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GETTING TECHNICAL

China's R&D under the microscope

PROTECTING AGAINST FRAUD RISK • DEALING WITH HQ • THE NEW ANTI-MONOPOLY LAW

Winning the R&D talent battle, intelligently

The talent shortage – a top operational risk in China – is projected to worsen, as the forces widening the supply-demand gap – an outdated university education system, shrinking working age demographics, escalating competition from domestic employers – are showing no sign of relenting.

Research and development organisations are particularly hard-hit. A lack of leadership capability hampers growth, and high employee turnover disrupts operations. To create an enduring competitive edge, successful companies should use human intelligence systems discerningly to build and allocate talent capital, and enable them to effectively tackle the three leading human resources challenges.

Though the readiness and engagement of mid-tier managers deserve attention, companies must first create stability at the senior executive level in order to build superior organisational capabilities. In practice, selecting the right person to lead R&D operations in China greatly

determines their initial and subsequent success.

Human intelligence systems help identify leaders who are gifted to build trust and inspire respect, who are excellent mentors and coaches and who are sophisticated enough to appreciate cultural differences and turn them into opportunities. Such leaders are better able to work well with headquarters at home, and emotionally strong enough to weather stressful challenges.

As organisations transition from branch offices to strategic business units, talent management must be transformed from personnel routines to strategic HR processes. Lack of process maturity and shortage of qualified HR professionals contribute to the overall low level of sophistication in talent management in China. Multinational companies tend to dictate policies and practices from home countries, and in some cases the executives themselves try to make all the people decisions. The role of local HR thus is reduced to that of personnel. High job-hopping further turns management



into fire-fighters, which helps explain the enormous boom in the local headhunting trade.

Companies must recognise the strategic value of professional HR practices and treat talent management as a critical success enabler. Successful R&D organisations in China prioritise building and maintaining strategic HR systems, which align and rationally allocate professional and managerial talent to meet business objectives. This is done through intelligence-based recruiting, coaching, counselling, mentoring, succession planning, team building and business process reengineering.

In China, management is more people-centric. Talent management, therefore, must be given prominent priority. As a primary HR task, intelligence-based career development has proved an effective retention tool.

In an intelligence-based talent management system, career development includes matching the right person with the right job and giving individuals a clear sense of career path inside the organisation. Both are best achieved through in-depth understanding the individual's personality traits, career aspirations, emotional strength, and, last but not least, cultural values profile, as cultural cohesiveness has proven to be critical in winning the loyalty battle.

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A smart HR system will find candidates who can work cohesively