

# Narrowing the gap

Developing Chinese talent to operate on a global level

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Striving to keep pace with the rapidly-shifting reality of China's market, both multinationals and major Chinese firms are seeking new talent development strategies. Almost without exception, these strategies seek to address the real need for improved global leadership skills within the Chinese talent pool.

For both Chinese companies seeking to expand into global markets and multinationals hoping to maintain competitive advantage within China, the key is in taking the country's talent to a global level.

Multinationals working in China need strong management teams to act as bridges between headquarters and their Chinese subsidiaries. The source of these talents has changed quickly. Initially, the majority of these managers were expatriated from the West to China. Then, for a period of time, Singaporeans, Taiwanese and Hong Kong Chinese were sent to fill these positions as well. They were later replaced by Chinese returnees: Chinese employees who had lived abroad and returned to live and work in the country. Congruent with the insomniac pace of China's market shifts, the Chinese returnee has now become passé, and the focus has shifted to developing local Chinese talent.

## Overcoming hurdles

The challenges in developing Chinese talent to operate on a global level are not insignificant. Multinationals praise Chinese employees for excelling in execution and implementation, possessing a strong and efficient work ethic. But the missing link is most often a strategic, global perspective.

Global firms often complain that their divisions in China focus too nar-

rowly on the domestic market alone. As such, many Chinese managers show little interest in global or regional strategic thinking. This disconnect between a multinational corporation's global strategy and local operations risks giving non-Chinese counterparts the impression that the division is not acting with enough transparency and in alignment with the rest of the company.

## Global flux

Aperian Global has seen a number of multinational companies recognising the need to transform the insularity of their Chinese divisions to move Chinese staff into global roles. In the past, our firm has received many client requests for services involving market entry into China, existing operations, and employee relocations into the country. Interestingly, in the past year and-a-half there has been a marked increase in the number of professional development exchange programs sending high-potential Chinese employees abroad – providing them with opportunities to learn about the company's global operations and to act as a conduit for bringing valuable insights about these markets back to China.

The hope is that these high potential employees will return to China with a global mindset and be well-positioned to take on key national or regional leadership roles. At the same time, multinationals are recruiting more Chinese leaders for global roles that involve managing colleagues dispersed around the world.

In a parallel trend, Chinese firms are setting their sights on global expansion in emerging markets such as Pakistan, Turkey, Africa and Latin America. These companies have the additional

challenge of sourcing from talent markets that offer no experience in their target geographies. As a result, Chinese firms often send out senior managers from China who possess good functional knowledge but limited international experience, low-level English skills and no local language ability. The other common case involves companies that send out recent graduates with target country language skills but no industry knowledge.

In each case, the assignment failure rate is high. These examples are similar to past Japanese and Korean corporate assignment models, where employees "tough out" difficult foreign assignments as part of their career progression. In a lifetime employment model, this approach can work. But the reality is that this strategy does not currently exist in China, nor is it a motivator for most employees in the country.

A truly global talent strategy must ensure that employees are set up to succeed in today's international business environment. Currently, the most common challenges leading to failed assignments are the lack of international experience, language ability, cross-cultural awareness, and virtual management skills.

### Talent strategies

The consequence is that multinational firms are seeing a breakdown of trust within global teams and functional units due to differences in management and communication styles. Chinese firms are facing recruitment and retention issues in emerging markets due to culture and style differences between local staff and Chinese management. In addition, many Chinese assignees are operating within a high degree of ambiguity – without a coherent understanding of their corporation's in-

ternational strategy or their new role. It goes without saying that companies sending out staff without proper preparation and development are putting their reputation at risk.

Beyond joining China's new talent trend of recruiting local managers for key global roles, companies must create a comprehensive talent development strategy. This must address the unique needs of the Chinese talent pool by focusing on key global skills such as virtual team management, cross-cultural communication and global leadership competencies. Companies should also work to establish clear candidate criteria and assessment measures prior to sending employees on international assignments.

Businesses that invest early in such measures will gain competitive advantage and will be on the cutting edge of taking China's talent to a global level. ■



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