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TALENT RECRUITING IN CHINA IS ALL ABOUT TRANSFORMATIONAL LEADERS



Author

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Talent acquisition is one of the most crucial success factors for every enterprise worldwide. A diverse and skilled staff drives business performance sustainably; similarly, an inclusive and well-balanced leadership team is the most successful way to attract, develop and integrate smart minds, determining how prosperous the enterprise will be in the future. In China, where a large part of the workforce is not yet used to working in an international team, this poses special challenges. The concept of the “War for Talent” was first introduced by McKinsey in 1997 and has proven to be valid ever since. China is the new contender in competing on the international stage to attract and retain the best talent. Talent recruiting today is global, borderless and strongly focused on transformational leaders who drive and execute the digital transformation.

Transformational leaders must be able to adapt to the “next normal” that is approaching at an increased speed as a result of the Covid-19-pandemic. They will have to question everything that was valid before, and put it to the test, with an uncertain outcome. They have to make smart decisions in the aftermath of the unprecedented destructive impact Covid-19 has for the population, as well as for the national and global economies.

What is the “next normal”? How can companies adjust to future customer and market behavior, restructure, turn around and transform their business to survive and thrive in the future? Clear visions, digital agility, and technological prowess are key. Since 2016, the global economy has been undergoing a digital transformation, and it is happening at an increasingly breakneck speed. Already using big data and artificial intelligence (AI) on a broad scale, China has a significant competitive advantage for the future.

HANGZHOU: REQUIRING INTERNATIONAL TALENT

But is China also ready to go global and compete further in the digital transformation economy?

To answer this question, I would like to introduce the city of Hangzhou, the capital of the province of Zhejiang. Hangzhou



stands for the rise of “Digital China” and is a role model for Chinese leadership in digitalization and transformation, fueled by the Alibaba Group (e-commerce, fintech), a strong privately-owned enterprise (POE) sector, and a large private equity and venture capital community. Hangzhou is the #1 digital ecosystem in China, and it is rapidly developing. Last but not least, the Zhejiang/Hangzhou government is actively assisting in this development with a strong talent support policy and with allowances and incentives for talent introduction, especially in the fields of digital economy and life/health sciences, as well as cultural and creative fields.

The further development of Hangzhou needs an enormous amount of talent – from AI engineers graduating at the top of their class to Nobel prize winners – as well as an increasing cooperation with and exchange of talent worldwide. In 2019, Hangzhou was ranked first in attracting high level talent in China. With foreigners amounting to only 0.2 percent of the city’s population, the big challenge for Hangzhou will be to compete both globally and locally for the best talent. Switzerland can be a role model: it occupies the top spot in the World Talent Ranking 2019, according to the think tank IMD, and is Europe’s melting pot for diversity, as almost 40



percent of the Swiss population have an immigrant background.

Multinational companies active in China are battling with Chinese enterprises expanding overseas for the same talent pool. Privately-owned Chinese enterprises have caught up in all areas and are challenging multinationals with competitive compensation packages, attractive career paths, and the opportunity to work at the headquarters of the company.

THE ROLE OF TALENT RECRUITERS

The recruitment industry was founded on the principle of maintaining and developing relationships. While the use of technology will evolve further in executive search and recruitment strategies, the executive recruitment process remains a face-to-face business in the truest sense of the term. In building relationships with candidates, executive search consultants are instrumental in identifying candidates' potential beyond their mere qualifications and skills, in order to assess their cultural fit and to convince them to accept offers.

But let us be realistic: there is no perfect match. Digital transformation is not going to be on auto pilot; strategic top-down support, a corresponding company culture and the willingness to implement real

change are key factors for success. Enterprises must invest more than ever in attracting, educating and developing their workforce. The new way of finding the right candidate is by building a pipeline of candidates using analogue and digital research methods. For any HR recruiting company, cultivating a network of digital leaders around the globe is a prerequisite. In addition, assembling diverse, borderless search teams from a variety of global locations for every assignment is necessary to foster creativity and offer clients a different perspective. Other success factors include cultivating candidate experience and making the hiring process easy, transparent, proactive and responsive. For the company in search of talent, building up and maintaining a unique employer branding is a strong tool that is becoming more important in the battle for talent.

The key words in global HR recruiting today are "transformational leader" in combination with "intercultural competence": the ability to function, think, communicate and act effectively across cultures. China is a very homogeneous society; the number of non-Chinese nationals living in mainland China is negligible. For the HR sector this means that special efforts to cross cultural bridges are needed – along with showing humility, empathy, and respect.

For more information about HR in China, please contact Ernst-Jan Tolen: etolen@hie.com.