaviours are analysed below.

7.3.1. Pay

Company B made good use of its pay mechanism to retain talents. The company's pay level was very competitive in the real estate industry, which had positive effects on its talent retention. While pay in the real estate industry was already higher than in other industries, Company B's employee salary, which was set at the top level for the industry, became a significant advantage for retaining talents. It was described by the HR director that *“our company's pay level is very high. It could be an advantage in retaining talents”* (Company B HR Director). Not only was Company B's pay level competitive in terms of external comparison, but also the enterprise's pay system had large pay rises, associated with promotion. This played an important role in motivating talents to pursue career development within the organisation. As expressed by a middle manager:

“When I joined this company as a graduate, my salary was 5000 Yuan (per month). It was much higher than other companies' offers. With my post promotion, then I got a very big pay rise, which made my salary reach 10000 (Yuan per month)..... Of course, with the increase of service time and my career promotion, my pay is increasing more. So, many young managers like me are interested to pursue medium and long-term development in this enterprise.” (Company B Middle Manager)

The effect of large pay rises in motivating talents to work hard and pursue internal promotion was supported by another department manager:

“Pay rises are big. Our company's pay rise is not 200 (Yuan) or 500 (Yuan). It is 3000 (Yuan) or 5000 (Yuan). It is a substantial increase. That's a big motivation.” (Company B Department Manager)

In fact, Company B had adopted its pay system to retain talents, especially young talents at an early career stage, and motivate them to proactively pursue long-term career development within the enterprise. The pay rise targeted critical professional and managerial posts. This motivation-orientated pay system not only motivated potential talents to compete for the critical posts but also helped the enterprise to retain many excellent young talents, which laid the foundation of a talent pool for the organisation. As the chairman asserted, ***“Correctly and effectively implementing the pay system can attract more talents and trigger talents’ sense of organisational commitment and retain those talents”.*** (Company B Chairman)

Talents at different stages might have different expectations for their pay. A high graduate starting salary and attractive pay rise might be good tools to retain young talents; but it might not be sufficient to retain some mature managers in senior management, who were already earning a high salary in the pay system, and had fewer opportunities for further promotion and pay rise. Consequently, Company B adopted “stock options” as a financial tool to retain senior managerial talents.

7.3.2 Stock option

Stock option talent retention tool targeted at senior managerial talents and tried to use attractive financial motivation to retain talents to work for the organisation longer. The stock option was described by the HR director as ***“golden handcuffs”***. It was explained by a HR manager:

“All the senior managers in our company have stock options. It is a good motivation. For example, five million share options. Twenty percent per year, it can be used for five years. Though I cannot ensure this tool is a hundred percent effective, the current situation shows it does have a positive effect. In my opinion, it is actually a kind of recognition from the enterprise.” (Company B HR Director)

The stock option could motivate some senior managerial talents and played a role of retaining talents. This retention mechanism increased talents’ continuous organisational commitment. Administering those stock option grants with a long-term investment schedule, such as 5-year intervals, as a long-term retention incentive,

was a good tool to motivate senior managers to work for the company with a long-term focus. The “golden handcuffs” increased talents’ leaving costs.

7.3.3. Benefits

Company B also had a basket of benefits to retain talents. Talents at different stages might have different demands. As the company had a high proportion of young employees, retaining young talented employees was critical talent management activity. Some tailored benefits, such as tuition reimbursement and housing benefits, were targeted at this talent group.

Tuition reimbursement

It is known that young talents are concerned about learning opportunities and career growth. As mentioned in previous chapters, Company B collaborated with a university to establish part-time Master courses for its internal talents. Once the candidates graduated successfully, the Company B reimbursed part of their tuition fees. As expressed by an HR manager:

“Developing talents and providing them more learning opportunities is a good way to retain them.” (Company B HR Manager)

The corporate sponsored course not only improved young talents’ knowledge but also offered them opportunities to obtain higher personal qualifications. In China’s context, personal educational qualifications are very significant for individual career development. The organisational sponsored course made some young talents feel an obligation to repay their employer and increased talents’ normative organisational commitment.

Many young talents who joined the programme were more committed to the organisation, because they viewed the course as a reflection of organisational support. The company’s provision of learning opportunities and tuition reimbursement generated many talents’ positive perceptions and increased their organisational commitment, as supported by a department manager:

“Since I have joined the course and accepted company’s tuition reimbursement, I have an obligation to work hard for our company. This learning opportunity is very precious to me.” (Company B Department Manager)

Talents were less likely to leave when they joined the course and receiving tuition reimbursement. As a young manager said, ***“It would be very hard for me to leave this enterprise right now, because I am studying the Master course in the company.”*** (Company B Assistant Manager) The tuition reimbursement benefit enhanced talents’ continuance commitment, because they had to consider the loss of this personal benefit when they thought about leaving. It encouraged the talents to remain in the company to pursue career development.

Housing benefits

Company B offered housing benefits to employees at managerial level who had served in the organisation for at least three years. According to the benefits policy, employees could buy a company flat at a 30 per cent discount. Many employees availed themselves of this opportunity. As expressed by a middle manager:

“Along with the rapid rise in house prices across the country, the cheaper houses offered by our company were timely support for young employees like me. We are just at the age of establishing our own family. Solving the housing problem would be an important step for us to settle down..... A lot of my colleagues have bought their flats from our company.” (Company B Middle Manager)

The housing benefits not only helped many young talents to locate their homes in the company’s real estate projects but also became a positive factor to retain talents. House prices in China are high, and purchasing a house is a huge investment for a Chinese family, particularly for young couples. The discount price was an important organisation support for employees. Some talents who received housing benefits might feel an obligation to work for the company. In this way, the housing benefits increased talents’ normative organisational commitment. Furthermore, for a Chinese family, purchasing a house is a significant mark of settling down. Supporting young talents to settle down had positive effects on retention of internal talents. For example, a young talent said, ***“Since I have bought my house here, it would be hard for me to change to a job in another city.”*** (Company B Architect) This tailored benefit made good use of the nature of the enterprise’s characters to support talents to settle down. This benefit facilitated some talents to be highly embedded in the enterprise and reduced their turnover.

Company B's long-term orientated benefits enhanced some talents' continuance commitment and normative commitment. According to Meyer's (1990) organisational commitment concept, tuition reimbursement benefit and housing benefit increased the young talents' leaving cost. Both benefits were closely connected to the organisation. Leaving the organisation would mean the loss of these valuable benefits, which connected talents with the organisation and had positive effects to retain them. Furthermore, some talents who purchased discounted houses or successfully obtained Master degrees with the help of the company had feelings of obligation to stay at the company. In the Chinese cultural context, obligation is heavily emphasized and acts as a social mechanism to maintain order within the social system. Normative commitment can be built from feelings of indebtedness arising from an organisation's providing certain benefits; the feelings of obligation may continue until the employee feels that he/she has "paid back" the debt (Chen and Francesco, 2003). Therefore, organisational benefits increased talents' organisational commitment and were helpful to retain some young talents.

These retention practices, such as stock options and benefits, tried to increase talents' continuance organisational commitment and retain them for the company. Besides some good benefits, Company B focused on using career development opportunities to trigger talents' inner desires to work for the organisation.

7.3.4. Career development and recognition

Career development opportunities and recognitions were popular themes that emerged through Company B's data. Company B tried to motivate talents to pursue long-term career development within the organisation. As expressed by the HR director:

"You should offer talents good prospects, if you want talents to follow you..... Some talents who have already got a high salary are concerned about a feeling of recognition within the company. This recognition involves his career status and whether he/she is respected by the enterprise." (Company B HR Director)

In order to develop talents' long-term work motivation, the company offered talents a long-term career development plan associated with organisational development. The senior managers kept conveying corporate development plan and individual career development opportunities to talented employees through both formal and

informal contexts. This behaviour helped talented employees to establish long-term career goals in the organisation. As mentioned by a middle manager:

“In our staff meeting our senior managers not only describes the enterprise’s development plan but also what career development, platform and posts I can achieve in that time. They give me a clear personal career goal. So I have confidence to pursue my long-term career development in this enterprise.”
(Company B Middle Manager)

Company B as a growth-oriented enterprise pursued active partnership with its talents to align their career direction with the enterprise’s goals. This behaviour made talents actively engage with the organisation. When they understood what the enterprise needed and how their personal career expectations fitted into the organisation’s plan, talents’ organisational commitment was enhanced. Meanwhile, when the enterprise shared its corporate vision with talents, beyond the ceremonial version, those talents would be keen on pursuing long-term career development within the organisation. It had a positive effect to retain those talents.

“Recognition” was a popular word mentioned by interviewees when they talked about talent retention. It was found that recognition was partly connected with career development in this company. Recognition was described by the Chairman as ***“providing talents a broad platform to show individual competencies and giving each talent more free development choices”*** (Company B Chairman). Company B did not merely pay lip-service to this ideal, but put “providing career development opportunities” into reality in its HR policies and promotion behaviours. As expressed by the chairman:

“We often bypass hierarchical restrictions to promote young talents and let them work in front-line managerial posts in some subsidiaries, because we recognise their personal competencies.”(Company B Chairman)

Promotion was an expression of organisational recognition. Company B tried to use a broad career development platform to retain young talents. Personal development opportunities became an effective way to retain young talents in the company, because ***“talents and capable individuals are easy to be recognised by the company.***

But in state-owned firms or other companies (promotion) may be by way of seniority.” (Company B HR director)

This kind of recognition not only motivated some young talents but retained them to pursue further career growth in the company. Career growth opportunities were quite attractive for those young talents. As explained by a young middle manager:

“Some companies may adopt external recruitments to fill important managerial posts. But in our group, the company would offer those opportunities to internal employees to practise. For example, though my competencies and management rank might not totally reach that required level at that time, our company was willing to put me in a managerial posts to improve myself in working practice.....After promotion, title, pay and a post-relevant budget were awarded as well. Promotion gave me a sense of achievement. I felt the company attached great importance to me. I felt the company gave me recognition. So I have a sense of belonging in this organisation.” (Company B Middle Manager)

Promoting internal talents was an effective tool to retain them. Many young talents prefer organisation where they could experience career development. Company B took advantage of young talents’ expectations and gave them recognition through offering promotion opportunities.

Internal career development effectively enhanced young talents’ organisational commitment and motivated them to pursue long-term development in the organisation. It built talents’ sense of belonging, which effectively retained their “heart” in the organisation. Although the company had experienced rapid organisation development, which involved a large number of managerial vacancies, the enterprise insisted on promoting internal employees to fill the vacancies. This promotion mechanism not only motivated internal talents to pursue career growth within the organisation but effectively preserved its organisational culture for the whole enterprise. This mechanism helped to cultivate talents’ loyalty to the organisation.

7.3.5 Summary for Company B’s talent retention

Company B adopted a variety of talent retention methods, including pay mechanism, stock options, benefits, career development opportunities and recognition to retain

talents at different career stages. Those different retention tools were well tailored for different talent groups.

Competitive pay helped Company B to attract and retain talents in the real estate industry. The high starting salary attracted young talents to join the enterprise, while large pay rises attracted them to pursue internal promotions. It effectively retained some excellent talents and established a talent pool for the enterprise. However, high salary might not be adequate to retain senior managerial talents. Providing stock options was another talent retention tool tailored for senior managerial talents. This “golden handcuffs” helped to retain senior managerial talents and motivate them to work hard for the organisation. Those financial retention tools enhanced talents’ organisational commitment.

Moreover, some benefits packages increased talents’ continuance affective and normative commitment. Targeted young talents’ expectations, Company B adopted sponsored education and tuition fee reimbursement to retain talented employees. On the one hand, the benefits could attract young talents to stay in the organisation to receive further education; while on the other hand, the tuition reimbursement increased talents’ turnover cost. Furthermore, Company B took advantage of the nature of its industry to offer employees housing benefits, which helped young talents to settle down and facilitated talents to commit to long-term service for the company. In addition to providing tangible benefits, it enhanced talents’ psychological obligation to pay back the enterprise, thereby increasing talents’ organisational commitment.

In addition, “career development” and “recognition” were effective talent retention tools; it gave talented employees career prospects and enhanced talents’ confidence in long-term service. Career development planning helped internal talents to understand what the enterprise needed and how their career expectations fitted into the organisation’s plan. It effectively retained their “heart” and enhanced talents’ organisational commitment.

In general, Company B’s financial retention tools and welfare not only triggered talents’ subjective intention to work for the enterprise but also increased talents’ turnover cost. Those retention mechanisms enhanced talents’ continuance commitment and normative organisational commitment.

7.4. Company C

According to the data from Company C, “career development”, “pay” and “emotional care” were three themes that supported talent retention. Linking to the enterprise’s business situation and some specific HR mechanisms, each theme is analysed below.

7.4.1 Career development retention

Company C understood that providing talents with career development opportunities was essential for retaining them. Many talents, particularly young talents, had strong expectations for career development. Company C tried to retain some excellent professional talents and managerial talents through offering a good career development platform within the organisation, but limited promotion opportunities and poor business development thwarted these efforts. As described by the HR director:

“I know they are young talents, about 30 years old. They are keen to pursue career development. But, some of them cannot see corporate prospects or career development opportunities in this organisation. So they don’t want to waste their time here.” (Company C HR Director)

Most of the employees in this company were born in the 1980s, these young talents were highly ambitious, energetic, and career goal oriented. They might be more likely to change jobs if they do not satisfied with their jobs or wanted to seek a better career development opportunity. In contrast, the older employees aged around 50 were more loyal to the organisation. The research findings confirmed claims in previous research that the young generation born in the 1980’s are more likely to take risks at work and flock to jobs that can offer them better career opportunities (Fu et al., 2011). The HR director knew those young talents had a strong desire for career development and personal fulfilment. However, the enterprise’s business situation and organisation size could not provide sufficient development opportunities. The HR director said, *“A main problem causing leaving was the bleak business prospects”*. The bleak prospects and slow organisational development made it difficult to provide talents with career development opportunities.

Company C faced a number of challenges to retain talents through providing career development opportunities. From the internal perspective, the company's depressed operation trend prevented creation of new managerial posts or professional development for talented employees. Moreover, unlike Company B with many subsidiaries, which could use internal job rotations or transfers to fulfil talents' career growth expectations, Company C could not create enough internal career development opportunities for talents, in particular, those at middle level. Thus, it was difficult to retain talents with strong ambitious. Bleak development prospects became a push factor for talent turnover. From the external perspective, with the rapid development of the Chinese real estate industry, other real estate enterprises which were competing for talents, likely used promotion and competitive pay to attract mature industrial talents. Those external attractions became a pull factor for Company C's talent turnover. As described by a HR manager:

“My colleague, the manager in the architecture design department, has just left. He has found a director post in another real estate enterprise. Our company can neither provide promotion nor increase professional experience. So it is quite difficult to retain managers in the current talent market. Many real estate companies are competing for talents.” (Company C HR Manager)

Therefore, offering better career development opportunities was not very successful in the company. This behaviour could not effectively retain talents due to the problems of business prospects and limited organisation structure.

7.4.2 Pay

Pay is another significant factor to retain talent in Company C. Ma and Trigo (2008) argued that Chinese managers see pay as a major factor influencing both their job satisfaction and turnover intentions. In order to retain some professional talents, Company C tried to modify the employee pay mechanism and to increase some talents' salary based on the organisational payment system. As some employees in professional posts are pivotal talents for the organisation, the pay mechanism gave priority to professional talents in order to retain them. As explained by the HR director:

“In this company, payment is directly linked to post rank. You cannot reach the payment level, if your post doesn't reach the rank. Many people are very sensitive

about post rank. But managerial posts with high rank are limited in an organisation. How can we use another way to retain those professional talents?We adopted some pay adjustment to retain some talents. For example, we reset the rank of professional posts in our payment mechanism. We reset our employee payment mechanism based on professional level and managerial level. For some professional talents, whose post does not reach certain managerial levels, we set a good payment according to his/her professional level, such as senior engineer and senior architect. It aimed to make some professional talents' payment the same as the payment level of middle managers. We adopted this method to retain those professional talents.” (Company C HR Director)

However, efforts to retain talents through resetting the pay mechanism were still challenged by competitive pay from other real estate enterprises. Other enterprises' competitive pay made Company C's pay level difficult to retain pivotal talents. As described by the HR director:

“One of my department managers was head-hunted by a new real estate company. He has not only got promotion but also a pay rise. That company sets his annual pay as 220,000 Yuan. In our company his pay was about 80,000 Yuan. There is a huge difference.” (Company C HR Director)

Retaining talents by pay alone was not sufficient for Company C, Company C's payment level did not have significant advantages compared to other real estate enterprises. Thus, Company C had to adopt some other ways to retain talents.

7.4.3 Emotional retention

Beside some tangible talent retention mechanisms such as pay and career development; Company C made good use of intangible retention behaviours, such as employee emotional care, to enhance some talents' organisational commitment and loyalty. The emotional retention behaviours had a positive effect to reduce talent turnover intention, not only by alleviating the work pressure, but also by cultivating superior-subordinate guanxi ties to enhance talents' affective commitment.

Company C paid special attention to providing emotional care and psychological support for some talents in pivotal posts. For example, the HR director, on behalf of the company, gave talented employee psychological support and emotional care,

which effectively enhanced talents' affective organisational commitment. This company tried to adopt guanxi influence to touch talents. As expressed by the HR director:

“On behalf of the company I try to provide more support and care to talents both inside and outside working time. These behaviours do touch some talents and establish good superior-subordinate guanxi, which form an emotional attachment with the company. Actually, the emotional attachment is helpful to retain those talents...For example; my care and support touched some talents and enhanced our personal guanxi. The emotional care, communications, and encouragement made them feel a harmonious guanxi environment in the organisation. A kind of emotional attachment associated with the guanxi made it difficult for some talents to leave.” (Company C HR Director)

The HR director's behaviours established emotional attachments between her and individual talents. The emotional care enhanced personal guanxi between talents and their superior, which played an important role in cultivating talents' affective attachment to the HR director. Personal guanxi involved many non-work related exchanges. As reflected in the HR director's words: *“I not only help them to solve work problems but also some problems in life” (Company C HR Director)*. Consequently, supervisor-subordinate guanxi involved personal-life, such as joint social activities and familial processes.

Good personal guanxi between talents and supervisor not only made talents loyal to the supervisor but also enhanced talents' organisational commitment. Personal guanxi involves strong obligations based on particularistic ties or sentimental ties between the parties involved. Since the HR director represented Company C, her continuous care for talents could indirectly increase their emotional obligation and loyalty to the organisation. Talents' good personal guanxi with supervisors should be positively related to affective commitment to their organisations and negatively related to turnover intention. This was supported by a manager's argument: *“But for considering our director's personal guanxi, I would have left the company.”(Company C Middle Manager)* Caring behaviour cultivated a loyal guanxi between senior manager and pivotal managers at middle level, which enhanced mutual trust between the supervisor and the subordinates. Chen et al (2009)

suggest the key components of guanxi are sentiment and unconditional loyalty. Therefore, personal guanxi enhanced talents' affective commitment for the organisation.

The good personal guanxi established through emotional care and humanistic support from superiors enhanced talents' affective commitment and motivated them to stay working in the organisation. As mentioned by the HR director: ***“Some department managers told me that my personal support and care were good motivation for them”*** (Company C HR Director). Care from the HR director was a significant demonstrator of supervisor-subordinate guanxi, which gave talents more confidence to work in the organisation. Furthermore, senior managers in the organisation have extensive control over resources and can impact subordinates' lives in various ways. In the POEs' context, good supervisor-subordinate guanxi could give subordinates favours and resources like career advancement opportunities. Some subordinates who received more favours from superiors than their counterparts may perceive a higher status attached to staying in the guanxi network. Subordinates who establish a good guanxi with their superior may feel a higher self-esteem when they seem to be more important than others in the organisation (Child, et al, 1995); this prestigious feeling can enhance affective orientation to the job (Cheung et al, 2009). Thus, providing extra emotional care to enhance harmonious guanxi became a part of talent retention behaviours in the Company C. The guanxi became a positive motivational force for the talents to work in the organisation. As a result, talents might be reluctant to leave the organisation because their leaving would lead to a loss of guanxi related favours. Those talents' organisational commitment might be decreased only if the superior left the organisation.

However, personal guanxi is a double-edged sword. In terms of turnover intentions, the talents who had good guanxi with their superior would be likely to follow their superior's intentions to leave or to stay. It was found that providing emotional care to talents through personal guanxi might make some talents too loyal to an individual superior rather than the organisation. For example, based on personal guanxi, the HR director had cultivated many department managers who had strong personal loyalty to her. The supervisor's leaving might increase some talents' turnover intentions, and even lead them to quit. This view was supported by the HR director's statement:

“I am retiring soon. My retirement indirectly influenced a subordinate’s turnover. She has just left and found a better post in another new real estate company. Promotion and better pay were the main reasons for her leaving. She told me my retirement increased her turnover intention. Because we have good personal guanxi, as her direct supervisor, I dare to speak for her and take responsibility for her. She said, ‘After your retirement, nobody would care for me and support me like you.’ So this was another reason for her leaving.” (Company C HR Director)

As this instance shows, personal guanxi involved much personal emotional attachment, which developed loyalty to individuals. In other words, some talents’ organisational commitment was more strongly associated with loyalty to their superiors than with loyalty to the organisation. A Supervisor’s leaving might lead to subordinates’ leaving, because the subordinate’s loyalty to the supervisor is likely to be more direct and intense in driving their behaviours, but their commitment to the organisation is more indirect and less intense in relating to their behaviours.

In addition, there were some challenges regarding providing extra care in person through personal guanxi. Firstly, senior managers might not have enough time to care guanxi and to provide extra emotional care to every single talented employees. As the HR director complained:

“I could take 1or 2 days per month to provide emotional care to a talented manager. But I can’t care for so many managers like that in the company, because I do have my normal job.” (Company C HR Director)

Besides the emotional support that targeted specific individual talents, Company C adopted collective emotional care behaviours such as birthday parties and family support to increase talents’ organisational commitment. These activities aimed to touch talents through emotional care and enhance their affective commitment to the organisation. For example, a HR manager described:

“We often hold birthday parties for employees to show the organisation’s care. In the name of the Company Chairman, our HR department prepares a birthday card for the employee and organises a birthday party in the company. Or our company invites employees to watch a movie to celebrate the birthday. These behaviours

increase talents' feelings of belonging and let talents be involved in this community.” (Company C HR Manager)

Further emotional care and organisational support was expressed when employees or their family members faced some tough situations. As mentioned by a HR director: *“As soon as any employee’s family come across a serious problem, I will visit his/her family to express our company’s care.” (Company C HR Manager)*

Emotional care both inside and outside work could create positive experiences for talents, leading them to become affectively tied to the company, because supervisor support is directly related to developing employees’ affective organisational commitment and strengthening employees’ emotional attachment toward their employing organisation (Rousseau and Aube, 2010). Similarly, emotional care and support provided by Company C’s managers might increase talents’ comfort within the company by fulfilling their needs for affiliation. Consequently, talents might have an emotionally satisfying work experience and develop an emotional attachment to the company.

Employee welfare policies were another manifestation of the company’s care, and helped to develop employees’ affective commitment. For instance, according to the company policies,

“...If an employee’s child wins the first in class or top three in the grade in academic exams, the company provides a 200 Yuan bonus. When an employee’s child is awarded by a municipal education institution, the company provides a 300 Yuan greeting gift. When an employee’s child is awarded by a national education institution, the company provides a 500 Yuan greeting gift.....” (Company C Human Resource Motivation Policy)

Company C used detailed welfare policies associated to employee family members to move its employees. These emotional care practices make talents feel a series of belonging. Emotional care for employee family members might build close guanxi between employees and the enterprise and cultivate affective organisational commitment, which had positive effect to retain talents. Each employee’s life has various connections in a social, psychological and financial web that includes work and non-work friends, and family members. The higher the number of connections

between the employee and his/her organisation, the more the employee is bound to the job and the organisation both functionally and emotionally (Mitchell et al, 2001). Company C adopted emotional care to build more affective connections between its talents and the enterprise and increase talented employees' affective commitment.

Although Company C were good at cultivating talents' emotional attachment to retain talents, emotional care alone was not sufficient to retain talents. As argued by the HR director:

“Talent retention involves various factors. Emotional care is one of those factors. But it isn't a fundamental approach. You see.....any talents who left the company commented that we did very well at emotional care.....I think some other factors, such as career development or pay, could still lead to their leaving.” (Company C HR Director)

In order to retain talents successfully, comprehensive talent retention practices that cover talents' different expectations were needed.

7.4.4. Summary for talent retention in Company C

Company C retained its talents through three perspectives: career development, pay and emotional care. Due to the enterprise's business situation, offering career development and good pay could not effectively retain talents for Company C; but emotional care had a positive effect to reduce talents' turnover intention.

Company C tried to retain talents by offering promotion opportunities or career development, but the enterprise's business situation, corporate prospects and organisation size could not provide sufficient development opportunities for talents. Thus, offering career development opportunities was not a suitable way for the company to retain talents. Moreover, Company C tried to use pay to retain its talents. However, Company C's pay mechanism could not effectively retain its talents, because other industrial competitors offered better pay packages, which made Company C lose competitive advantages. In contrast with above two perspectives, emotional care had a positive effect to retain talents in Company C and increased talents' affective organisational commitment. Senior managers established good personal guanxi with some pivotal talents through providing extra support both inside and outside work. A lot of interactions including working support and family

cares made talents have emotional attachment to their superiors. Good personal guanxi between talents and senior managers not only made talents loyal to the superiors but also enhanced talents' organisational commitment. Good supervisor-subordinate guanxi was a positive motivational force for the talents to work with their superiors in the organisation. As reciprocity is the norm of Chinese guanxi, talents might be reluctant to leave the organisation because their leaving would lead to a loss of guanxi related favours. Therefore, emotional care took advantage of personal guanxi effects to enhance talents' affective commitment, which had a positive effect on talent retention. However, it is necessary to note guanxi' negative effects on talent retention. Personal guanxi involved strong emotional attachments and loyalty to individuals, rather than to the organisation. Moreover, establishing personal guanxi took senior managers' time and energies. Besides the emotional care to individual talents, welfare policies that aim to touch employee family members could also develop employees' emotional attachment to the organisation. They were good ways to increase talents' affective commitment and to reduce talents' turnover intention.

In general, Company C made good use of emotional care and guanxi effects to increase talents' affective commitment. This finding is different from talent retention methods in previous TM literature. This empirical finding uncover that developing high supervisor-subordinate guanxi ties through emotional care may be a valuable way to retain talented employees in Chinese context.

7.5. Conclusion for retaining talents

Based on analysing the talent retention behaviours of the three case companies, it was found that their talent retention behaviours involved three different aspects: material rewards, career development and guanxi. According to their own organisational situation, the three case companies emphasised different aspects. Providing talent career development opportunities, good rewards packages and building supervisor-subordinate guanxi was important to retain talents in the context of the Chinese POEs; failure to fulfil talents' expectations in any one of the three aspects might increase talents' turnover intentions.

Retaining talents through offering competitive reward package was a popular method in the three case companies. Different case companies adopted different rewards

strategies, including financial rewards, (eg. pay and stock options) and tailored benefits and welfare (eg. housing benefits, tuition reimbursement and so on). With its financial advantage and powerful position, Company B adopted very competitive pay to retain its talent; not only a high starting salary to recruit young talents but also attractive pay rises to retain excellent talents to pursue long-term development in the enterprise. In contrast, the other two case companies could not compete so effectively on this factor. While providing competitive pay was a significant part of talent retention for these case companies, the pay system was influenced by the company's business situation and pay strategy. Although good salary obviously can support talent retention, it was not sufficient to retain all talented employees, particularly senior managers. Managerial stock ownership or stock options, described as "golden handcuffs", was another method for retaining senior managerial talents. This might be effective to retain some talents for a certain period, and increased talents' continuance organisational commitment. However, managerial stock ownership and stock options could also lead to an increase in some talents' turnover intention after they had acquired "financial freedom".

Besides financial rewards, other rewards such as welfare and benefits were also used for retaining talents. A reasonable combination of financial rewards and non-financial rewards was essential for talent retention. Case companies offered some tailored benefits to talented employees to enhance their organisational commitment. For example, tuition reimbursement and housing benefits, which are closely associated with personal career and life, increased young talents' continuance commitment and reduce their turnover intention.

Another finding was that all the case companies tried to use career development opportunities to retain talents. However, their ability to do so was influenced by case companies' own business situation. Company A and Company B was in the process of rapid business expansion, creating managerial vacancies that gave internal talents more promotion and career development opportunities. Their business situations allowed the organisations to use career development opportunities to retain internal talents. In contrast, Company C's operating situation was stagnant, making it difficult to provide more managerial posts or promotion opportunities for internal talents within the existing organisational structure. Moreover, external industrial competitors might offer promotion opportunities and better pay to compete for

talents, which caused Company C to lose talents, even though it clearly knew some talents expected career development. As Chinese talents, in particular young talents, are concerned about their long-term career development, companies that were able to provide talents long-term development opportunities had advantages in retaining young talents. Company A and Company B, which focused on linking talents' individual career development expectations with organisational development plans, fulfilled talents' psychological contract and enhanced internal talents' organisational commitment. On the basis of the reciprocity norm, the perceived organisation support (POS) such as promotion and support from the organisation created a psychological obligation for employees to repay the organisation, which would enhance employees' normative commitment to the organisation. Furthermore, in China's context, promoting internal talents was viewed by employees as a symbol of the organisation's recognition. Promoting internal talents might increase their affective commitment by fulfilling their personal career expectations and producing a strong sense of belonging to the organisation. In fact, providing career development involved many POS behaviours such as caring, approval and respect. These POS behaviours fulfilled talents' social and emotional needs and led them to internalise organisational membership. Offering talents career development has a positive effect to retain talents, because POS behaviours can increase employees' affective commitment and reduce turnover (Rhoades and Eisenberger, 2002). In addition, promoting internal talents could effectively preserve the organisational culture and internal guanxi networks, which helped talents to be loyal to the enterprise.

An interesting finding showed that guanxi was a significant factor influencing talent retention. Evidence from the three case companies showed that high quality guanxi help to retain talents. No matter whether "of one mind", recognition, or emotional retention, all these talent retention behaviours in the three case companies involved guanxi, especially superior-subordinate guanxi. This guanxi connected talents and their superiors and built loyalty to managers in Company A, which was not only an obvious expression of "one mind" but also retained talents spiritually. Similarly, although Company B did not view guanxi as a formal method to retain talents, it was found that guanxi ties did influence talent retention in the organisation. Company B and Company C focused on establishing a harmonious guanxi environment in the

organisation, particularly good guanxi between talents and their superiors, which might enhance talents' affective commitment. The guanxi ties between talents and superiors who led the enterprise might increase talents' emotional attachment and feeling of obligation and loyalty to the enterprise. It made some talents difficult to leave the enterprise, because key components of guanxi are sentiment and unconditional loyalty. Moreover, in the Chinese cultural context, good superior-subordinate guanxi itself involves reciprocal favours; subordinates are willing to build better guanxi with superiors because it might bring some favours in their working context. Once talents established guanxi ties with superiors in the organisation, they would not leave the organisation casually, because by doing so they might lose valuable connections and the ability to reclaim outstanding debts and seek favours (Hom and Xiao, 2006). Hence, establishing good superior-subordinate guanxi might increase talents continuance commitment and reduce their turnover intentions. However, it is necessary to note that guanxi might also negatively influence on talent retention. Close superior-subordinate guanxi could make talents loyal to an individual superior, so the superior's leaving might increase the talents' turnover intention. Thus, some mechanisms are needed to prevent this problem. Moreover, establishing guanxi ties might take a lot of time and energy, so a company could not rely on HR managers alone to do the work of retaining talents through emotional care.

In general, rewards, career development and guanxi were major talent retention aspects, although the companies might place different weight on each aspect. A remarkable finding was that guanxi, in particular superior-subordinate guanxi, played an important role in retaining talents in the context of Chinese POE. As distinct from the Western LMX relationship, we should note that superior-subordinate guanxi involved much more interpersonal interactions and support outside work. Although retaining talents through guanxi effects might require some managers to invest more energy in emotional care and personal support, this findings may help us to construct suitable talent retention practice for Chinese POEs. Meanwhile, it was noticed that superior-subordinate guanxi involved loyalty to individual superior, which was a double-edged sword; it could also have a negative effect on retaining talents.

All three aspects need to be properly combined for retaining talents. Whereas rewards and career development opportunities largely depend on the enterprise's own attributes, such as financial power and organisational structure, retaining talents through guanxi might not be limited by organisational attributes, because it is a distinctly Chinese cultural attribute and widely prevalent among Chinese people. Some guanxi ties might be much more loyal and long-lasting than a contract. Therefore, the research suggests that developing loyal guanxi ties between talents and their superiors or boss is a fruitful direction to improve talent retention in the context of Chinese POEs. In order to find effective ways to retain talents, it is necessary to understand talents' expectations. The next chapter will further explore talents' expectations and find out their turnover intentions, which will be helpful to find suitable ways to retain talents in the context of Chinese POEs.

Chapter 8. Talents' Expectations for Staying in the Organisation and Turnover Intentions

8.1. Introduction

Besides analysing the three companies' TM behaviours, this research also explored talents' expectations and the main determinants of turnover intentions. A good understanding of what talents expected to obtain in the organisations and determinants of turnover intentions might help the case companies to improve TM practices and retain talents. This research interviewed some key employees, who were identified by their employers as talented employees in the case companies, to explore what their expectations were for remaining in the organisations or their turnover intentions. Based on semi-structured interviews in the three case companies, some common themes, including career development, rewards, and guanxi, emerged. This chapter analyses each theme and links them to talent retention in order to find better ways to retain talents in the research context.

8.2 Career development

Career development was a popular expectation for remaining in an enterprise. This theme was supported by some sub-themes, such as "career prospects" and "learning opportunities".

Career prospects

The concept of career prospects mentioned by interview participants was made up of two connecting attributes: a) corporate prospects; b) individual career prospects. It was found that fail to fulfil talents' career expectation may increase their turnover intentions.

Corporate prospects

Talents were quite concerned about organisational future, particularly future growth trend, because it closely influenced their individual career prospects. Talents expected to obtain more individual career development such as promotion and competency improvement associate with the enterprise's development. Thus, corporate prospects played an important role in retaining talents. As expressed by a department manager in Company A:

“Front line managers, like me, are very concerned about our company’s future plan...After I joined the company, I found commercial real estate is a booming industry and our company has good prospects. I gradually fell in love with this industry and tried to find more personal development opportunities in this company. Our company as a commercial real estate developer can provide talents with different career develop paths, such as merchant attraction, operation and so on. I am trying to get more career development in the operation field. For example, our OA system efficiently publishes information regarding the enterprise’ long-term development plan, such as the development progress of the new project, Da Wuhan Jia Zhuang. I know this company has a great demand for talents in the near future. It definitely needs some experienced managerial talents. This bright prospect attracts me to follow the company.” (Company A Department Manager)

Many internal talents were looking for opportunities to get promotion or capability improvement. Company A’s development trend might fulfil talents’ career expectations. Similarly, talents in Company B were attracted by the enterprise’s rapid development, which could offer individuals more long-term development opportunities. As described by a young manager:

“Our company is just in a rapid development trend. It can provide many individual development opportunities. I was promoted as assistant manager when I just joined the company for six months. In other companies, it was impossible to promote such a young employee to this managerial level. I am attracted by our company’s career development platform.” (Company B Department Assistant Manager)

Talents were concerned about how corporate prospects boosted their individual career paths. They were happy to follow an employer with good prospects, because good corporate prospects may bring more individual development opportunities.

Individual career prospects

Individual career prospects were essential to retain talents, particularly talents in the early stage of their career. Individual career prospects were described as “promotion”, “career goal” or “development platform”. Most talents expected to

remain in an organisation that could provide long-term personal development opportunities.

Clear career goals can motivate talents to remain in an organisation to pursue their individual career. Many talents viewed their career goal as a targeted post in their organisations. Giving talents paths to fulfil their career goals was important to retain those talents. As a young department manager from Company A noted:

“I need a personal career goal in the company. It is a targeted post such as project director. According to the post’s requirements, I can improve myself and try to reach the post.”(Company A Department Manager)

Similarly, another middle manager from Company B explained how career goals motivated him to work for the organisation:

“When our company plans organisational development in the staff meeting, the boss also lets me know what kind of post I could achieve and what career platform the company can offer. The career goal motivates me to follow the company...I believe every single young talent looks forward to achieving their career goals.” (Company B Middle Manager)

In contrast, bleak prospects or unclear career goals might increase talents’ turnover intentions. A manager from Company C explained:

“Many colleagues in key posts have left. I think a main reason is we can’t see the company’s prospects or our individual prospects here. To be honest, we need career development paths. But we can’t get it here.” (Company C Department Manager)

Obviously, talents viewed career goals as a significant individual motivation for remaining in an enterprise. Failure to offer career prospects or clear career goals may lead to talents’ turnover behaviour.

With further exploration, it was found that talents at an early career stage paid more attention to individual career prospects within their organisations. Talents in Company A and Company B were ambitious to pursue personal career growth in their enterprises. In contrast, their counterparts in Company C did not have so much confidence in their individual career prospects. As Company A and Company B

were in a process of rapid development, they were able to provide more career development opportunities for internal talents; however, Company C's depressed business prospects limited talents' career prospects. Thus, individual career prospects were closely connected to the company's business prospects.

Promotion

With a further exploration about career development, promotion was a sub-theme that emerged in interviews. Talents in an early career stage viewed promotion as an important move up the ladder for personal career development. Failure to fulfil promotion expectations increased some talents' turnover intentions. As a young manager from Company A noted:

“When my career prospects are bleak and there is little promotion opportunity in the company, or some expectations such as job rotation opportunities cannot be fulfilled, or career promises given by superiors cannot be fulfilled, I would consider leaving the company.” (Company A Assistant Department Manager)

Many talents left Company C for promotion opportunities. As described by a manager from Company C:

“Some of my colleagues just left this year, because the company did not fulfil their promotion expectations. As a young manager, I totally understand the career growth expectations...In fact, they were key staff in our department. With their professional experience, it is easy to find better posts in other real estate firms.” (Company C Department Manager)

Some similar cases and comments were found in other case companies. Lack of career development could easily turn young talents' turnover intentions to leaving behaviours. It was found that young talents had high expectations for their career growth. They were looking forward to achieving certain posts at management level or professional level by a certain age. When these expectations were impossible to fulfil or they came across a promotion bottleneck in an organisation, young talents might have turnover intentions, which might be further stimulated to become leaving behaviours by the numerous opportunities in China's rapidly developing real estate industry. Linking talents' promotion expectations to talent retention practices may improve talent retention for these case companies.

Learning opportunities

Talents viewed learning opportunities as another important aspect of individual career development. Many young talents at front line or middle management levels were very concerned about learning opportunities offered by their employers, because learning helps individual career growth. Interview participants viewed learning opportunities as obtaining professional knowledge and experience in the organisation. Young talents, who are around 30 years old, expect to accumulate managerial experience and to learn more professional knowledge at their working posts. This was explained by a young talent from Company A:

“Managerial experience is very important for me, if I want to get promotion from my current platform. I need to accumulate some more managerial experience through the working process. My department does not require too much technology; but it is demanding with regard to managing people. I am 27 now. I expect to achieve a department manager post within the next three years. I hope to get more mentoring support to improve my managerial capabilities. If the company can provide me with a stable personal development platform, as a woman, I won’t think about leaving.” (Company A Department Manager)

It was found that talents perceived both promotion and learning opportunities as two important aspects of career development. Even though some talents could not obtain promotion opportunities in their enterprise, they were willing to remain in a developing company in which they could learn more valuable knowledge. Offering talents more learning opportunities in the working context could fulfil talents’ personal development expectations. Some professional talents such as architects and real estate project managers expected to keep themselves in the forefront of industrial knowledge. Learning frontier knowledge through developing new real estate projects was a common expectation for professional talents. As expressed by a young middle manager from Company A:

“Although I may not get promotion in the next one or two years, I would like to remain here, because I can accumulate more valuable experience and learn more knowledge in my current post. This company, which is in a vigorously developing state, is developing more and more challenging and large real estate projects. Working here keeps me learning new professional knowledge. But if I can neither

***learn something new at this post nor get promotion, I may think about leaving.”
(Company A Department Manager)***

Similarly, talents’ learning expectations were expressed through their interest in job rotation. Although promotion opportunity was not available for everyone, talents expected to enrich their working experience through job rotation. Young talents like challenging jobs and learning something new through working. They expected job rotation to trigger their potential. As expressed by a young manager from Company A:

“I have worked in this post for 4 years. As a young manager I hope to learn something new through job rotation. My current job is customer service. I have gradually come to feel this job is not challenging for me. I would like to try other posts, such as merchant attraction and contacting local authorities. If our company can give me a broader platform to develop my potential, I would remain in the company.” (Company A Department Manager)

Indeed, job rotation was a good way to provide talents with learning opportunities within the organisation. For example, some managerial talents at middle management level were rotated to different departments in Company A; job rotation enhanced some talents’ all-round capabilities and working enthusiasm. It was prove that talent development and talent retention are connected. Job rotation not only developed organisation’s talent pool but also helped to retain talented employees.

In addition, many talents had expectations for mentoring and training. A good mentor might help a talented employee to learn effectively through working, because a mentor not only helped the talent to work out work-related problems but also supported the talent’s career development. A good mentor could even retain some talented employees, as was expressed by a young talent from Company B:

***“A young talent not only needs a good career platform but also a good mentor. A good mentor impacts you, teaches you, points out the right way. The mentor helps you to develop in the career platform...I do appreciate my director’s mentoring support. He is an important reason why I am attracted by the organisation.”
(Company B Department Assistant Manager)***

Similar expectations were found in the other case companies. Talents in the real estate industry needed to learn some tacit knowledge, which require mentor's guidance and hints. Although the three case companies adopted mentoring in their talent development practices, they did made good use of mentoring to retain talented employees. Indeed, it is fruitful research direction to take advantage of mentoring to retain talents. Providing talented employee high quality mentoring can not only fulfils their career expectation, but also increases their organisational commitment.

In addition, talents expected to receive more training and mentoring from their employers. Many talents with career ambitious were not satisfied with doing their own jobs only. They expected to learn something more about the enterprise's business and industrial knowledge. As expressed by a young talent from Company B:

“My learning expectations have two aspects. First, I hope to get superiors’ mentoring. For example, some internal managers with more practical experience can give me some guidance and hints. It is better for me to pursue career development in the company. Second, I don’t want to be a frog in a well. I would like to know external world, not only our department, our company, but the industry, such as our competitors’ business model. This learning will be a good basis for my long-term career development. If I can’t learn anything from my employer, I will be bored with this job.” (Company B Manager Assistant)

Learning and training expectation was a common demand mentioned by young talents. Young talents had high expectations for mentoring and training, because they expected rapid career progress. Failure to fulfil their learning expectations might increase their intention to leave.

8.3. Rewards

Reward was another key factor that influenced talents' turnover intentions. In this research, “rewards” refers to financial rewards such as salary and bonus and non-financial rewards such as employee welfare. Talents placed great value on rewards, particularly financial rewards, because wealth is a symbol of personal success in China. With the war for talents in the Chinese real estate enterprises, many talents in the case companies were well aware of their market value and perceived the rewards offered by their companies as an important part of organisational recognition. However, an interesting finding was that talented employees at different career

stages were motivated differently. Young talents at an early career stage perceived non-financial rewards such as tuition reimbursement and company sponsored courses as relatively more important than their salary, because they paid more attentions to factors that directly contributed to personal career growth. According to the research results, compared to career development and learning opportunities, salary had lower impact on turnover intentions for young talents.

As an example of how young talents in the early career stages put their expectations of high salary behind the expectation of personal career growth, a young talent from Company B explained:

“Working in a privately-owned enterprise, we pay attention to some aspects such as pay, personal career development and benefits. For many young managers like me, pay is in the second place. Personal career development is the first. I would not easily quit my current job just for a pay rise in another company...Although my current pay may not be very high, with a long-term view, pay and other benefits will increase with the development of my career growth in the organisation. I think young people shouldn’t pay too much attention to money. Medium and long-term development is more important.” (Company B HR Manager)

Many young talents made similar comments to the above. They might not easily leave an employer just to get a pay rise. Talent employees in the early career stage expressed strong expectations for long-term career development. Some welfare benefits such as tuition reimbursement and housing benefits which were good for employees’ long-term development were of more interest to young talents. They would not blindly change jobs just for a short-term pay rise, as asserted by a young manager from Company A:

“Nowadays, the real estate industry is very hot in China. Our company is just in this industry. Pay level in this industry is actually already higher than in other traditional industries. And the pay level and welfare in this company are not too bad. I think the long-term career development and stable welfare provided by this company are more important for me. Because young people at the beginning of career shouldn’t be attracted by short-term money or change jobs frequently... I think a person with working experience would like to follow an employer who can provide better career prospects.” (Company A Financial Assistant)

In order to pursue long-term career development, young talents early in their career would consider a number of issues when they think about leaving. Some non-financial related issues such as organisational culture and guanxi, associated with future development, might be more important for young talents. As expressed by a young manager from Company A:

“High salary is an obvious attraction. Recently, a couple of head-hunting companies offered me higher salary, which is twice as high as my current salary. But I would not budge. Why? Even if I went to other companies and got the money, I would still worry whether I could suit that new organisational culture and guanxi networks in that enterprise. I have been shaped as a part of my current company. With an attitude shaped by my current company, and good guanxi ties within current company, I am afraid I wouldn’t suit another company.”(Company A Department Manager)

Besides tangible issues such as pay, many young talents might consider some more intangible issues including career development opportunities, organisational culture and guanxi when they thought about leaving, because career development opportunities were relatively more important than pay for them. Organisational culture and guanxi ties, as intangible issues directly impacted their career growth in the context of Chinese POEs. Therefore, organisational culture and guanxi influenced talents’ turnover intentions.

In contrast, some managerial talents who had already reached a senior level might have different expectations from young talents. Those whose expectations for promotion had already been fulfilled could be motivated by other factors, such as financial rewards and self-esteem. Failure to fulfil their financial rewards expectations might increase their turnover intentions. As expressed by a senior manager from Company C:

“A determinant that increases my turnover intention is financial rewards. I don’t like our financial rewards policies. Our chairman sets the rewards policies. As the chairman thinks senior managers’ fixed pay is already higher than that of other employees, our incentive pays are not competitive...I don’t think my current pay

reflects my personal value. So I am thinking about leaving.” (Company C Marketing Director)

Senior managerial talents who had already achieved high status in their career might perceive financial rewards as a symbol of recognition from the employer. Those talents not only expected to have competitive financial rewards but viewed financial rewards as a symbol of personal success. Compared to the young talents in the early career stage, pay satisfaction had more influence on senior managerial talents’ turnover intention. Senior managerial talents’ understanding about their pay was confirmed by a senior manager from Company B:

“Pay should be competitive and fair. Some senior managers, like me, we have already got a high salary. We don’t emphasise money itself. We pay more attention to the degree of recognition, respect and status reflected by the pay.” (Company B Vice-President)

There were similar comments from other talents at senior management level as well. They expected their financial rewards not only to be competitive in the external market but also fair within the organisation. As China is in an economic transitional period in which wealth is a symbol of success (Ma and Trigo, 2008), many senior talents who had already achieved a high-status career stage viewed financial rewards as an important symbol of organisational recognition.

Empirical results from three case companies showed talents’ reward expectations influenced their turnover intentions, but talents at different career stages might view rewards differently. Young talents at an early career stage viewed financial rewards as less important than some non-financial rewards that could contribute to career development. Because young Chinese managers have higher expectations for their career prospects (Ma and Trigo, 2008), in the early career stage, pay satisfaction had a lower impact on young employees’ organisational commitment; they preferred to remain in an organisation that could provide them with things they considered important (Fu et al, 2011). In contrast, senior managerial talents who had already achieved high position paid more attention to financial reward and viewed it as symbolising organisational recognition and personal achievement. Senior talents’ pursuit of financial rewards was associated with China’s social context. They preferred to use personal financial income to demonstrate their personal success. In

the new environment of social-capitalism in China, Chinese people are more and more individualistic and materialistic; they tend to seek more individual growth and recognition tied to financial rewards (Wang et al 2010). Therefore, understanding different kinds of talented employees' expectations help to modify financial policies to retain talents.

8.4. Guanxi

“Guanxi” was a significant theme emerged through talents' expectations. Failure to fulfil talents' guanxi expectations often increased their turnover intention or caused actual turnover behaviours. It was found that superior-subordinate guanxi and organisational guanxi atmosphere were of great concern to talents. Supervisor-subordinate guanxi refers to the guanxi between a talent and superiors, which emphasises guanxi at an individual level. Organisational guanxi atmosphere refers to guanxi with colleagues, and emphasises the collective perspective. Although talents expressed expectations for both guanxi categories, it was found that superior-subordinate guanxi was more concern by talented employees, because it directly impacted their personal career development and turnover intention. This section focuses on exploring how the supervisor-subordinate guanxi and harmonious guanxi environment influenced their turnover intentions.

8.4.1 Superior-subordinate guanxi

Superior-subordinate guanxi is considered to be one of the most significant characteristics in Chinese organisations (Newman et al, 2012); in Chinese POEs are no exceptions. According to the interviews, talents cared about superior-subordinate guanxi and expected to build good guanxi with their superiors. Talents viewed good supervisor-subordinate guanxi as generating a sense of belonging in the organisation; they perceived high quality superior-subordinate guanxi as a kind of motivation, which could enhance their loyalty to the superiors and reduce their turnover intention.

It was found that talented employees expected to obtain recognition from their superiors; superiors' high emotional intelligence, which might be reflected in understanding subordinates' emotions, an informal recognition and verbal praises, was helpful to improve guanxi between talents and their superiors. Talents paid close attention to their superiors' informal recognition, which included personal encouragement, care and verbal praise both inside and outside working hours. It was found that superiors who were highly sensitive to the feelings and emotions and

thoughts of talented employees could easily establish good guanxi with talented employees, which in turn helped talented employees to feel a sense of belonging in the organisation. As expressed by a middle manager:

“My supervisor’s oral recognition or emotional care is a good motivation for me. Actually, we do not need too much formal recognition, such as a certificate of award. The supervisor’s simple verbal praise could motivate me for a couple of days...My supervisor’s simple and immediate encouragement and recognition make me feel psychological comfort and accomplishment. I can feel the supervisor’s personal care...He has a positive attitude to me, close guanxi between us were build through this mutual trust. I like following a supervisor who knows my feeling and recognises my work.” (Company B Department Assistant Manager)

It was found that supervisors with high emotional intelligence were more able to develop good supervisor-subordinate guanxi with talented employees and to increase talented employees’ affective commitment. Indeed, supervisor’s emotional intelligence was significant for developing high quality guanxi with talented employees, because developing guanxi needed a supervisor to react well to talented employees’ emotions and individual developmental needs. This finding reflects that developing supervisor / mentor’s emotional intelligence skills may help to improve supervisor subordinate guanxi.

It was also found that talented employees expected to get more opportunities to develop their superior-subordinate guanxi through personal interactions. More personal interactions might help talented employees and their superiors to develop guanxi. For example, a middle manager from Company A really enjoyed his superior-subordinate guanxi:

“I am quite sensitive to the guanxi with my boss. High quality guanxi with the boss can motivate me to work harder in the firm, because the good guanxi makes me feel be respected by the firm and have a sense of belonging in the organisation. In my opinion, some personal interactions, such as personal mentoring and eating lunch together, enhance my personal guanxi with the boss. With the good guanxi, I feel reliable to follow the boss and the firm.” (Company A Department Manager)

It was found that talented employees were also likely to build good guanxi with their superiors in non-work related contexts, because superior-subordinate guanxi is developed largely from non-work related social interactions both inside and outside working hours (Cheung et al, 2009). Guanxi building involves non-work related interactions; and supervisor-subordinate guanxi can be enhanced through participating social activities such as sharing meals, exchanging gifts (Chen et al, 2009). In the working context, building good guanxi with superiors is considered to be important in Chinese organisations because of the hierarchical nature of Chinese society, which stresses respect for seniority (Newman et al, 2012). Chinese subordinates who have good guanxi with their superiors may feel a higher self-esteem and perceive that they are considered more important than others in the organisation (Child et al, 1995). This is one reason why some talented employees in the case companies strongly cared about superior-subordinate guanxi and felt a sense of belonging if they built good guanxi with their superiors. The good superior-subordinate guanxi might influence some talents' turnover intention, because Chinese employees tend to express greater loyalty to supervisors than the organisation (Chen et al, 2002; Chan et al, 2006). As argued by a senior manager from Company C, *“If I think about leaving, guanxi with the chairman is a critical factor I am concerned about; I will feel guilty for leaving him.” (Company C Department Manager)*

Consequently, it was found that fulfilling talents' guanxi expectation and building good superior-subordinate guanxi might enhance talented employees' loyalty to their superiors and, in turn their organisations. Chen et al. (2009) argue that Chinese superior-subordinate guanxi might transform from a work-related exchange relationship into a personal exchange relationship through family-like behaviours. Interviews showed that some talented employees whose initial work-related relationship with their superiors transformed into a personal relationship through frequent interactions, because managers mixed affective relations with business. As described by a middle manager from Company C

“I appreciate the guanxi between my superior and me. My supervisor gives me a lot of support both inside and outside work. When my son was ill, she visited my home to express care on behalf of the company and used her personal guanxi networks to find a good doctor for my son. So, a lot of interactions and mutual

support inside and outside work have built good guanxi between us. We are just like family. Of course, this guanxi factor makes me feel it would be difficult to leave the company.” (Company C Department Manager)

Based on those emotional care behaviours, supervisor-subordinate guanxi involved many non-work related favour exchanges and emotional attachment. According to the norms of Chinese guanxi, some talents as subordinates who received their superiors’ favours were expected to show unreserved loyalty and obedience towards their superiors. Therefore, good superior-subordinate guanxi that entailed complex favour exchanges enhanced some talents’ loyalty to their superiors. Sentiment and unconditional loyalty are key components of guanxi (Chen et al, 2009); so good superior-subordinate guanxi might enhance talents’ affective obligations and loyalty to their superiors. To some extent, the loyalty to superiors also enhanced talents’ organisational commitment because their superiors were agents of the enterprise. Good superior-subordinate guanxi therefore had a positive effect to reduce talents’ turnover intention.

Moreover, some talents expected to build good guanxi with their superiors, because they clearly understood that superior-subordinate guanxi had an important influence on their working lives in the organisation. The quality of superior-subordinate guanxi impacted not only superior-subordinate cooperation but also subordinates’ career prospects within the organisation, which is one reason why many talents sought to maintain good guanxi with their superiors. As explained by a manager from Company B:

“In private-owned enterprises the most important thing is the boss’ management culture. In detail, the important thing is the boss’ personal manner, which may influence company’s regulations and rules and dominate the company...So good guanxi with the boss may help you to keep in tune with the boss within the company. I don’t think any subordinates who have bad guanxi with their superiors can stay in the company too long.” (Company B Department Manager)

In the context of Chinese POEs, an employee’s career growth was largely impacted by guanxi effect, because Chinese POEs’ organisational management practices were often guided by the boss’s personal manner rather than companies’ regulations. Superiors’ personal manner and emotional concerns were likely to impact decision

making. Good superior-subordinate guanxi had a positive impact on talents' career prospects in the case companies. In a Chinese workplace, good guanxi with a superior has important effects on promotion and rewards, because Chinese leadership emphasises persons and guanxi more than job tasks (Wei et al, 2010). As Chinese employers perceive loyalty to be more important than individual competence, managers have a common habit of creating an 'in-group' identity amongst team members, eliciting from subordinates the personalised trust owed to in-groups (Han et al, 2012). Those phenomena existed in the case companies as well. For example, it was confirmed by an interview participant from Company A:

“There is a guanxi-oriented promotion atmosphere in our company. After taking over a senior managerial post, a new senior manager is likely promoting some subordinates who have good guanxi with him. Of course, he needs a group of subordinates loyal to him.” (Company A Department Manager)

In order to pursue better career growth opportunities within the organisations, establishing good guanxi with superiors was talents' common expectation in the three companies. This psychological expectation might be obvious in the POEs, because their management was impacted by senior managers' personal manner and guanxi factors.

However, guanxi is a double-edged sword; many talents expressed their concern regarding the negative influence of guanxi. Various types of guanxi, such as external business guanxi, superior-subordinate guanxi, and relative guanxi, might be negatively related to perceived fairness. Although guanxi effects might benefit individual talents who receive favours, some guanxi influence could be detrimental to the interests of other talents without guanxi support. Talents expressed their concerns about injustice as well.

Talents expected to avoid unjust guanxi effects. Some interview participants argued that guanxi factors influenced HR decisions, such as recruitment and promotion, and made them perceive unfairness in the organisations. Some special recruitment and promotion based on exchange of guanxi favours might conflict with universalistic norms and increase some talents' justice concerns in enterprises. As described by a middle manager from Company A:

“Certainly, we are facing various guanxi influences in the company. For example, some colleagues relied on relative guanxi or their social ties to join the company. I rely on my working performance here. Then there are some issues of unfairness regarding our (administrative) grades. My personal capability is much stronger than theirs. But my grade is lower than theirs or just equal to theirs. I think it is a common problem in the private-owned enterprises. But I hope guanxi do not impair fairness in our companies.” (Company A Department Manager)

These guanxi issues often involved guanxi exchanges at organisational level or senior managers’ relative guanxi. Guanxi factors might force case companies to recruit specific employees as part of an exchange of favours. Those HR decisions influenced by guanxi factors might have negative effects on talents’ justice perceptions. As a manager from Company A complained:

“Currently, some employees joined our company by utilising guanxi ties in the society. Company has to accept those people. But after accepting those employees, there are many problems about allocating their posts and ranking their administrative grades. I feel it’s unfair if those employees with lower performance are ranked on higher grades.” (Company A HR Manager)

Many interview participants from companies A and C showed similar expectations. They did not expect guanxi effects to destroy fair competition within the organisation. As these companies were not in leading places in the industry, they might use guanxi influences to compete for resources in the Chinese market; so guanxi favour exchanges at organisational level might be more obvious in these two companies. Thus, there was a conflict between organisational level guanxi favour exchanges and individual justice perceptions. Negative justice perceptions might reduce some talents’ organisational commitment. In contrast, Company B as an industry leader had more advantages to compete for resources in the market; so it might have less need to rely on guanxi favour exchanges. In addition, Company B advocated establishing standard organisational regulations to guide management practices; this might limit some guanxi favour exchanges and reduce the sense of injustice. The analysis showed that it was not a simple task to satisfy talents’ expectation regarding guanxi issues, because guanxi involves various stakeholders inside and outside organisation.

Furthermore, the influence of superior-subordinate guanxi might lead some talents to feel treatment is unfair in the organisation. It was found some managers in the case companies might give favours to subordinates with whom they had good guanxi. Interview results showed that some managers' decisions were influenced by their supervisor-subordinate guanxi. For example, in Company A, the selection of candidates for "one-to-one" talent development was largely influenced by superior-subordinate guanxi. This could be unfair to some subordinates who did not have good supervisor-subordinate guanxi. As argued by a middle manager from Company A:

***"How does the company select "one-to-one" mentoring candidates? I think it largely depends on the superior's personal feeling. Namely, the supervisor feels the two subordinates are OK; the two people are selected as talent development candidates. HR department just agrees with the decision as well. Some subordinates who have good guanxi with their supervisor may have more opportunities to be selected as candidates. There is no supervisory mechanism to ensure the justice of the selection process. It is unfair for some candidates without guanxi support. "* (Company A Department Manager)**

Superior-subordinate guanxi had a significant influence on decision making when selecting talent development candidates in Company A. Similarly, in terms of the superior-subordinate guanxi influence on managers' decision-making, some other interview participants also expressed their concerns about injustice. It was consistent with arguments that Chinese managers' administrative decisions in promotion are not only influenced by rules but the subordinates' guanxi with them; Chinese managers give those with whom they have good guanxi more promotion opportunities (Chen et al, 2011). Therefore, some talents who did not have good superior-subordinate guanxi viewed the decision-making process as unjust. Some potential talents might even lose their confidence to pursue career development in the organisation. As expressed by an assistant manager from Company A:

"I don't have too much confidence in getting promotion in this company, because I don't have guanxi ties with senior managers. And none of them, I mean the current senior managers, used to be my immediate supervisors. I have little guanxi

support here. So there's no point in working too hard for pursuing promotion opportunities. ” (Company A Department Assistant Manager)

In general, it was found that talents, from a personal perspective, expected to build good personal guanxi with their superiors, because they expected to obtain more favours and support from superiors and to pursue better career development opportunities in the organisations. In the context of these case companies, good superior-subordinate guanxi might, to a greater or lesser extent, allow talents to feel a higher self-esteem in the organisations and enhance talents' sense of belonging. This feeling helps to retain talented employees. However, guanxi might also induce negative feelings. Some talents viewed guanxi influences as a cause of injustice within the organisations. They disliked colleagues or competitors utilising guanxi effects to influence managerial decisions and violating the rule of fairness. It was found that talents care about unfairness. Unfairness might also reduce talented employees' organisational commitment.

8.4.2. Harmonious guanxi environment

Another sub-theme that emerged through interviews was a “harmonious guanxi environment”. Most interview participants expected to work in a harmonious guanxi environment. “Harmonious guanxi environment” means individual behaviour should not interrupt harmonious social relationships. It was found that talented employees in the real estate enterprises needed to collaborate with colleagues; harmonious guanxi environment in the workplace played a significant role in supporting cooperation within the organisation. Most interview participants argued that a harmonious guanxi environment was an important factor influencing their job choice and turnover intentions.

Interview respondents from the three case companies expected to keep harmonious guanxi with other colleagues in their workplaces, because harmonious guanxi meant more convenience in their working processes. A manager from Company A stated:

“I hope to work in a harmonious guanxi environment. Interpersonal guanxi among employees is simple and harmonious. I don't like working in an organisation with complex guanxi conflicts.” (Company A Department Manager)

Similarly, another talent from Company B stated:

“Teamwork is an important part of my job. I need my colleagues’ support. I think harmonious guanxi environment does matter. Good guanxi with colleagues helps me to work smoothly and happily, because the harmonious atmosphere makes many things easier to handle.” (Company B Department Manager)

A harmonious guanxi environment could bring talents benefits such as high work efficiency and a good mood in their working process, because harmonious guanxi atmosphere in workplace can facilitate information flow, leading a higher level of mutual understanding and trust among colleagues (Su et al, 2007). As confrontation within workplaces is considered unacceptable in a harmonious guanxi environment, the respect for harmony helps reduce conflicts and ensures smooth operation in organisations (Wang et al, 2005). These talents expected to work in a harmonious atmosphere and avoid conflicts with colleagues.

Furthermore, it was found that guanxi problems or conflicts might increase talents’ turnover intention. Some key talented employees left their employers because of guanxi conflicts with colleagues. This was supported by a HR manager from Company A: ***“guanxi conflict is one of main reasons that cause talents turnover in our company” (Company A HR Manager)***. As Chinese culture gives strong emphasis to the importance of harmonious guanxi, which is considered as the central pillar sustaining all kinds of relationships (Ho and Redfem, 2010), once the harmonious guanxi is destroyed by conflicts, mutual trust and cooperation of both guanxi parties may break down and be difficult to recover. Thus, failure to keep harmonious guanxi may lead to talent turnover. As described by a middle manager from Company B:

“One of my colleagues left our department due to guanxi conflicts. His professional competency could be the best one in our department. But that guy came across some guanxi conflicts within the department. You know, face is very important in a workplace. At last, he decided to leave the company because guanxi problems made it difficult for him to work with other colleagues.” (Company B Department Manager)

With further interview explorations, it was found that talents were more concerned about superior-subordinate guanxi conflicts, which were much more likely to cause

turnover behaviours than guanxi conflicts with co-workers. A manager from Company B stated:

“Harmonious guanxi with superiors helps you to keep in tune with the boss in the working context. Otherwise, it is uncomfortable to work in the company. We used to have a vice-president, who was recruited from a state owned enterprise. He just stayed here for a short time and then resigned, because he had guanxi problems with our chairman.” (Company B Department Manager)

Harmonious guanxi was more important for retaining talents at senior management level. In the Chinese cultural context, guanxi factors such as personal trust and loyalty are major considerations in hiring, especially for higher level positions (Chen and Francesco, 2000). Failure to maintain harmonious guanxi in the working context might lead to talents’ turnover.

In contrast, some talents who successfully developed harmonious guanxi with colleagues and superiors were very loyal to their organisation, because good guanxi between managers and employees can enhance loyalty and help to maintain positive work morale (Su et al, 2007). Harmonious guanxi helped the talents to work smoothly with their colleagues and superiors. As described by a manager from Company C: ***“Harmonious guanxi with my boss and colleagues lets me work happily and smoothly in the company. I feel loyal to the organisation. The chairman is both my boss and friend.”(Company C Department Manager)***

As harmonious guanxi is often fostered through close interactions and reciprocal relationship both inside and outside working hours, many interview participants expected their organisations to create more opportunities such as social activities to develop harmonious guanxi within the organisation. Social activities were a significant channel to develop harmonious guanxi among employees. Social activities both inside and outside working hours may develop successful personal guanxi ***“because frequent communication in relaxing contexts increases familiarity between colleagues and make us feel like family members.” (Company A Department Manager)***. Similarly, Company C successfully developed a good organisational guanxi atmosphere through social activities. As described by a department manager:

“Through taking part in company’s social activities, such as birthday parties, Karaoke and dinners, I have more non-work related interactions with my colleagues and superiors. With open communications in relaxing contexts, we are more familiar with each other and foster good guanxi with each other. The company’s activities can keep us all together, like a big family. I like working in this harmonious guanxi environment.” (Company C Department Manager)

Talents were happy to join social activities to communicate with colleagues and enhance their familiarity. Those social activities were helpful to build harmonious guanxi environment and enabled talents to feel close to each other and helped existing talents to feel close to the organisation.

8.5 Conclusion for talents’ expectations and turnover determinants

Based on analysing talents’ interview transcripts from the three case companies, it was found that talents’ turnover determinants involved three main aspects, career development, rewards, and guanxi. Understanding talents’ expectations and turnover determinants is helpful to improve talent management practices and to retain talents in the research context.

Many talents in an early career stage might have strong turnover intentions if they are not satisfied with the career development opportunities. These young talents emphasised personal career development, such as promotion opportunities and learning opportunities. The talents felt a sense of career growth if they were satisfied in one of the two aspects. Unlike senior talents, young talents at an early career stage were keen on climbing the ladder of promotion. Although financial income was an important symbol of personal success in China, young talents thought personal career growth more important than financial income at their career stage, because they thought personal career growth would bring more financial income in future. Young talents expected to work for an enterprise that could offer career growth opportunities. Consequently, corporate prospects were also of concern to talents, because their individual developments were closely tied to the organisation. Both senior talents and young talents expected to remain in enterprises with good business prospects, because this could provide more long-term career development opportunities to individuals. Moreover, talents viewed learning opportunities as another part of career development. Many real estate professional talents expected to

remain in an enterprise that could keep them learning new professional knowledge. Keeping pace with industrial knowledge and maintaining career growth in the professional area were considered as career development by professional talents, such as architects and designers. In addition, job rotation helped talents to maintain freshness and enthusiasm towards working. They expected to understand different business links of the enterprises and to accumulate more working experience. Lack of learning opportunities or freshness might increase talents' turnover intentions. Besides independent learning through working, young talents expected to get mentoring and training from their employers. Good mentors were considered as significant influences on their personal career development. Unlike senior talents, young talents at an early career stage expected to obtain mentors' guidance and hints to support their personal career development. If an enterprise's TM practices neglect the talents' learning expectations, it may increase young talents' turnover intentions. Although talents might have various learning expectations, if their enterprises fulfilled one of those learning expectations, it was considered by talents as good support for their career development.

Reward expectation was another factor that influenced talents' turnover intention. Failure to fulfil talents' rewards expectations would increase talents' turnover intentions. However, talents at different career stages emphasised different kinds of rewards. If their pay was acceptable, young talents at an early career stage did not blindly pursue high salary but were more interested in some benefits such as tuition reimbursement and housing benefits that could contribute to their career growth and long-term development. In contrast, senior talents paid more attention to financial rewards, because they viewed them as a symbol of organisational recognition. As many Chinese POEs in the real estate industry were competing for talents, these talents were well aware of their market value and perceived rewards as important influences on turnover intention. Understanding talents' rewards expectations in the research context is helpful to improve TM practices and retain talents.

It was found that talents at different career stages had similar guanxi expectations. Guanxi factors, such as superior-subordinate guanxi, and colleagues' guanxi also influenced talents turnover intentions. Most talents expected to have harmonious guanxi with colleagues, and guanxi conflict was a significant determinant of talents' turnover. Talents also expected to build good guanxi with their superiors. Good

superior-subordinate guanxi let talents feel a sense of belonging in their organisation, and also had important effects on talents' promotion and rewards in the organisation because organisational leadership emphasised persons and guanxi. Furthermore, once the talents built good guanxi with their superiors, they were loyal to their superiors and the organisations they represented. Good superior-subordinate guanxi might encourage some talents who received their superiors' favours to show unreserved loyalty and obedience towards them. Good superior-subordinate guanxi might enhance talents' loyalty and organisational commitment. Chinese POEs' TM practices could make good use of the positive effects of superior-subordinate guanxi to enhance talents' loyalty and organisation commitment. Conversely, guanxi conflicts among employees might lead to talent turnover, as it might destroy mutual trust and respect. Cooperation of both guanxi parties may break down and be difficult to recover. Furthermore, guanxi favour exchanges could have some negative effects that might conflict with universalistic norms in the enterprises. These negative effects might violate the rule of fairness and undermine some talents' confidence, increasing their turnover intentions. These negative guanxi effects should be taken into account by TM practices. Understanding the negative as well as the positive effects of guanxi is helpful to improve TM practices and retain talents in the context of Chinese POEs.

As analysis showed that talents' expectations and turnover intentions mainly involved three aspects, carer development, rewards, and guanxi; modifying organisational TM practices in according to the three aspects may help case companies to improve TM effectiveness and reduce talent turnover. Some TM suggestions for retaining talented employees are discussed in the next chapter.

Chapter 9: TM Mechanisms for Retaining Talented Employees

This chapter answers the research questions, what major factors lead to talents' voluntary turnover and how can these Chinese POEs retain talented employees through further TM activities? It was found that talents' turnover intention was closely influenced by career development, reward and guanxi. Failure to fulfil talented employees' expectations in these three aspects may lead to talents' turnover behaviour. Linking to TM practices, this chapter provides a talent retention framework, which covers the career development, reward and guanxi aspects. Detailed TM activities are discussed in the following sections.

9.1 Career development

As show in previous chapter, failure to fulfil talents' career development expectations, such as career goals, promotion and learning opportunities may lead their voluntary turnover; talent development practices should match talents' personal development expectations and pay attention to the needs of talents and the developmental stability of individuals. Some TM mechanisms relating to talents' career development are discussed below.

9.1.1 Career prospects

Previous chapter found that talented employees expected their employers to offer them clear career goals, such as a target post or competence development within the organisation. Availability of an achievable career goal and the process of fulfilling the career goals can motivate talented employees to work in their companies. Talented employees are often key employees with high market value and strong personal ambitions; any obstacles that hinder their personal career development may turn their turnover intentions into actual turnover behaviours.

Offering talent employees career goals helps talent retention. Company A and Company B were good at offering career goals to talented employees. Through talent development activities, such as mentoring and 'post trial', both companies not only set target posts for their talented employees but also developed their competences to achieve these posts. These talent development activities clarified talented employees' career vision and reduced talented employees' turnover intentions, because clear career goals not only reduce people's ambiguity and direct them to focus on goal-

relevant activities but also increase their enthusiasm and persistence during goal pursuit (Morisano et al. 2010; Holtschlag and Masuda 2011). In contrast, Company C failed to set career goals or offer career prospects to talented employees; it led talented employees could not see their career prospects in the organisation. This fault contributed to its talent turnover. TM are strategic and holistic practices, which need to be supported by the whole organisation from senior to front-line levels. Strategic plan and individual requirements need to be considered by TM practitioners. In Chinese context, Chinese people have a strong future-orientation, so an attractive long-term career vision is helpful to retain talent. This research suggests companies apply TM practices to share organisational vision with their talented employees and let talented employees understand what the organisation needs and how their personal career goals fit into organisational prospects. Talent development plan should match individual career growth and the organisation's talent succession plan. Clarifying the relationship between organisational development plan and individual development plan allow the organisation and talented employees to be aware of what is wanted and needed from each other and encourages talented employees to pursue long-term career development within organisation. This TM activity helps to increase talents organisational commitment and reduce turnover intentions.

9.1.2 Promotion

Promotion is another common expectation for career development. Failure to fulfil promotion expectations or existence of career bottleneck within the organisation may increase talented employees' turnover intentions, which may turn to leaving behaviours if they find promotion opportunities in other organisations.

Although all the case companies focused on promoting talented employees from within, they adopted different talent development practices to address promotion. Company A's talent development activities set target posts for talented employees and providing talented employees plenty of mentoring and training activities. However, this organisation could not provide enough actual promotion opportunities, since promotion was hindered by organisational structure and HR policies. In contrast, Company B adopted creative talent development strategies and offered talented employees more promotion and development opportunities. Company B's talent development strategies transcended the limitations of traditional HR policies, its flexible promotion policies fulfilled talented employees' promotion expectations.

Conversely, the flexible promotion policies enabled some candidates who were not suitable for the posts to return to training. Appointing people on the basis of ability retained more talented employees. By contrast, Company C could neither clarify career goals nor offer enough promotion opportunities to internal talented employees, so it was unable to fulfil talented employees' promotion expectations. Career ambiguity and fewer promotion opportunities increased talented employees' turnover intentions in Company C.

This research suggests that TM strategy should encourage promotion from within and create a sense of achievement for internal talented employees. It can not only fulfil talents promotion expectations but also gives talent pool great hope for their future career within the organisation. Employees with more promotion opportunities will have better organisational commitment and less turnover intention (Liu, 2008). Adopting flexible HR policies, such as setting up trial managerial posts, is not only a good way to develop a talent pool but also fulfils talented employees' career development expectation. This TM application helps to make talents flow within organisation and reduce talents' turnover intention.

9.1.3 Learning opportunities

In order to pursue career development, talented employees, particularly young talents in early career stage, expected to obtain learning opportunities from their employers. Failure to obtain learning opportunities may reduce talents' organisational commitment and increase their turnover intention. The three case companies tried to provide talented employees with learning opportunities. To some extent, such on-the-job training increased talented employees' continuance and normative organisational commitment.

However, it was found that post-related training and development might not meet talented employees' learning expectations. Young talented employees preferred to try challenging jobs and to learn something new through working. Talented employees expected to accumulate managerial experience and professional knowledge. Failure to fulfil these expectations did increase talents turnover intention. This research found that job rotation was a suitable way to increase talents learning opportunities for the case companies, because real estate companies have strong linkages between departments. Job rotation not only fulfils talented employees'

learning expectations but also develops a deeper and wider talent pool for the organisation. Unlike promotion, which may be limited by a flat organisational structure, job rotation helps talents, particular managerial talents, to practise in different departments, and so to understand their organisations' business processes better and to deal with business in a holistic manner. Variety of working experience and job enrichment largely fulfil talented employees learning expectations. Furthermore, job rotation enables talented employees to develop their interpersonal guanxi networks within the organisation and assists them to embed with the organisation. In these ways, job rotation is helpful to offer talents learning opportunities and develop talents' normative and affective commitment.

9.1.4 Mentoring

Talented employees, particular young talents, expected to have mentors to help them to improve their competences and knowledge within the organisation. Although the research findings showed that some talent development activities involved formal or informal mentoring behaviours in the case companies, those mentoring largely proceeded from organisations' interests and focused on post-related issues. Consequently, the mentoring might not fully meet young talented employees' learning expectations or fulfil their personal career expectations. From talents' perspective, these talented employees expected to gain more hints about career growth. Failure to fulfil talents' mentoring expectations might increase their turnover intention.

The research suggests TM development practices can adopt special mentoring programme, which focuses on matching organisational development to talented employees' personal career development objectives. This mentoring support can not only develop talents but also plays a significant role in retaining talents for organisations, because helps talents to build long-term career development plan within organisation. Furthermore, since guanxi is an important criterion to define talent in the context of the Chinese POEs (Zhang and Bright, 2012), guanxi factors are certainly involved in talent development and talent retention. Empirical evidence shows that mentoring helps to build guanxi ties between talented employees and their mentors, and such ties are helpful to retain talented employees. In Chinese context, these guanxi ties involve loyalty, reciprocal obligations and affective

attachment, so guanxi ties greatly increase talented employees' organisational commitment.

This study suggests Chinese POEs to make good use of mentoring to develop talented employees' personal competences and guanxi ties within the organisation. The mentoring with a focus on building guanxi ties can not only help talented employees to gain personal and professional development, such as leadership skills and post-related competencies but also to learn the organisation's culture through guanxi ties. This mentoring helps talented employees to identify with the organisation. Furthermore, taking advantage of mentoring to develop talented employees' guanxi ties within the organisation is a fruitful way to retain talents. From talented employees' perspective, mentoring can fulfil individual guanxi expectations. From the organisation's perspective, mentoring is not only effective to develop talents' competences but also builds talents' guanxi ties within the organisation and increase talents' organisational commitment. Guanxi ties as a by-product of the mentoring programme can make up for the inadequacies of other talent retention measures and effectively increase talented employees' organisational commitment. The individual mentoring proposed by this research is a good talent development practice to match the demands of both talented employees and organisations. Mentoring is an adequate TM tool to develop and retain talented employees in the context of Chinese POEs.

9.2. Rewards

Previous chapters showed that talented employees' turnover intentions are influenced by reward expectations as well. Failure to fulfil talented employees' reward expectations may increase talented employees' turnover intention. Rewards in these case companies included financial rewards and non-financial rewards. It was found that talented employees at different career stages have different reward expectations. Adopting reasonable rewards policies to fulfil talented employees' rewards expectations plays a significant role in retaining talented employees. However, as in the Chinese POEs guanxi factors often impact employees' pay level; talented employees questioned this practice and wanted their reward decisions not to be affected by guanxi ties. For example, this problem were confirmed by interview respondents in Company A.

Research results show that competitive financial rewards are helpful to retain talented employees. Competitive financial reward packages such as high salary and stock options were popular used to retain senior managerial talents. These financial reward packages not only fulfil talented employees' financial reward expectations but also increase their continuance organisational commitment. However, some financial reward has limitations. For example, stock options might be effective to retain talents for a limited period only. Moreover, young talented employees in early career stage might have strong turnover intentions if their employer fails to fulfil their basic financial reward expectations. For example, Company A and Company C lost some talented employees because their salaries were not competitive in the market. Whereas, some welfare packages such as housing benefits and tuition reimbursement were very helpful to retain young talented employees, because many Chinese young employees cannot afford the ever-increasing cost of real estate (Kwok 2012) and learning and development opportunities are important for their career development; so such benefits satisfied young talented employees' urgent needs. Therefore, this research suggests that adopting tailored rewards packages to targeted talent groups can improve talent retention. For talented employees at senior level, competitive financial rewards such as stock options are suitable to increase their continuance organisational commitment. For young talented employees at early career stage, tailored welfare packages that meet their urgent needs are effective talent retention tools. In China's context, tailored long-term welfare packages such as housing benefits and tuition reimbursement increase not only young talented employees' continuance organisational commitment but also normative organisational commitment. Unable to fulfil their rewards expectations were easy to turn their turnover intentions into actual turnover behaviours, because of attractive opportunities from the job market.

This research argue talent retention practices should adopt differentiated rewards packages to target talented employees at different career stages, because talents differ in their valuation of various rewards. Talent retention practices cannot assume all talented employees have identical preferences for rewards. A high starting salary strategy is helpful to retain graduating talents by satisfying their basic needs, because it is difficult for graduates to get a high salary in their first job. Managerial ownership or stock options good to retain talented employees at senior levels.

Moreover, non-financial rewards or welfare are necessary to be considered as talent retention tools. Offering learning opportunities or welfare to support talented employees' personal life can also enhance their organisational commitment. Adopting tailored reward packages to retain targeted talent groups can lead to a high level of organisational commitment. Furthermore, according to organisational characteristics and availability of relevant resources, those organisations can adopt both financial rewards and welfare packages in a reasonable combination to retain talented employees. A good match between organisational resources and talented employees' demands from both organisational and talents' perspectives is important to retain talents by rewards package.

9.3. Guanxi

It was found that guanxi influences talented employees' turnover intentions. Talented employees expected to have high quality supervisor-subordinate guanxi and harmonious colleagues guanxi within the organisation. In contrast, guanxi conflict was a significant determinant of talented employees' voluntary turnover in these case companies. At the individual level, talented employees expected to build good guanxi with their superiors because the hierarchical nature of Chinese society emphasises respect for seniority and subordinates who have good guanxi with superiors may feel more valued in the organisation (Child et al 2005; Newman et al 2012). Harmonious guanxi with other colleagues within organisations helps to reduce conflicts and ensures smooth operation in the organisation (Wang et al, 2005). It was found that fulfilling talented employees' guanxi expectations played an important role in retaining talented employees in the context of Chinese POEs.

Linking to research findings from previous chapters, we know that high quality supervisor-subordinate guanxi is easy to be built through mentoring activities. This research suggest to take advantage of talent development activity, mentoring, as a platform to improve talented employees' supervisor-subordinate guanxi, which in turn can increase talents' organisational commitment, and reduced their turnover intentions. Taking advantage of Chinese guanxi ties to increase talented employees' organisational commitment is a suitable way to retain talents in the context of Chinese POEs. As a person's high emotional intelligence skills help to build good supervisor-subordinate guanxi, some issues need to be considered before implementing mentoring activities. First, selecting supervisors with high emotional

intelligence skills to be mentors is helpful to build high quality supervisor-subordinate guanxi for talented employees. These case companies can put emotional intelligence skills as a criterion for supervisor selection and promotion. For example, companies can conduct detailed analyses to clarify the emotional characteristics of each mentor. This helps to select suitable mentors / supervisors who are able to build good guanxi with talented employees. Second, case companies can develop mentors' emotional intelligence skills by providing training, such as simulations, behaviour modelling, role-plays, and scenario writing. Developing individuals' emotional intelligence skills is an important element for training mentors, since professional mentors with high emotional intelligences skills can appropriately handle guanxi with talented employees. Third, case companies should utilise mentoring programmes to help talented employees to build guanxi ties with their superiors and enable talented employees to be loyal to their superiors and the organisation. Organisations can establish formal or informal mentoring programmes for targeted talented employees. In terms of organisational talent strategy, matching the right supervisors with the right talented employees is an important step to developing talented employees' guanxi ties. In order to take advantage of guanxi ties to retain talented employees, organisations should offer talented employees and their mentors more informal interaction opportunities such as social activities and informal communication to developed loyal guanxi ties, because Chinese guanxi ties are easy to develop through informal interactions, such as social activities, sharing dinners and favour exchange. Chinese context belongs to a high power-distance culture (Hofstede, 1997), instead, superiors who make an effort to socialise and interact with talented employees (subordinates) can gain more respect and trust, which helps to build supervisor-subordinate guanxi. TM practices should therefore create more social interactions and communication opportunities for talented employees and help them to build close guanxi ties within the organisations. Since close guanxi ties are built between talented employees and their superiors (mentors), each supervisor as mentor can utilise the guanxi ties to retain the talented employees (mentees) as subordinate. Similarly, talented employees at top management level could mentor talented employees at middle management level, and talented employees at middle management level mentor talented employees at front-line management level. Following this mentoring mechanism, a guanxi chain can cover all the talented employees at different management levels and link talented employees from top

level to front-line level in an organisation (See Figure 9.1). With the help of the guanxi chain, an organisation can interlock talented employees by guanxi ties. The mentoring programme becomes a platform to integrate talented employees into an organisational guanxi chain, which can be led by the top managers of the organisation.

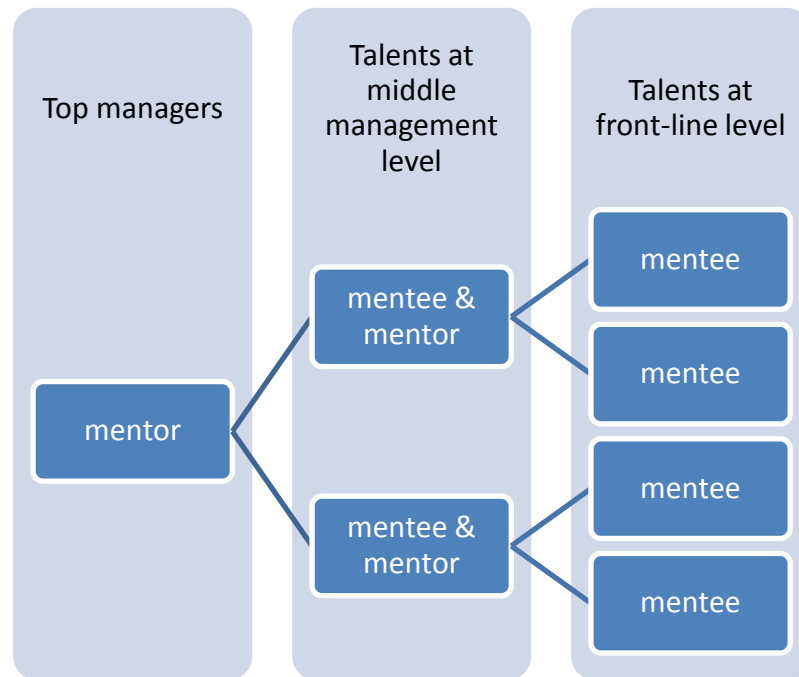


Figure 9.1: Building talents guanxi ties through mentoring Source: the author (2013)

The mentoring programme is helpful to fulfil not only talented employees' guanxi expectations but also organisations' demands regarding talent retention. Emotional attachments, reciprocal obligations and favour exchanges that are attached by close guanxi ties can increase talented employees' affective commitment, normative commitment. In turn, the close guanxi ties can reduce talented employees' turnover intention. In addition, talented employees invest heavily in developing and engaging with the guanxi networks within the organisation. Leaving the organisation means losing the guanxi networks, which is a high cost. Thus, guanxi ties increase talented employees' continuance commitment. This new talent retention practice that is based on guanxi ties can compensate for the deficiencies of traditional talent retention practices.

9.4. Retain talents through further TM practices

Since these case companies had already identified their existing talented employees in the organisation, the companies could undertake a series of TM practices to develop and retain those talents. Based on analysis of previous sections, a holistic talent retention framework that links talents expectation and organisational TM practices was developed in this section. The framework is showed below (see Figure 9.2).

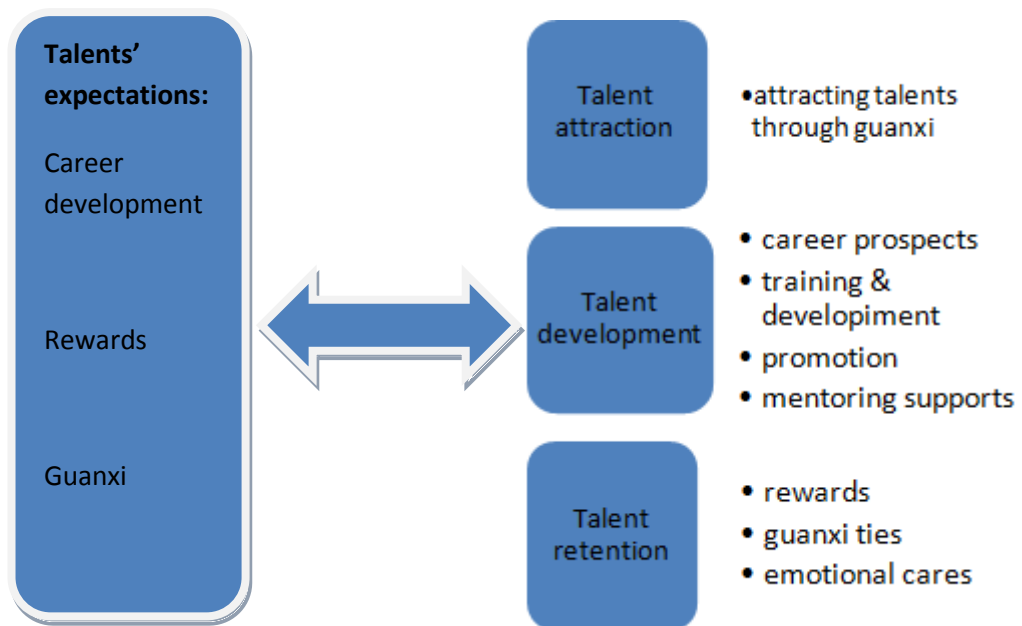


Figure 9.2: talent's expectations and talent retention framework Source: the author (2013)

In general, the main determinants of talented employees' voluntary turnover involve three aspects, career development, rewards and guanxi. Failure to fulfil any one of the three aspects may increase talents' turnover intention. These case companies' TM practices should link the three areas and try to match organisational TM practices to talented employees' expectations. Taking Chinese cultural issues and characteristics of the Chinese POEs into account is an important contribution of this talent retention framework. It helps to retain talented employees in the research context.

Firstly, recruiting talents through guanxi networks may helps to retain talents, because guanxi tie already exist in talent attraction process. Guanxi recruitment can

not be neglected in talent retention framework. Secondly, offering more career development opportunities helps to retain talents. Offering career prospects, promotion, training and development, and mentoring through talent development practices can fulfil talents career development expectations and guanxi expectation. Thirdly, offering suitable rewards packages, building high quality guanxi ties, are useful talent retention practices. Offering tailored financial and non-financial rewards can fulfil talents rewards expectations. Emotional care and mentoring programmes can also fulfil talents guanxi expectations. A series of TM practices that embedded different TM stages, helps to increase talents' organisational commitment in different perspectives and in turn reduce talents' turnover intentions. With a clear target of context of Chinese POEs, this talent retention framework takes a holistic TM view to demonstrate talent retention. It provides an applicable talent retention guide for these Chinese POEs.

Chapter 10: Discussion

10.1 Introduction

Key findings about talent definition, TM practices, determinants of talent turnover and some suggestions for retaining talented employees were presented in previous chapters. In this chapter, these findings will be discussed in relation to the TM theoretical framework. Understanding how guanxi issues impact on TM allows us to make a theoretical contribution to TM. This chapter will also discuss how to adopt TM practices, especially in the light of guanxi issues, to increase talented employees' organisational commitment and retain talented employees in the context of Chinese POEs, from both theoretical and practical perspectives. Each of these points is discussed in the following sections.

10.2 Talent definition

Understanding what is meant by talent is the first step for TM research. One of the research objectives was to explore the way in which talent was identified in the Chinese POEs. Organisations often formulate their own talent definitions according to their own values. Hence, there are considerable differences in how talent is defined in different types of organisation. It is therefore valuable to explore how these case companies define their talented employees. Although these case companies did not share a single universal talent definition, their ways of defining talented employees had some commonalities. Our research found these case companies defined their talented employees through three main perspectives: 1) competence / potential, 2) positions, 3) guanxi. This section will discuss these talent definition perspectives based on TM literature and examine how the talent definitions influence other TM practices in the context of the case companies.

According to the review of TM literature, talent definition in the business context can be divided into the inclusive approach and the exclusive approach (Stahl et al, 2012). The inclusive approach views talent as the entire workforce of an organisation; in contrast, the exclusive approach defines talent based on differentiation of a small segment of the workforce (Thunnissen et al, 2013). Our results showed the case companies preferred to define talent with the exclusive approach. They identified talented employees by ranking employees in terms of competence, position and guanxi, which can support organisational development. These case companies

seemed not to be interested in the inclusive talent definition approach. According to existing TM literature, most organisations prefer to use the exclusive approach (Thunnissen et al, 2013), so our results are partly consistent with prior research studies. An inclusive approach could not help these case companies to distinguish talents. If they viewed every employee as a talent, the implications in terms of extended TM practices would be costly. Defining talents as a minority of employees based on consideration of competence, posts and guanxi allowed these companies to spend limited resources on key individuals. This means the exclusive approach was suitable for the case companies to identify some individuals who would make a significant contribution to the organisation. However, our results found the exclusive approach used by the case companies was different from that described in existing TM literature. Due to the characteristics of Chinese POEs, guanxi engaged as an important element in talent definition. Previous discussion of the exclusive talent definition approach focused on the competence perspective and the position perspective (Lewis and Heckman 2006; Collings and Mellahi 2009; and Davies and Davies 2010); but did not involve the guanxi perspective. Thus, prior TM theories are not adequate to explain talent definition in my research context. My results further provide evidence of the guanxi perspective and so develop the exclusive talent definition approach. My results not only reinforce the argument of the exclusive approach but also fill a theoretical gap through exploring talent definition in the context of Chinese POEs.

Competence / potential was considered as the first talent definition perspective in these case companies. This was similar to existing TM literature, which argued that employees with a high level of competence or potential can make a significant difference to the current and future performance of the organisation (McCauley and Wakefield 2006; Davies and Davies 2010; McDonnell 2011). Research results showed that some talented employees' individual competences or potentials were reflected by their excellent post-related performance. The case companies preferred to define employees with a high level of competence as talented employees. This is in line with Thunnissen et al.'s (2013) summary that talents are some employees who have exceptional competence and who are able to apply those competences to achieve excellent performance. Although the competence perspective has been found by previous studies, this research further explored how real estate companies identify

their talented employees' competence. These competence requirements were often position-related in these case companies, because these case companies had various key posts which involved different disciplines. The research findings can help real estate organisations to segment talent competence requirements and make a clearer talent definition.

Research findings show that position is another important talent definition perspective. Critical posts were considered as a criterion for defining talents. Individuals in critical posts were more likely to be identified as talents, because some critical posts were closely associated with the organisation's core business. This is also in line with some existing literature, which argues that talent management should focus on key positions which differentially contribute to the organisation's sustainable competitive advantage (Collings and Mellahi 2009; Lewis and Heckman 2006; Whelan et al, 2010). Although the research finding is similar to existing literature, this research offers empirical evidence of the position-related talent definition in the Chinese real estate POEs. My results highlighted some critical posts that were often considered as talents in the organisation. The case companies had to concentrate on these critical posts that supported the core business, because some posts such as architectural designer or real estate project manager, have greatest potential to impact on the organisation's overall strategic intent. As every post contributes to the companies in different ways, some critical posts that have significant impact on organisational performance became a perspective of talent definition. Therefore, the results reinforce the argument for defining talent by emphasising strategic posts or pivotal posts that can provide the organisation with a competitive advantage (Collings and Mellahi, 2009). This means the position-related talent definition perspective is appropriate in the Chinese POEs.

Furthermore, another significant talent definition perspective is guanxi. Although guanxi has gained significant attention from researchers in other business disciplines, the guanxi perspective has not been discussed in existing talent definitions or TM literature. Only one article, which was written by the author and his supervisor in 2012, raised the point that guanxi influences talent definition in the context of Chinese POEs (Zhang and Bright, 2012). Guanxi is critical for a talent in China's context, because it is unique to the Chinese culture in many ways, such as loyalty, trust and social capital. Based on guanxi networks, business exchange and

favouritism are personalised. Managers can exploit guanxi networks to bring their organisations more resources or protection (Gu et al, 2008). Besides external aspects, guanxi also has a close relationship with employee loyalty and internal organisational cooperation. Research findings show that these characteristics above were impact on defining a talented employee in the case companies. Thus, this research argues that it is valuable to consider guanxi as an important perspective of talent definition, especially in the context of Chinese POEs. Including this additional perspective into talent definition is helpful to have insight to talented employees' attributes such as loyalty, cooperation and access to external resources. It enables generation of fruitful theoretical contributions to TM practices in the specific research context. Perhaps the most significant contribution of this research is the development of a new theoretical perspective on talent definition, by incorporating guanxi.

In the context of Chinese POEs, defining talent based on the criterion of guanxi allows companies to identify loyal talented employees. Most existing talent definition theories and TM literature have not discussed this point. The research findings uncovered the relationship between guanxi and talent loyalty. My empirical evidences about defining talented employees proved that POEs' bosses viewed high quality interpersonal guanxi as an antecedent of talented employees' loyalty. Previous TM literature was based on the Western context and few studies consider Chinese POEs' characteristics and Chinese cultural issues to analyse talent definition, or analyse the relationship between talent definition and talent loyalty. It was found talent definition was impacted by Chinese bosses' psychological habits. As people in Chinese POEs are more likely to value group guanxi and family guanxi for trust development, mutuality of guanxi facilitates the development of mutual trust and enhances subordinates' loyalty (Han et al, 2012). In this context, talented employees who have better interpersonal guanxi with their superiors are likely to be more loyal to their superiors and the organisation. Consequently, guanxi becomes an important criterion to identify talented employees; a high level of interpersonal guanxi allowed POEs' bosses to find loyal talented employees. Chinese people are more loyal to individuals than to a system, because China is still a society characterised by the rule of man (guanxi matters) more than regulation; so employee loyalty or disloyalty to superiors is likely to have a more direct influence on employee behaviour (Chen et al,

2002). The guanxi quality between talented employees and their superiors impacts talented employees' behaviour in the organisation. Defining talented employees with a guanxi perspective is helpful to identify their loyalty, which is important for retaining talents. This research finding uncovers a fruitful research direction in the TM field. As guanxi already impacts talent definition, which is the first stage of TM practices, it is very valuable to explore how guanxi impacts other TM practices, such as talent development and talent retention.

Defining talented employees through a guanxi perspective can ensure talented employees cooperate smoothly with other colleagues and maintain a high working efficiency. This is another result that has not been mentioned in prior talent definition theories. It is largely associated with the Chinese cultural characteristics. The empirical results of this study support the view that talented employees need harmonious guanxi to maintain internal cooperation within an organisation, especially a real estate enterprise, because guanxi creates a foundation for cross-functional collaboration. Previous talent definition studies discussed some criteria related to leadership behaviours or social capital (Iles et al, 2010; Tansley, 2011); this research uncovers that defining talent through a guanxi perspective is helpful to select talented employees who will easily cooperate smoothly with other colleagues within the organisation. As the Chinese corporate environment emphasises creating group harmony and maintaining good guanxi, fostering good interpersonal guanxi among departmental managers can facilitate information flow, facilitate cross-functional integration and lead to a higher level of mutual understanding and trust (Su et al, 2007). Good guanxi between managers and employees can also enhance loyalty and help to maintain positive work morale (Pearce and Robinson, 2000). Since harmonious guanxi within an organisation can resolve internal conflicts and enhance cooperation inside the organisation, a feature of talent definition in the context of Chinese POEs is the attention paid to the individual's guanxi attribute, as an indicator of ability to cooperate effectively within the organisation. Since the internal guanxi aspect, which emphasises guanxi between colleagues and cooperation, has been considered as a criterion of talent definition, it means internal guanxi has a significant influence on talented employees' behaviour. It will be valuable to follow up this internal guanxi aspect and analyse how it influences TM activities in the research context.

Moreover, the research finding shows that individuals' external guanxi was also considered as a significant aspect of talent definition. My findings in this respect are very different from prior talent definition theories. Although social capital had been generally mentioned in TM literature (Iles et al 2010), these writings did not clearly explain how social capital influences talent definition or further explore the guanxi perspective. This study discovers that an individual's external guanxi is important to define talented employees and reveals an important talent definition perspective that is widely prevalent in Chinese POEs. The importance of external guanxi in the Chinese business context is driven by Chinese culture and resource availability in China; companies with effective external guanxi are more easily to obtain resources (Su et al, 2007). Real estate POEs require some post-holders to have external guanxi networks, as this helps to obtain more resources for the enterprise. Consequently, external guanxi is a significant criterion to define talented employees in these posts. The external guanxi in this research may be much more complex than social capital discussed in prior TM studies. External guanxi also involves kinship. Therefore, according to the guanxi perspective of talent definition, some individuals who have kinship with important external stakeholders are identified as talented employees. This may appear unethical phenomena according to prior talent definition theories. Therefore, the guanxi perspective is different from prior TM literature that simply linked TM to social capital and leadership (Iles and Preece, 2006). Another important point is that guanxi is one of the three perspectives that are all considered by the POEs in the process of identifying talented employees. The three perspectives (competence, position and guanxi) are often considered holistically to define talented employees. This is different from some prior literature, which considered competence and position separately (Chuai, 2008). The empirical findings also show that some POEs sometimes pay more attention to individuals' external guanxi and downplay competence criteria when they define some specific talented employees, because a company may urgently want to utilise an individual's external guanxi to obtain resources at a specific time. External guanxi demand is sometimes more aligned to the immediate needs of the business priority; it is dynamic rather than permanent. Once some talented employees' guanxi networks are no longer useful to the organisation, these individuals may lose their talent status if their competences are not good enough. Consequently, some employees whose guanxi has expired may

become redundant personnel. For this reason, paying too much attention to the guanxi perspective to identify talented employees may lead to overstaffing.

In general, the three talent definition perspectives explain how these cases define their talented employees. Most decisions about who are talented employees are based on the three perspectives, competence / potential, position and guanxi. The guanxi perspective, which has not been mentioned in previous TM literature, was widely recognised as an important talent definition perspective in these case companies. Defining talented employees through the guanxi perspective was largely associated with Chinese culture and the characteristics of Chinese POEs. Guanxi is a new talent definition perspective for TM research. This finding fills a knowledge gap about talent definition. Thus, a significant contribution of this study is the development of a new theoretical perspective on talent definition. Linking to guanxi theories and the characteristics of Chinese POEs, this research examined how and why guanxi factors influence talent definition. The research results lay the foundations for developing talent definition theory and open up new research directions for relevant TM behaviours such as talent attraction, talent development and talent retention. Firstly, the guanxi perspective may shake the major status of “individual competence” in the process of talent attraction. Individual competence may not be the sole criterion for recruiting talented employees. Guanxi considerations also influence decision making on talent recruitment. Secondly, the guanxi perspective of talent definition injects new ideas and concepts for talent development theories. Developing talented employees’ guanxi networks both inside and outside the organisation becomes a new valuable direction for talent development theories, because both internal guanxi and external guanxi are essential for talented employees in the context of Chinese POEs. Finally, the new perspective of talent definition can also inject new concepts for talent retention. This can be divided into external part and internal aspects. Understanding external guanxi helps the organisation to identify who needs to be retained. Furthermore, utilising internal guanxi ties to retain some valuable talented employees is a fruitful concept for talent retention. Since guanxi in the Chinese cultural context entails a high level of emotional attachment, trust, reciprocal obligations and loyalty (Han et al, 2012), retaining talents by guanxi has distinctive effects, which cannot be replaced by other traditional talent retention methods such as pay rise and benefits. Therefore, injecting the guanxi perspective into talent

definition theories is a significant knowledge contribution for TM and can help both scholars and practitioners to examine TM behaviour more deeply in the Chinese context.

10.3 Talent attraction

Talent attraction behaviours in these case companies were basically aimed at the external labour market and involved a series of recruitment and selection techniques to identify suitable candidates and then attract them to join the organisation. Some talent attraction behaviours of the case companies were consistent with prior TM literature; however, some novel talent attraction behaviours that are closely associated to the Chinese POEs' characteristics were neglected in TM literature. Elaborating these talent attraction behaviours can uncover how these POEs attract talented individuals and fill theoretical gaps related to talent attraction in this research context.

Internet recruitment

Internet recruitment was widely used to attract talented individuals in the case companies. Their internet recruitment behaviours were consistent with existing TM literature; but the case companies were not likely to recruit managerial and senior talented employees through internet recruitment. Internet recruitment was popular for attracting talented employees for low level posts or technical posts, because these talented employees do not need too much guanxi and personal trust to support their recruitment. This is an interesting talent attraction behaviour in the research context. Previous TM literature only suggested on-line recruitment's advantages, such as reducing the time and cost of talent recruitment, and pointed out some technical disadvantages (Beardwell and Claydon, 2010). This research further discovers that internet recruitment is not adequate for acquiring talented individuals for senior and managerial posts in the Chinese POEs because of guanxi issues and the business context. Our empirical evidence shows that on-line recruitment is only suitable to acquire talented individuals for technical posts or low level posts. POE's managers view guanxi channels as more reliable than on-line recruitment, because on-line recruitment cannot identify talented individuals' tacit attributes such as guanxi networks and trustworthiness. My results thus further elaborate on the scope of internet recruitment in the talent attraction process. They uncover that on-line

recruitment is not adequate to measure applicants' tacit attributes that closely associated with Chinese cultural context and the enterprise's characteristics. These results also attract us to further explore POEs' talent attraction behaviours.

Job fairs

Recruitment of talented individuals through social job fairs and campus job fairs was important to talent attraction. Research findings show that reward, career development and employer brand are important factors that influence talent attraction in job fairs.

My results show that reward played an important role in attracting talented individuals at job fairs. This is partly consistent with prior TM studies, which argue that a higher starting salary is quite attractive to young talented individuals (Jiang and Iles, 2011). Although the empirical evidence proves that competitive rewards packages are quite attractive to talented individuals in job fairs, this research further found that young talented individuals, especially graduates, paid more attention to career development opportunities and job security. As university graduates are the main sources of talent pools, recruiting graduates is an important talent attraction behaviour for Chinese enterprises (Iles et al, 2010; Preece et al, 2010; Hartmann et al, 2010). It was found, however, that these Chinese POEs might not successfully attract talented individuals in job fairs solely by offering a higher starting salary. This means talented individuals cannot be simply acquired by offering attractive financial reward packages in the job fairs; some other factors such as career development and employer brand are important to attract talented individuals.

Compared to high salary, career development opportunities and job security are likely to be more attractive to young talents. Graduates' value orientation made young talented individuals view SOEs as a better career choice than POEs, because Chinese SOEs, which currently monopolise some industries can both provide good reward packages and ensure job security. Graduates' preference for long-term career development is consistent with the future orientation of Chinese culture (House et al, 2004). Graduates are strongly interested in long-term career development and job security, which can improve their employment potential and fulfil their growth expectation. Thus, these case companies had disadvantage to compete for talented individuals with SOEs. Another reason is that in China's tough employment market,

it is difficult for current graduates to find a job. Many graduates prefer to lower their expectations on starting salary to get a job in SOEs or government authorities, for the sake of job security. Consequently, Chinese POEs do not have inborn advantages to compete for talents with SOEs in job fairs. Chinese SOEs, particularly some enterprises led by central government enjoy many privileges when competing with POEs and FIEs (Zhao, 2007). Given this disadvantage, in order to compete for talents in job fairs, POEs' talent attraction practices need to emphasise provision of more intrinsic rewards and long-term growth opportunities to attract talents.

The research results also show that a good employer brand is very helpful to attract talents. With the advantage of employer brand, Company B could quite easily attract good talented individuals from the external labour market. In contrast, the other two case companies, which lacked a good employer brand, came across some challenges in attracting talents. This result is largely consistent with prior studies showing that employer brand could be a strong factor for attracting talents to an enterprise (Kucherov and Zavyalova, 2012). However, prior study found that employer brand could attract talents through some aspects, such as economic indicators and HRD practices. Whereas, this research found new aspects, *guanxi* and "face" factors, which are traditional Chinese culture issues, that enhanced talents' willingness to work in an enterprise with a better employer brand. Firstly, a harmonious organisational *guanxi* atmosphere is an important aspect of employer brand, since Chinese employees prefer to work in a harmonious and orderly *guanxi* environment (Zhang and Zhang, 2006), so harmonious *guanxi* support in attracting talents. Secondly, the "face" factor, which is attached to employer brand, influences talent attraction. Chinese face involves a personal reputation achieved through getting on in life, through career success such as working in a prestige enterprise (Lau et al, 2007). Working in an enterprise with good employer brand is a visible indicator of success in the social hierarchy; it gains face not only for the talented individuals but also for their family members. A good employer brand enables talented employees to be proud of their job and be willing to work for the enterprise, and so has a positive influence to attract talents in the Chinese context. It uncovers that "face" factor reinforces employer brand's influence on talent attraction in Chinese context. Publishing good employer brand signals to target group may be a significant talent attraction activity for these Chinese POEs.

Attracting talents through guanxi networks

Attracting talents through guanxi networks was found in the three case companies. Guanxi recruitment in the case companies refers to recruiting talented individuals through informal channels such as guanxi networks and employee referral. The talents recruited in this way are directly or indirectly known to the companies or internal contacts prior to being recruited. Prior TM study suggests that attracting talents refers to sourcing and screening bright talents; it includes not only some traditional recruitment methods but also some creative talent recruitment methods such as interactive networking sites, referral programmes and internships (Phillips and Roper, 2009). However, attracting talents through guanxi as a novel finding has not been analysed in previous TM literature. Although this talent attraction practice is similar to traditional recruitment methods such as employee referral and word of mouth recruitment, it also has distinct differences, which involve much more implied meanings that are closely linked with Chinese cultural issues and the characteristics of Chinese POEs.

Attracting talents through guanxi networks fits the nature of Chinese POEs and can enhance talent attraction effectiveness in Chinese POEs' context. Guanxi networks may be more effective than open media to attract professional talented individuals, and since referees in the guanxi networks help to match talent and employer, it is easy for talented individuals to establish trust among colleagues. These advantages make guanxi recruitment very popular in the Chinese cultural context. Moreover, according to Chinese POEs' characteristics, some Chinese POEs such as Company A and Company C with a limited recruitment budget and undeveloped HR function find it more suitable to adopt guanxi networks to attract talented individuals. Only large enterprises like Company B, with a large recruitment volume and strong financial resources, can adopt developed recruitment practices to attract talents. Guanxi recruitment is much cheaper and more effective for many Chinese POEs. Furthermore, since most Chinese POEs' bosses emphasise employees' personal trust and loyalty (Wang, 2005; Jun and Ritch, 2006), attracting talents through guanxi networks provides a better platform to build personal trust and loyalty between talented employees and bosses. It means Chinese POEs' internal attributes make guanxi recruitment a suitable way to acquire talented individuals. Compared to other recruitment methods, guanxi recruitment has advantages to in this special context.

Indeed, in previous sections it was reported already that internal guanxi and trust are considered as important criteria of talent definition. Obviously, guanxi recruitment is a suitable channel to acquire trusted and loyal talented employees. Guanxi as a perspective of talent definition is intrinsically linked to talent attraction practices in the Chinese POEs. Internal guanxi ties and talented employees' loyalty are mutually reinforcing, as the talented employees attracted from guanxi networks can easily develop organisational commitment because of internal guanxi ties. To some extent, guanxi recruitment has laid a foundation for talented employees' guanxi ties within the organisation. It provides us with a valuable clue to trace talent development and talent retention in the Chinese context.

Besides internal guanxi factors, external guanxi factors also drive these Chinese POEs to attract talented employees through guanxi networks. Guanxi recruitment can enhance these POEs' external guanxi networks. Since guanxi networks at individual level can be transferred to the organisational level, this can help organisations to obtain more resources, because acquiring talents through external guanxi networks enhances trust or reciprocal ties with external partners and could bring strategic favour exchanges. Consequently, these POEs prefer to recruit employees who have useful guanxi ties, as a way to obtain favour exchanges from external stakeholders. This talent recruitment behaviour reinforces the guanxi perspective of talent definition (Zhang and Bright, 2012). Although guanxi recruitment is similar to some other talent attraction practices such as employee referral and word of mouth, which were discussed in prior studies (Phillip and Roper, 2009; Zheng, 2009); my results further elaborate that acquiring talented employees through guanxi involves much more reciprocal favours and organisations focus on obtaining resources through guanxi networks. This kind of talent recruitment is more interested in the guanxi ties behind the talented employees, rather than talented employees' personal competence. Prior TM studies have not noticed this specific purpose of the talent recruitment practice, because they did not take into account the guanxi perspective of talent definition. Due to guanxi effects in the business environment, Chinese POEs have to acquire some talented employees through guanxi networks, even though these talented employees' professional competence may not be good enough. Thus, acquiring talented employees through guanxi may impair recruitment equity. According to the Western HR concepts, recruitment based

on guanxi may be considered as unfair; however, Chinese POEs and employees may view such behaviour as acceptable. This shows how some TM practices that are widely accepted by Chinese POEs partly conflict with Western TM concepts. Cultural difference and organisational characteristics make Chinese POEs' talent attraction behaviours different from those advocated by Western TM theories. Thus it reinforces the argument that TM research should highlight the complex problems of implementing TM practices in different cultural contexts and in different types of organisations where industrial and organisational factors interact with institutional and cultural forces in shaping talent management in practice (Vaiman et al, 2012). Some talent attraction behaviours in POEs are not for acquiring a talented person but for acquiring the guanxi ties behind the person.

Moreover, Chinese talented employees view guanxi recruitment as a reliable way to find jobs in POEs, because they believe job information from guanxi networks is reliable (Song and Werbel, 2007). From applicants' perspective, this way of thinking makes guanxi recruitment a popular talent attraction channel in the POEs. Chinese applicants are willing to seek job information through guanxi networks and resort to their guanxi networks extensively for instrumental purposes. Thus, it can satisfy the demands of both employers and job applicants. Understanding guanxi recruitment allows us to make good use of guanxi to attract talented individuals. Recognising guanxi recruitment as a formal talent attraction channel is help to increase talent attraction effectiveness for Chinese POEs, because guanxi recruitment is suitable for Chinese POEs' complex set of environmental factors. Exploring guanxi recruitment contributes to both TM theory and practitioners.

However, our results show that guanxi recruitment may also create dilemmas in talent attraction practices. In cases where unqualified candidates are recruited through guanxi recruitment, talent attraction process might not only be challenged as unfair but also miss some talented individuals. Moreover, the continued presence of former guanxi talented employees whose external guanxi ties are no longer useful to the organisation may cause overstaffing. These disadvantages, closely associated with guanxi issues and Chinese POEs' features, have not been discussed in prior TM literature. Understanding the weaknesses of guanxi recruitment allows us to critically evaluate Chinese POEs' talent attraction behaviours and provide some useful supplements to talent attraction theoretical frameworks.

In general, attracting talented employees through guanxi networks is a popular TM behaviour in the Chinese POEs. As guanxi recruitment has some advantages in the context of Chinese POEs, this phenomenon remains in most POEs, irrespective of their different developmental stages. Attracting talented employees by guanxi networks is compatible with the Chinese cultural context and the characteristics of Chinese POEs. Talent attraction practices such as recruitment and selection are influenced by cultural values and business principles. Chinese POEs traditionally focus on guanxi ties to select talented employees; some of the case companies have considered useful guanxi ties as a recruitment criterion. This shows that formal qualifications and personal competence are not always the best predictors for selecting talented employees in Chinese POEs. However, prior TM studies have not analysed talent attraction through the guanxi perspective. Guanxi effects and Chinese POEs' characteristics make prior talent attraction theories inappropriate for Chinese POEs. This research, by critically exploring guanxi recruitment, can help both TM scholars and practitioners to understand Chinese POEs' talent attraction behaviours better. Moreover, since guanxi effects have already penetrated into the talent attraction stage, they probably influence other TM practices such as talent development and talent retention.

10.4 Talent development.

Most knowledge on talent development is derived from Western studies (Gaye 2009; Garavan et al 2011; Sheehan 2012). Little is known about talent development in the context of Chinese POEs. Chinese cultural values and the characteristics of Chinese POEs were therefore considered when exploring talent development in this study. This research examined how these case companies developed their talented employees. The three case companies' TM practices focused on developing their talent pools to maintain talent supply to satisfy strategic objectives. Employees in key posts or with high potential were targets of talent development programmes. The empirical evidence showed that the exclusive approach was popular in these Chinese POEs. This finding has some common ground with the prior TM theories, which focused on developing high potential individuals or developing employees in pivotal positions (Ile et al, 2010). However, the case companies' exclusive approach considered potential and position simultaneously. This approach may be more appropriate for the Chinese POEs to target key posts because they can invest limited

resources in developing key talented employees to meet current and future organisational development challenges. The main purposes of talent development are succession planning, meeting business strategy and developing high potential employees; this is consistent with prior studies (Beardwell and Claydon 2010; Groysberg et al. 2010; Scullion and Collings 2011). However, guanxi issues have significant influences on case' companies' talent development behaviours, such as selecting mentees, and developing talented employees' loyalty. These important talent development behaviours have not been discussed in prior studies. In analysing these aspects of talent development behaviours, this study helps us not only to increase understanding talent development in the context of Chinese POEs but also to explore the relationship between talent development and talent retention.

The case companies' talent development behaviours emphasised developing talented employees and providing them with career growth opportunities. This is consistent with prior TM arguments that talent potential is partly innate but has to be developed to become manifest in outstanding performance, so providing talented employees with career development and promotion opportunities is crucial to talent management (Mathias 2009; Meyers et al, 2013). This research suggests that developing talented employees and offering them career growth opportunities can fulfil their psychological contracts and be helpful to retain them. As Chinese people are future orientated, our research also found that talented employees have strong turnover intentions if their employer cannot offer long-term career development. Chinese talents, particularly young talents, pay careful attention to personal career development. They expect to obtain career growth opportunities from their employers. Talent development behaviours build feelings of psychological contracts between talented employees and their employers. When talented employees' psychological contracts are fulfilled, it increases their normative commitment and they are more likely to work for the employer. Therefore, developing talented employees with a focus on career growth opportunities plays a significant role in retaining talents.

Research findings show that on-the-job development programmes were very popular in the case companies. They were implemented in both formal and informal ways, because of the nature of contingent work and guanxi issues, such as building good guanxi with external stakeholders. A mixture of different talent development patterns

was therefore used in these case companies. This research finding is similar to prior TM studies (CIPD 2012b). The case companies viewed on-the-job development programmes as more effective than external development because on-the-job development activities are closely linked to organisational demand and can easily be monitored by the HR department.

However, some cultural context related issues about why on-the-job development practices suit the Chinese POEs have not been discussed in prior TM studies. This research uncovered that developing talents' guanxi skills was an important talent development aspect in the context of Chinese POEs. Developing individual's guanxi skills was neglected by previous TM literature. This research found that on-the-job talent development practices, particularly mentoring, are suitable to develop guanxi skills. As Chinese POEs' talent definition views guanxi as a significant requirement; developing talented employees' guanxi networks both inside and outside the organisation is an important talent development activities for Chinese POEs. This research finding filled a gap of previous TM literature, which has paid little attention to development of talents' guanxi competencies. It was found that mentoring is a key practice in this respect, since guanxi skills that are used to build close guanxi with external stakeholders can only be developed through on-the-job development, such as mentoring and action learning. Classroom learning or other off-job-development practices are not suitable for developing guanxi skills, whereas mentoring is an effective way to transfer guanxi ties and relevant skills to talented employees in the context of Chinese POEs. This novel finding means mentoring is a special talent development practice for developing guanxi. It not only offers practical lessons for the Chinese POEs to develop their talented employees but also makes a contribution to TM theories.

Furthermore, talent development activities are largely impacted by guanxi effects. Research results show that good guanxi ties established through mentoring increase talents' organisational commitment. Prior TM studies focused on analysing the advantages of mentoring in developing talents' competencies and transferring intellectual capital (Safi 2007; Gaye 2009), but little TM research has analysed the relationship between mentoring and guanxi ties. This research shows that mentoring has advantages to develop talented employees' internal organisational guanxi ties and to increase their organisational commitment in the context of Chinese POEs.

Empirical results show that mentoring helps talented employees to identify with the organisational culture. It also helps talented employees to establish good guanxi ties with their superiors through close interactions and transmits the organisational values to talented employees. Good guanxi ties not only guide talented employees to pursue career growth within the organisation but also make talented employees loyal to their superiors and organisation. This loyalty enhances talented employees' organisational commitment. Thus, this research argues that developing talented employees' internal guanxi ties through mentoring is helpful to increase talented employees' organisational commitment. It is an important theoretical contribution to TM knowledge. It points out a new TM research direction for talent development and talent retention.

A distinction should be made between guanxi ties and previous studies' finding that "relationships" were important to the talent development process. The "relationships" are more likely work-related (Rock and Garavan 2006; Balkundi and Kilduff 2006). Whereas guanxi ties established through mentoring are not confined to work-related relationships but also involve strong interpersonal guanxi, encompassing personal trust, reciprocal obligations and emotional attachments, fostered through extensive interactions outside of work. Although prior studies suggest mentoring relationships are helpful to retain talents (Gaye, 2009); they do not reflect how Chinese guanxi ties bond talented employees with the organisation through work-related and non-work-related connections. Such connection deeply increase talented employees' normative commitment, because talented employees are embedded in the organisation's internal guanxi networks based on favour exchanges and they have mutual obligations to pay back guanxi group members (Lee et al, 2001). Moreover, emotional attachments built through mentoring activities also increase talented employees' affective organisational commitment. These affective relationships within an enterprise make the organisation more than just a place of work; they increase talents' sense of belongingness in the organisation and make them reluctant to leave it. Hence, a significant contribution of this study is the development of TM theory by highlighting how guanxi ties can be used to develop talents and increase their organisational commitment. This theoretical contribution lays the foundations for retaining talents through guanxi ties.

The discussion above is based on the individual guanxi level. However, developing talented employees' guanxi ties at organisational level can increase their organisational commitment as well. Good guanxi ties not only bond talented employees with their mentors but also bond talented employees with their mentors' guanxi networks in the organisation. In this way, talented employees can be embedded with the organisational guanxi networks and establish a kind of in-group identification, which facilitates identification with the mentor and increases organisational commitment. Guanxi operated as a holistic network within the organisation, leading talented employees to identify with other guanxi members within the company and embed in the larger guanxi group. The guanxi tie as a by-product of mentoring plays a special role in retaining talents in the context of Chinese POEs. Prior TM studies have not noticed that guanxi ties can enhance talents' organisational commitment or reduce turnover intentions. This study reinforces the argument that guanxi influences TM behaviours in the Chinese POEs (Zhang and Bright, 2012), and further provides evidence that guanxi ties can enhance talented employees' organisational commitment and reduce their turnover intention. Building guanxi ties in the process of talent development process is therefore a fruitful TM tool to retain talents in the Chinese POEs. However, we have to note that this talent retention effect may be appropriate only in Chinese POEs' organisational context, in which guanxi ties are predominant over the rule of organisational regulation (Chen et al, 2002). This research offers the Chinese POEs some practical guidance to tailor their talent development practices to enhance talented employees' organisational commitment.

However, Chinese guanxi ties also have negative effects to talent development practices. There is little insight in existing TM theories into how Chinese guanxi impacts talent development practices. This research notes that guanxi ties affect the equity of talent development activities such as selecting mentees, because the type of interpersonal guanxi between two parties can be an important factor influencing the exercise of procedural justice norms in China's context (Chen et al, 2011). Empirical evidence shows that guanxi ties are not omnipotent tools to retain talents, as they bond talented employees to their mentors more than to the organisation, so a mentor's leaving may increase talented employees' turnover intention as well. Therefore, this research suggests both TM scholars and practitioners should seriously

consider the possibility that guanxi may negatively impact talent development practices, and some practical guidance should be adopted in talent development activities to avoid injustice. For example, training mentors and TM practitioners to improve their professional quality is essential to avoid injustice. Furthermore, establishing solid guanxi chains across the organisation helps to reduce talented employees' turnover intentions. Talented employees at different organisational levels can be interlocked by holistic guanxi chains. In addition, since talented employees, especially young talents, still view career growth opportunities as very important for their personal lives, they would not like to follow an organisation that cannot offer career growth opportunities. Employers should also offer talented employees more long-term development programmes to increase their continuance and normative organisational commitment. All these talent development practices are good ways to compensate for the shortcomings of guanxi ties.

Besides mentoring or coaching development, formal training, development courses and organisation sponsored degree courses are also good ways to develop talented employees' individual competence and to increase their organisational commitment. Some long-term talent development programmes, such as sponsored degree courses and professional development, not only fulfil talented employees' career growth expectations but also increase their continuance commitment and normative commitment, thereby reducing their turnover intentions. Once talented employees were engaged on organisation's talent development programmes, which were viewed as non-transferable to another organisation; it made them feel too costly to leave. A strong continuance organisational commitment reduces talented employees' turnover intention and actual turnover behaviours. Furthermore, talented employees have normative commitment after receiving organisational sponsored development, because they have feelings of obligation to pay back the organisation. These findings confirm prior arguments that organisational training and development increases employees' normative and continuance commitment because it creates a perception of support and increases the cost of leaving (Bambacas and Bordia, 2009). Normative commitment can reduce turnover intention and actual turnover behaviours, and correlates positively with job performance and organisational citizenship behaviour (Tilleman, 2012). This means talent development is not isolated; talent development and talent retention reinforce each other. Organisation

sponsored degree courses and other learning development programmes that can enhance talented employees' personal competence and employability increase their continuance and normative commitment, which lays the foundation to retain talents.

In general, talent development is still an under-developed and under-researched concept (Garavan et al, 2012). Prior TM studies have not taken guanxi effects into account in talent development. This research sets the scene for Chinese POEs to discuss talent development behaviours with a focus on guanxi issues. The research findings allow us to further explore the relationship between talent development and talent retention. Guanxi issues are deeply embedded in talent development behaviours in the context of Chinese POEs. Some important guanxi that involves supervisors, colleagues or important external stakeholders should be taken into account in talent development practices, because guanxi is not only a competence that talents need to have but also an important driver to develop talents' organisational commitment. On-the-job development practices such as mentoring and coaching are effective methods to develop talents' guanxi ties and increase their organisational commitment. These findings answer the last research question and offer the Chinese POEs some practical suggestions to retain talents. Chinese POEs can utilise their talent development practices to enhance talented employees' organisational commitment to retain talents. Utilising guanxi ties to develop and retain talents is a significant contribution to TM theory and practice. Understanding the guanxi effects offers us a new angle for study of TM in the context of Chinese POEs. However, it is necessary to note that guanxi issues may bring some challenges for talent development. For example, finding suitable mentors who can develop appropriate guanxi ties with talented employees; matching mentors and mentees; avoiding unethical or unfair talent selections; avoiding mentors taking advantages of guanxi ties to take internal talented employees away. Understanding these potential challenges and adopting some mechanisms to monitor talent development practices is essential for TM practitioners. The research critically evaluates guanxi effect in the process of talent development. It not only provides the case companies with practical guides to develop and retain talents but also makes a knowledge contribution to TM theories.

10.5. Talent retention

The research results show that rewards, career development and guanxi are three important aspects for talent retention. Fulfilling talented employees' expectations in the three aspects is important to retain talents in the context of the Chinese POEs. Elaborating talent retention behaviours in the three aspects is not only helpful to make a theoretical contribution to talent retention but also will provide practical guidance for Chinese POEs.

10.5.1. Career development

Research findings show that providing career development opportunities is an important talent retention practice. Offering talented employees, especially talents in the early career stage, career prospects, promotions or learning opportunities can fulfil their career development expectations and reduce their turnover intentions. This is consistent with prior argument that offering developmental opportunities is one of the key ways to manage talents, because individuals prefer to stay longer where they are experiencing personal and professional growth (Gaffney, 2005, Jauhari et al, 2013). However, our results further elaborate that Chinese young talents in the early career stages view career development opportunities as more important than rewards. Failure to fulfil young talents' career development expectations may easily increase their turnover intentions. This phenomenon is associated with Chinese people's future orientation. In order to retain young talented employees and maintain a talent pool for the organisation, talent retention practices should focus on offering young talents more career development opportunities, such as career goals, promotion or learning opportunities to increase their organisational commitment. It means talent retention is meaningfully connected to talent development practices. Talent development activities can make the talented employees feel obliged to reciprocate, and in turn increase their normative commitment. This means talented employees have a sense of obligation to stay with the organisation. Some talent development practices that offer talented employees benefits which are non-transferable to other organisations make it too costly for them to leave. This increases talented employees' continuance commitment. It means talent development makes talented employees reluctant to leave. As assisting individuals in their career development can encourage employees with high potential to stay (Bambacas and Bordia, 2009), offering talented employees career development opportunities is helpful to retain talents. The discussions above show

that talent development and talent retention are closely connected. For the Chinese talented employees, with strong future orientation, good talent development practices can effectively fulfil their career development expectations and increase their organisational commitment; thereby talent development is a significant supporter to talent retention. It reinforces the argument that talent development and talent retention are closely connected.

10.5.2. Rewards

Rewards are important to retain talented employees in the Chinese POEs. The research findings show that competitive pay is helpful to retain talents. Talented employees who are satisfied with their pay have less intention to leave. This is consistent with the prior studies showing that individuals who displayed high level of pay satisfaction had less turnover intention; and cash compensation are often considered as good tool for retaining key talents (McMullen and Royal, 2012). This research further elaborated that these POEs should adopt tailored reward packages to retain talented employees at different career stages. In the context of Chinese PEOs, financial reward packages are better to retain talented employees at senior career stages. Competitive financial rewards are better to fulfil their self-achievement, because they view financial rewards as an important part of organisational recognition. Whereas, some non-financial reward packages such as education welfare and housing welfare may be more suitable in retaining talented employees at early career stages, because young talent in the early career stages emphasise their future career and view financial rewards as less important than career growth. This research further found that talented employees at different career stages place different values on rewards; so better knowledge of Chinese talents' expectations helps TM practitioners to adopt suitable reward practices to retain talents. Moreover, it was found guanxi effects may impact reward equity in the context of the Chinese POEs. Talented employees are sensitive to pay inequity and pay satisfaction may be reduced by any perceived inequity caused by guanxi effects. The inequity may increase talents turnover intention. This means talent retention practices should ensure a fair rewards policy, which is helpful to increase talented employees' pay satisfaction and organisational commitment. These finding about talent retention practices are in line with characteristics of Chinese talents. Compared to some talent retention practices from the Western context, talent retention practices proposed by

this study are suitable to Chinese talents. Our research results may provide guidance for TM practitioners in setting reward packages for Chinese talents, and this can help organisations to improve talent retention.

10.5.3. Guanxi

It was found that guanxi played an important role in retaining talented employees in the context of Chinese POEs. Guanxi ties, especially high quality superior-subordinate guanxi, make talented employees loyal to their superiors and contribute differently to sub-dimensions of organisational commitment. The guanxi ties built through close interpersonal interactions such as mentoring, coaching or social activities increase talented employees' affective, normative and continuance commitment. Consequently, high quality guanxi ties reduce talented employees' turnover intentions. Prior TM studies have not discussed how guanxi impacts on talent retention. This research points out that guanxi ties, especially high quality supervisor-subordinate guanxi, have relatively unique strengths associated with talent retention in Chinese POEs, because when a talent decides whether to stay or to leave, guanxi would be considered as an important factor. This means utilising guanxi ties to increase talents' organisational commitment is a fruitful talent retention strategy for Chinese POEs.

This research not only found guanxi ties can be used to retain talented employees, but also elaborated how to build this guanxi ties through talent development practices. For example, building high quality supervisor-subordinate guanxi ties through mentoring, emotional care, and organisational social activities, is helpful to increase talents' affective commitment, which contributes to talent retention. TM practices should take advantages of Chinese guanxi ties to retain talented employees. The guanxi ties with superiors make talented employees emotionally involved with the organisation to which they belong. In the Chinese context, the vertical link between superior and subordinate is more likely to be emotional and supportive, rather than rational and logical (Wang, 2008). The high quality superior-subordinate guanxi ties enhance talented employees' emotional attachment to the organisation. Prior TM studies have not analysed how Chinese guanxi ties are utilised to increase talents' affective commitment. This research is the first TM study that elaborates how to adopt guanxi ties to increase talented employees' organisational commitment.

It offers Chinese POEs some practical talent retention guidance on how to make good use of guanxi issues to fulfil talented employees' psychological needs and increase their affective commitment. The research results not only reinforce the argument that guanxi is an important perspective to define talents (Zhang and Bright, 2012) but also theoretically elaborate the relationship between guanxi effects and talent retention. Utilising guanxi to increase talents' affective commitment is a significant theoretical contribution to talent retention. The guanxi perspective enriches talent retention theories and makes them more relevant to the context of Chinese POEs. It points out a fruitful direction for talent retention scholars, suggests that increasing talents' affective commitment by guanxi may be a powerful complement to other traditional talent retention practices.

The research results also show that high quality supervisor-subordinate guanxi increases talented employees' normative commitment. The impact of guanxi with superior on normative commitment is closely influenced by Chinese social norms, because Chinese guanxi involves a lot of favour exchanges and mutual obligation (Wang, 2009). The guanxi ties with superiors increase talented employees' loyalty to the superior; and the loyalty can be transformed to loyalty to the organisation. Therefore, the supervisor-subordinate guanxi ties also increase talents' normative commitment to the organisation. Normative commitment has been found to be the most significant predictor of employees' job turnover behaviours in the Chinese context (Walumbwa and Lawler 2003; Lu and Lee 2005). Prior TM studies discussed increasing talents' normative commitment through offering training and development (Bambacas and Bordia, 2009). However, they have not noted that developing talents' guanxi ties with superiors is an effective way to increase talented employees' normative commitment. This study elaborates that developing guanxi ties between talented employees and supervisors is a suitable way to retain talents in Chinese POEs. The normative commitment generated from guanxi ties involves both work-related and non-work-related commitment. This normative commitment gives talented employees much stronger psychological obligations to remain in the organisation. Understanding the relationship between guanxi ties and talented employees' normative commitment is a significant contribution to talent retention theory. In order to increase talented employees' normative commitment, the

research suggests the TM practitioners should create more social interaction opportunities to foster talents' guanxi ties within the organisation.

Guanxi ties also increase talented employees' continuance commitment with the organisation. Research findings show that talented employees who have superior-subordinate guanxi ties have more promotion opportunities, and maintaining good guanxi ties can boost talented employees' career development in the organisation. Since talented employees already foster their own guanxi ties within the organisation, they may not easily leave the organisation or associated guanxi networks, because loss of the existing guanxi ties within the organisation would be a major leaving cost. Therefore, talented employees who have already established strong guanxi ties with their superiors have strong continuance commitment to the organisation. In contrast, talented employees who have weak guanxi ties with their superiors have less continuance commitment to the organisation. Prior TM studies discussed talents' continuance commitment in relation to development opportunities or rewards (Bambacas and Bordia 2009; Vaibhav and Zubin 2011), but little TM research recognises use of guanxi ties to increase talents' continuance commitment. The results imply TM practices should foster a high level of superior-subordinate guanxi and increase talents' continuance commitment. Both TM scholars and practitioners should recognise that guanxi ties are an intangible leaving cost for talented employees. In a Chinese POE's context which focuses on guanxi ties, TM practices should try to maintain a harmonious guanxi atmosphere in the workplace and focus on developing guanxi ties to connect talented employees within the organisation.

In summary, although superior-subordinate guanxi has been recognized by some scholars for a while (Cheung et al 2009; Ho and Kylie 2010; Han et al 2012), little relevant research has applied the guanxi issue to analyse TM behaviours. This research establishes a new perspective for TM research, especially talent retention. Perhaps the most significant contribution of this research is to add the guanxi perspective into the talent retention framework. The research results elaborate that guanxi ties are helpful to increase talented employees' organisational commitment in different dimensions. Building high quality superior-subordinate guanxi for talented employees would be an effective way to reduce talents' turnover intention. TM should recognize the importance of talented employees' internal guanxi ties, especially superior-subordinate guanxi. In order to retain talented employees,

Chinese POEs should create more opportunities to develop talents' relevant guanxi ties to improve their organisational commitment.

10.6 Talent retention practices

The adoption of TM practices to retain talented employees was the main purpose of this study. The key dimensions of retaining talented employees are summarized by this research as 1) career development, 2) reward, 3) guanxi. In fact, these mechanisms run through the whole process of TM rather than the talent retention stage alone. Implementing these mechanisms in a holistic way is helpful to retain talented employees in the context of Chinese POEs.

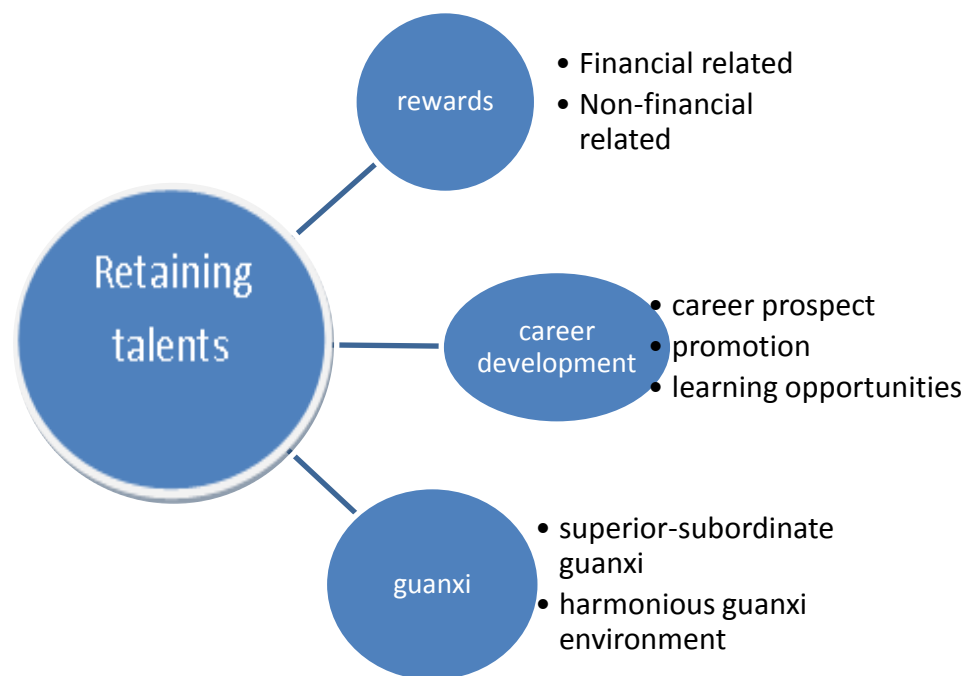


Figure:10.1 Talent retention framework Source: The Author (2013)

From a theoretical point of view, talents' turnover intention is closely influenced by their level organisational commitment (Chen and Francesco, 2000). Insight on utilising a series of TM practices to increase talents' organisational commitment in different dimensions is a major contribution to talent retention. From a practical point of view, developing practical TM practices and HR policies to increase talented employees' organisational commitment will help Chinese POEs to retain talents. Career development and rewards have been mentioned in prior TM studies (Ma and Trigo 2008; Bambacas and Bordia 2009; Jauhari et al, 2013); but guanxi

issues have remain largely neglected in existing TM literature. Our talent retention framework makes good use of guanxi's attributes to increase talented employees' organisational commitment. Perhaps the insight on retaining talents through the guanxi dimension is the most significant contribution of this research. Guanxi is a novel talent retention dimension that is suited to the context of Chinese POEs. This research therefore suggests a talent retention framework that involves three critical dimensions: career development, rewards and guanxi. Holistic TM practices need to fulfil talented employees' demands in the three aspects. Neglecting any of the three aspects may reduce the effectiveness of talent retention.

Chapter 11: Conclusion

11.1 Key findings

It was found that TM activities had positive effects in the retention of talented employees. As TM is a holistic concept, which involves talent attraction, talent development and talent retention, retention of talented employees is impacted upon by these TM processes. It was found that some TM concepts and activities in the context of Chinese POEs were different from existing TM literature generated from the Western world, because Chinese cultural factors, *guanxi*, and the characteristics of Chinese POEs had a strong impact on TM activities and talent retention. Previous TM studies did not empirically analyse Chinese cultural factors' influence TM in the context of Chinese POEs. Based on the research context and organisational commitment theory, this research not only analysed TM practices but also explored talented employees' turnover intentions. This study analysed talent definition in the context of Chinese POEs, and evaluated case companies' TM practices such as talent attraction, talent development and talent retention, showing how Chinese cultural context, especially *guanxi*, and characteristics of Chinese POEs influence on TM practices. A holistic analysis of TM practices uncovered that *guanxi* runs throughout the whole TM processes and closely influences talent retention. This study also explored talented employees' turnover intentions and found that failure to fulfil their expectations on career development, reward and *guanxi* aspects may increase these talented employees' turnover intentions. Linking to organisational TM practices and talented employees' turnover intentions and expectations, this study provided practical TM guidance for the case companies to retain their talented employees. With regard to the *guanxi* perspective, the research also developed TM theoretical concepts, including talent definition, talent development and talent retention; thereby laying a foundation for development of TM theories which are adequate for Chinese POEs.

It was found that competence / potential, position, and *guanxi* are important perspectives to define a talented employee in these case companies. Defining talented employees through competence / potential, and position has been discussed in prior TM literature (McCauley and Wakefield, 2006; Davies and Davies, 2010; McDonnell, 2011). However, prior literature neglects that *guanxi* is a perspective in talent definition. This research finds that Chinese POEs define talented employees

from three main perspectives, and guanxi is a significant perspective of talent definition. The three perspectives are holistically considered to define a talented employee; this is different from prior literature that considers competence and position perspectives separately (Chuai, 2008). Linked to China's business, institutional and cultural context, this research analysed reasons why guanxi is an important perspective to define talented employees in the context of Chinese POEs. From an internal point of view, defining talented employees based on the criterion of guanxi allows Chinese POEs to identify loyal talents, because Chinese POEs' managers view high quality interpersonal guanxi as an antecedent of trust and organisational loyalty. Defining talent through a guanxi perspective can also ensure talented employees cooperate smoothly with other colleagues and maintain high working efficiency within the organisation. From an external point of view, in China's business and institutional context, an individual's external guanxi networks can bring an organisation more resources and competitive advantages. Indeed, all these findings are largely associated with the Chinese cultural context and the characteristics of Chinese POEs. This novel talent definition has not been discussed in prior TM literature. This study not only elaborates how these case companies define talented employees but also provides a new perspective, guanxi, to explore TM in the context of Chinese POEs.

Research results show that guanxi is a thread that runs through the entire TM processes. In the context of Chinese POEs, talent attraction is influenced by guanxi. For external recruitment, talented employees at senior level or managerial posts are often recruited through guanxi networks, because guanxi recruitment is helpful to measure applicants' tacit attributes. Job fairs and internet recruitment are popular for recruiting individuals at low level posts and technical posts. This finding has not been mentioned in prior TM literature. Moreover, from talented individuals' perspective, reward, career development and employer brand are critical factors in the attraction of talented individuals. This findings show that talented employees view career development and job security as more important than financial reward. This is different from prior literature, which argues the Chinese managers view money as more important than other factors. Furthermore, this research finds that a good employer brand is helpful to attract talented individuals. Guanxi and face factors, which are traditional Chinese culture issues, enhance talented employees'

willingness to work in an enterprise with a better employer brand, because a good employer brand is a visible indicator of success in the social hierarchy and it gains face not only for the talented employees but also for their family members. This has not been elaborated by prior TM literature.

The use of guanxi in attracting talents is a significant finding. This talent attraction channel is distinct from employee referral and word of mouth recruitment, as it involves much more implied meanings that are closely linked with Chinese cultural factors and the characteristics of Chinese POEs. Attracting talents through guanxi has many advantages in the context of Chinese POEs. From an internal guanxi perspective, this talent attraction channel is not only cheaper and more effective for many Chinese POEs but also provides a better platform to build personal trust and loyalty between talented employees and bosses. Talented employees attracted through guanxi networks can easily form a high level of organisational commitment. From an external guanxi perspective, this talent attraction channel may enhance these POEs' external guanxi networks. Since guanxi networks at individual level can be transferred to the organisational level and can help the organisation to obtain more resources, these POEs preferred to recruit some talented employees who have useful guanxi ties, despite possible weaknesses in their professional competence. Some talent attraction behaviours in the POEs are aimed not so much at acquiring a talented individual as acquiring the guanxi ties behind the individual. This means acceptance and use of some TM practices that to some degree conflict with Western TM concepts. Indeed, the research finds guanxi recruitment may also create dilemmas in talent attraction practices, because it can involve unfair recruitment and lead to some generally talented individuals being overlooked. These talent attraction dilemmas have not been discussed by prior TM studies as well. These findings will help TM practitioners in China to apply guanxi channel to attract talented employees. Meanwhile, this research also points out drawbacks of guanxi recruitment and can help TM practitioners to avoid some problems regarding TM attraction practice.

In terms of talent development, it was found that several traditional talent development activities such as training, mentoring and sponsored education were used for developing talented employees. Internal or external training were used to develop talents' knowledge. Collective training activities focused on developing talents' professional skills, and individual talent development activities were more

likely to comprehensively develop talented employees. It was found talent development activities had a close relationship with talent retention. Besides developing talented employees' job related skills and competence, offering talents' career growth, developing talents' organisational identification, and building talents' guanxi and emotional attachments are significant elements of talent development practices. Indeed, most talented development activities in the context of Chinese POEs were influenced by guanxi effects. Previous TM studies did not analyse guanxi influences in talent development practice. Therefore, the potential for using guanxi ties to facilitate talent development practices is a fruitful research finding of this study.

This research not only points out that developing individuals' guanxi competence and external guanxi networks is a significant part of talent development practices for the Chinese POEs but also uncovers the role of mentoring programmes in developing guanxi, and in turn retaining talented employees. First, external guanxi networking is an important skill that talented employees needed to be developed, and mentoring is an effective way to develop talented employees' guanxi skills. This was neglected by prior TM literature. Second, it is found that good supervisor-subordinate guanxi helps to increase talented employees' organisational commitment. In the context of Chinese POEs, mentoring is a good talent development activity to develop talented employees' guanxi ties within the organisation and to make them loyal to their supervisors and the organisation, since guanxi ties bond talented employees with their supervisors through work-related and non-work-related connections, which deeply increase talents' affective and normative commitment. The research findings help TM practitioners to adopt high-quality supervisor-subordinate guanxi ties to retain talented employees, because the guanxi tie is a long-term connection, which involves emotional attachments. Guanxi ties may be more powerful than other talent retention mechanisms to increase talents' organisational commitment. An implication of this research finding is utilising talent development practices to develop talented employees' internal guanxi, such as supervisor-subordinate guanxi ties, to retain these talents. There is little insight in existing TM theories on the relationship between guanxi and talent development practices. This research therefore filled a knowledge gap in TM theory. However, the research also noted that guanxi ties might affect the justice of talent development activities such as

selecting mentees, and internal guanxi might lead talented employees to loyal to individual supervisors rather than the organisation. It therefore helps TM practitioners to note some drawbacks of guanxi that may negatively impact talent development practices.

In addition, it is found that these case companies adopted various talent development activities to develop talented employees. This challenges claims in prior literature that Chinese POEs are reluctant to offer training and development. It appears that many Chinese POEs have recognised the importance of talent development, and establishing appropriate talent development practices has become a critical issue for these enterprises. From talents' point of view, it is found that talented employees, especially young talents in the early career stage, expect to be given more career development opportunities, and they want talent development activities that can facilitate their career development. By offering talented employees long-term development, such as organisation sponsored degree courses and career promotion, through talent development practices, employers can build career prospects for talented employees within the organisation, which helps to increase talents' organisational commitment and to improve talent retention. Therefore, the implication is that talent development practices play an important role in retaining talented employees. Matching organisational talent development activities to talented employees' individual development expectations is very helpful to increase talents' organisational commitment. In contrast, when organisational talent development practice fails to fulfil talented employees' development expectations, their turnover intentions may increase.

In terms of talent retention, it is found that reward, career development, and guanxi are three important aspects for retaining talented employees. Fulfilling talented employees' expectations in the three aspects is critical to retain talents in the context of the Chinese POEs. However, talented employees in different career stages have different expectations in relation to the three aspects. An organisation's talent retention practices should therefore balance the three aspects to target different types of talented employees. First, it is found that offering talented employees, especially talents in the early career stages, career development opportunities is good for talent retention. For these young talented employees, career development opportunities are more important than rewards and guanxi aspects. Providing talented employees with

learning opportunities, internal promotion opportunities or job rotation opportunities can help to fulfil their development expectations. Linking organisational development strategy to talents' career development, such as providing talented employees with good prospects and career planning, is important to retain young talented employees. Secondly, this research further finds that Chinese POEs should adopt tailored reward packages to retain talented employees in different career stages, because financial reward packages are better to retain talented employees in senior career stages, whereas non-financial reward packages such as education welfare and housing welfare may be more suitable for talented employees in the early career stages. These reward packages are helpful to increase talents' continuance and normative commitment and reduce their turnover intention. Moreover, this research finds guanxi ties, especially supervisor-subordinate guanxi, play an important role in retaining talented employees in the context of Chinese POEs. High quality of supervisor-subordinate guanxi ties involves affective attachment, reciprocal responsibility and costs. It helps to increase talented employees affective, normative and continuance organisational commitment. Consequently, this research suggests that Chinese POEs utilise guanxi ties to retain talents. Indeed, through talent development activities, talented employees' guanxi ties (with supervisor) should be developed early, especially in talents' early career stages. High quality supervisor-subordinate guanxi encourages stronger organisational commitment to talented employees. For these talented employees at senior posts, also the strong guanxi ties are an important talent retention tool, because guanxi ties can compensate for the deficiencies of financial retention packages.

This research is the first TM study that elaborates how to adopt guanxi ties to increase talented employees' organisational commitment and reduce their turnover intention. Besides reward and talent development programmes, this research suggests establishing a holistic guanxi network across different organisational levels to interlock talented employees within an organisation. This practical talent retention mechanism is suitable for Chinese POEs and can fulfil Chinese talented employees' expectations. High quality guanxi ties that involve much more emotional connections can compensate shortcomings of reward and talent development practices. Based on the research findings, this study proposes a holistic talent retention framework, which focuses on increasing talented employees'

organisational commitment through reward, career development and guanxi aspects. This research offers practical suggestions to TM practitioners in Chinese POEs.

11.2. Contribution

This research not only makes theoretical contributions to TM theory but also provides practical guidance to TM practitioners in the Chinese POEs. In terms of theoretical contributions, this research introduces the guanxi perspective to the talent definition theoretical framework. This research argues that guanxi is as important as the other two perspectives, “competence” and “position”, in defining talented employees in the context of Chinese POEs. As guanxi is very important for a talented employee in the context of Chinese POEs, and limited academic literature has discussed the relationship between guanxi and talent definition (Zhang and Bright, 2012); this research includes the guanxi perspective in talent definition and establishes a new theoretical perspective to identify talents’ attributes, such as loyalty, cooperation and external resources. Since the guanxi perspective is largely associated with the Chinese cultural context and the characteristics of Chinese POEs, it not only offers a new angle to evaluate talented individuals but also enables generation of fruitful theoretical contributions to further TM research, in China’s context. Perhaps this is one of the most significant contributions of the research. This research not only reinforces the exclusive talent definition, but also develops understanding of that approach. Research findings fill a theoretical gap regarding talent definition in the context of Chinese POEs. Indeed, the guanxi perspective stimulates further TM theory development in talent attraction, talent development and talent retention.

Following the guanxi perspective, this research further elaborates how guanxi influences talent attraction. This research introduces the guanxi recruitment channel to talent attraction theory and fills a TM theoretical gap. A critical evaluation helps people to understand attracting talents through guanxi networks. It uncovers that talented employees’ guanxi ties may already exist before talents join an organisation, and this finding reflects that the guanxi factor in the talent attraction process already lays a foundation for talent retention. In addition, from a practical point of view, this research uncovers talented individuals’ preference when they select employers, and it helps TM practitioners to adopt suitable TM practices to attract talented employees in China’s context.

In terms of talent development, this research introduces the guanxi concept to talent development theory. Developing guanxi competence is a new talent development concept. Prior TM studies have paid little attention to the practice of developing talents' guanxi competencies. This research argues that mentoring is a key method of developing talented employees' guanxi competence. Mentoring activities not only develop talented employees' guanxi networks with external stakeholders but also enhance their internal guanxi ties and increase organisational commitment. This insight is an important knowledge contribution to talent development theory and also lays a foundation for talent retention. Furthermore, linking to Chinese talented employees' development expectations and their turnover intentions, this research provides operational talent development guidance to TM practitioners. It helps TM practitioners to apply suitable talent development practices to develop and retain talented employees in China's context.

In terms of talent retention, this research elaborates talented individuals' turnover intentions. Understanding Chinese talents' expectations and major determinants of voluntary turnover provides a research basis for scholars to explore talent retention in China's context. A practical talent retention guidance, which involves reward, career development and guanxi aspects, is provided to TM practitioners in the Chinese POEs. The holistic talent retention guidance covers different TM stages and bridges talents' expectations and organisational TM practices. It helps to increase talented employees' organisational commitment and thereby overcomes the challenge of high talent turnover. From a theoretical perspective, this research offers the first talent retention guidance that takes account of Chinese cultural factors and the characteristics of Chinese POEs. Introducing guanxi ties to talent retention research makes a knowledge contribution to TM theory and finds a new talent retention aspect, which can compensate deficiencies of traditional talent retention practices.

The research findings are valuable for case companies and similar Chinese POEs to improve their TM practices. The talent definition framework summarised by this study can help enterprises to clearly distinguish talented employees from ordinary employees and to implement TM practices to the target group. This will help Chinese POEs to make good use of their limited resources to manage their talented employees. This study provides a practical talent retention framework, which covers

different TM stages. These practical guidance can help TM practitioners to attract, develop and retain talented employees in the context of Chinese POEs. As TM practices suggested by this research are in line with the Chinese context, they are applicable to the Chinese POEs. Particularly, good use is made of Chinese guanxi effects by the TM practices, which develops a new perspective for TM practices. This research notes the limited and negative effects of an overreliance on financial reward. Hence, this research encourages the Chinese POEs to adopt guanxi ties to compensate for the deficiencies of financial retention practices. The research findings can practically contribute to talent retention for Chinese POEs.

Furthermore, the research also notes drawbacks of guanxi ties. For example, unfair recruitment and selection caused by guanxi effects may increase talented employees' turnover intention; recruiting talented individuals with an overreliance on pursuing external guanxi ties for obtaining protection and ignoring personal competence may lead to overstaffing. This research suggests that TM practitioners need to reasonably balance competence, position, and guanxi factors in the process of recruiting talents. This would be effective, not only to attract high quality talented employees but also to improve perceived organisational justice within an enterprise.

Although this research is based on the context of Chinese POEs, the research findings would be valuable to some foreign invested enterprises (FIEs) that are operating in China, for managing their Chinese talented employees. This research uncovers Chinese talented employees' expectations and turnover intentions; it helps the FIEs to further understand Chinese talented employees. With a clear exploration of guanxi effects in TM practices, the research findings can help FIEs to attract, develop and retain talents in China.

11.3. Research limitations and future research

This research inevitably has its own limitations. Although the case study approach provided rich data from multiple perspectives, this research only collected data from three large companies in the real estate industry and cannot exactly represent all the POEs in China. As it is an exploratory research, it could only observe several TM elements of the Chinese POEs. The framework proposed by this research may only add value to the existing TM theories and provide new research directions for TM scholars. It is necessary to note that a large number of Chinese POEs are small and

medium businesses and cover various industries. This research selected only three cases and a small number of respondents in the real estate industry. It is therefore difficult to generalize practical contributions to all the POEs in different settings. Future research with a large sample is needed to ensure the external validity of this research. There is no universal TM strategy that can be shared by the vast variety of Chinese POEs, so the research results may not be applicable to many Chinese POEs with small size and limited resources. Moreover, since guanxi factors influence talent retention in various ways, this research only focused on exploring the impact of internal guanxi, such as supervisor-subordinate guanxi. Due to limitation of time and resources, this research did not explore how external guanxi, such as guanxi with external stakeholders impacts on talent retention. Future research could explore this further.

Next, some more detailed TM activities related to guanxi need further empirical explorations. This research only followed guanxi clues to explore talent retention in different TM stages. Indeed, the guanxi factor may also impact on TM practices to improve talented employees' performance, because it was found that good supervisor-subordinate guanxi can motivate individuals. Therefore, it would be valuable for future TM research to explore the relationship between guanxi and other TM outcomes.

11.4. Reflections

Reflecting on the whole process of my PhD research, I learned from challenges or frustrations at different stages of writing a PhD thesis. The first challenge started at the end of my upgrade report which included finding an appropriate research method to investigate Chinese talented employees' turnover intentions and expectations. I originally planned to use a questionnaire and conduct a survey to collect relevant data. However, my pilot study showed that closed questions in a questionnaire could not collect various information from respondents, and a questionnaire might lose much information that was not covered by question list. I learned that open questions and semi-structured interview were appropriate to my research, because the social world is essentially relativistic and Chinese talented employees can only be understood from their point of view. Semi-structured interviews allowed me to understand talented employees' expectations from inside rather than the outside, and this method was also in line with my research paradigm. For this reason, I changed

form a questionnaire to semi-structured interviews. I learned that data collection method should be in line with the research paradigm. Second, I found that the field study was a very interesting part of my PhD research. I remained in China for three months to collect data. I learned that semi-structured interviews could collect much more data than I needed. Some data that were not very relevant to my PhD research questions could be good resources to develop future research papers on different research topics. I also learned that keeping all data safely is very important for a researcher. In addition, I will change some of my research behaviours, such as interrupting respondents' answers, during research interviews. I will give more free space to interviewees and to explore their own ideas or comments; rather than force respondents to answer questions according to my personal logic. My experience in this study will also help me to explore further research gaps for future research. For example, based on the interview transcripts of my PhD research, I may use the data to write another paper to explore how external guanxi ties contribute to talent development. The current thesis just focused on analysing the relationship between internal guanxi ties and talent development, so external guanxi ties could be my next research contribution for TM in China's context.

Reflecting on the process of writing the thesis, I realised the importance of keeping a focus on the research questions when writing different chapters. This has helped me to avoid getting off-track. During the writing process, I was often influenced by other authors rather than my own primary ideas. I learned that I should be careful to organise my materials and make much of my original data to stand relatively free, and to use secondary sources to support my arguments. Finally, I realised that writing a PhD thesis was a long and slow process. However, I was encouraged by friends around me. I found that it was not only very important to take some time to think alone and work alone, but also to share ideas with other colleagues. Discussions often helped me overcome confusion.

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Appendix 1: Interview guide to case companies' HR practitioners

Defining talented employee

- 1) Who are considered to be talented employee in your company? How do you define talented employees in your company? Please identify some main indicators of talented employees.
- 2) What cultural factors and characteristics of Chinese POEs impact talent definition in your company?
- 3) Do you think guanxi factors impact talent definition? If yes, how?
- 4) Does your company have any talent management practices or particular HRM practices to manage talented employees? If yes, what are they?

Attracting talents

- 5) How does your company attract talented individuals?
- 6) What activities are effective and suitable to recruit talented individuals for your company? And why?
- 7) What personal attributes would you consider when you recruit a talented employee?
- 8) What main factors impact talent attraction in your company?
- 9) How do guanxi factors influence talent attraction activities?

Developing talents

- 10) Does your company have any talent development practices? If yes, what activities are used to develop talented employees?
- 11) What kind of skills and competences are important to talented employees? What activities are effective to develop these skills and competences for target talented employees?

12) What main factors impact talent development?

13) Do you think guanxi factors impact talent development activities? If yes, how do guanxi factors influence talent development practices?

14) How do talent development practices impact talent retention?

Talent retention

15) How would you describe the level of talent turnover in your organisation (the proportion of talented employees that voluntarily leave each year)?

Eg: Far above average for the sector; above average for the sector; average for the sector; below average for the sector.

16) Does your company have any talent retention practices? If yes, what methods are effective to retain talented employees?

17) Is there any barriers to retain talented employees in your company?

18) In your view, how guanxi factors influence talent retention? How can adopt guanxi factors to support talent retention?

19) Any other talent management activities can further improve talent retention in your company?

Appendix 2: Interview guide to talented employees in case companies

- 1) What makes you want to work at this company? Can you describe what you like best here?

- 2) What makes you want to remain in a company? What main aspects do you consider?

- 3) What main factors can lead your turnover intention? And why?

- 4) If you could find the “perfect” company to work for, what would it look like? What would attract you? What would keep you there?

- 5) What kind of talent management practices and organisational support do you expect?

- 6) What talent attraction practice can attract you to join this company?

- 7) What kind of development practice do you expect from your company?

- 8) What talent retention practice can keep you working for this company?

- 9) What further talent management activities are helpful to retain talented employees in this company?