

for Human Resources Management in China

Doing business in China

can be a challenge to the

most experienced busi-

ness person but the

rewards are often substan-

tial and worthwhile.

Understanding how the

system works and the

perceptions of workers in

China is key to a success-

ful venture. Here, Cyprian

Au Kwok-shing takes us

through his successful

formula for China trade.

Three Ps approach

China, a huge country with over a billion people, various ethnic groups and dialects gives us a setting of contrast, inconsistency and constant change. Despite its open door policy in recent years, China still operates under a bureaucratic, feudalistic system which is so complex that serious inconsistencies exist between different businesses, locations and even people. We have to learn to live with this rather than try to change it. To ensure the success and survival of a foreign investment in China, the traditional three Ps approach to China trade is still true: patience, persistence and perseverance.

Understanding the system

Many companies are frustrated with the problem of recruiting and transferring people to China. Why?

Rigidity

China has established a very rigid labour and personnel system to control the movement of its people. Take, for example, the personal file system. This is used to control the movements of each individual. Without a proper personal file, it is very difficult for someone to find a good permanent job, or to obtain social security from the government. Joint ventures should not employ people without a personal file.

In addition, the personal file complicates the movement and transfer of personnel from one company or location to another, or from a local company to a foreign-owned company. As China has a limited supply of well-trained people, especially professionals and college graduates, it simply cannot afford to let its people move freely. Talented people, if given the choice, rush to the cities and special economic zones. The infrastructure and resources in these places cannot accommodate the influx of people without proper control. That is why you have to live with the manpower quota set by the labour bureau.

Inconsistent labour and personnel systems

Each region in China has its own socio-economic characteristics and maturity levels. As a result of the open door policy, different types of special economic zones have emerged. These "special zones" have developed different labour and personnel systems in order to meet the special requirements of the zones. If you work in two different locations, you may come across old and new systems operating simultaneously in the same place. The local company will always use the law, old or new, which gives them the best advantage over their joint venture partners. This can result in confrontation which is best avoided. Instead, be flexible and adjust to their ways of doing business. As you begin to understand how the system works, you too can manipulate it to your own advantage.

Characteristics of PRC Employees-

Avoid direct questions

In China, the Confucian teaching of respect for one's elders is still deep-rooted so that direct confrontation remains socially unacceptable.

Rarely do we find an individual who is willing to express publicly his or her point of view, as that might suggest placing personal interests above group interests. Therefore, try not to use a group approach to generating ideas. Similarly, do not feel frustrated when there is no response in a training session. One-to-one meetings in China are much more productive.

As a human resources manager in China, be sensitive to an indirect question asked by an employee. As it is difficult to express grievances directly, employees may choose a vague, roundabout way of talking to you. If you recognize this and respond accordingly, you can satisfy their needs, at the same time, saving their "face."