



## Developing Teams in China

### Understanding and Responding to Today's Empowered Employees

With all eyes on China, organizations entering the market for the first time or devising their plans for expansion are clamoring to understand the implications of the cultural transformations that have accompanied the swift economic and political reforms of the past two to three decades. Top business leaders and HR directors around the world seek insights into the nuances behind the behavioral changes of employees in order to better attract and keep the “best of the lot” thus ensuring their competitive advantage over the long term – a daunting task.

As a result, in a market in which executives 45 and older still cling to a communist, state-owned organization mentality, while executives in their mid-late thirties or early forties think globally, it is important to become familiar with the attitudes and desires of the up-and-coming generation of managers and develop talent strategies that specifically respond to them. In this way, it is easier to align plans with reality and manage expectations accordingly.

Many HR practitioners have examined the impact that the concept of having a “career” has had on Chinese society since it became the norm in the late eighties. Indeed, as the notion of “*fenpei*” (job allocation) became passé and the iron rice bowl became empty, eventually the onus of finding a job has fallen on the shoulders of the average citizen, who recognized that getting the right education is essential to their future success. Simultaneously, their definition of success has changed as consumerism has led to a desire for more white goods and luxury items than ever before.

However, in the current frenzy to build teams overnight in China, what has perhaps been overlooked or underestimated by many is the degree to which the sense of empowerment in managing one's career has coincided with a growing sense of entitlement, and lofty aspirations that do not necessarily reflect a person's skill sets. While government and business policies and systems have evolved to reflect the country's globalization, the one-child policy, familial traditions and social and educational mores have increased the aspirations of the graduates and set unrealistic expectations.

As a result, since the early nineties, a group of “diligent scholars” who have been sheltered from the pressures of modern life by their parents to focus on their studies have entered the workforce with not only no prior work experience, but no “real-world” experience to speak of. They have not had to provide for themselves or take care of any day-to-day errands associated with a life on their own, unlike their peers in the U.S. or Europe who might have worked to help pay their way through school, had internships, and the like.

Yet these young 20-somethings take their first jobs with a clear desire to rise to the top of an organization as quickly as possible, and are very open and confident about their intentions with their hiring managers. This group also has seized on the fact that companies hiring in China today are in need of entire teams to start up or grow their operations. In their view, and perhaps rightly so, every person is a hot commodity in the globalizing China market. What's more, their loyalties are not with any company but they typically will feel a sense of obligation to their bosses and are more than happy to “jump ship” to either follow a trusted mentor or explore opportunities with a new boss they feel will help put them on the fast track towards achieving their career goals through training and development.

Given all of this, some may wonder whether attempts to build teams in China are futile. While it is more accurate than not to say that “anything goes” in this huge and fragmented country that is in a constant state of flux, HR managers can better handle the challenges by keeping the following in mind:

- 1. China is not “cheap.”** Much like their peers who are relatively if not totally inexperienced, the very upper echelon of young candidates with a solid skill set and background know all too well what they are worth – and they command premium salaries. Be prepared to pay top dollar for the most qualified people.
- 2. A title can mean more to a prospective employee than the job description or salary.** People entering the market who seek to reach the “top” as quickly as possible are very focused on their title and perceived status in and outside the company. Be willing to be creative and give titles that don’t necessarily reflect the person’s function.
- 3. Relationships (“*guanxi*”) in China define a person’s identity.** Emotional ties and obligations are extended first and foremost to their friends and family. Be sure your organization has a “sticky” company culture that not only delivers on promises made during the recruitment phase but also fosters loyalty among employees over the long term.
- 4. The Chinese market has only been open for a short period and the workforce at large hasn’t had the exposure to global business dynamics required for today’s knowledge economy.** The need for training and development at all levels will be critical for all organizations over the medium to long term. Be proactive in your approach to helping staff identify career tracks for themselves – as early as at the interview stage.
- 5. China is an enormous country, where business practices vary from region to region.** Dealing with ambiguity and uncertainty is part of life for everyone doing business here. Be flexible and do not approach the market with a “one size fits all” mentality to hiring and retention.



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