

Problem Analysis and Strategy Reform of Talent Management in Multinational Chinese Enterprises

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Abstract

With the deepening of Belt and Road Initiative, more and more Chinese enterprises begin to go abroad. It will be extremely difficult for them to find vitality in the unfamiliar and changeable environment. Compared with the fluency and efficiency of relevant actions in China, the cultural barriers, organizational obstacle and multi-dimensional operations in overseas promotion often bring greater hidden dangers, which are directly influence business. Understanding and Matching local culture better and faster, establishing a talent pool suitable for enterprise development to reduce the risk caused by personnel flow, setting up an effective closed-loop development mechanism for talent, and ensuring the unity of standards and processes in multiple places have become the top priority of multinational Chinese enterprises in overseas talent management. This paper analyzes the difficulties and problems of multi-national Chinese enterprises, which focusing on lack of cultural empathy, rare reserve and high turnover rate of talents, and puts forward the reference and practice methods of talent strategy reform.

Keywords

Multinational Chinese Enterprises, Talent Strategy, Strategy Reform

1. Introduction

With the deepening of Belt and Road Initiative, more and more Chinese enterprises begin to go abroad. Considering the efficient dimension of management, most multinational companies will transfer the existing headquarters management experience and practice process overseas, so as to quickly achieve the established goal of team formation and provide the effectiveness of human re-

source management (Dalton & Druker, 2012). However, it is hard to achieve the desired effect using the simple transformation (Khilji & Wang, 2006), and multinational enterprises may need to make localized changes as quick as they can.

For overseas Chinese enterprises, it will be extremely difficult for them to find vitality in the unfamiliar and changeable environment. Chris Pereira (Peng Jiarong), CEO of Canadian Business Ecology Consulting, founder & President & CEO of Canadian Institute of Ecology, and former management backbone of Huawei, believes that Chinese enterprises will face four major problems when going abroad, which include that relying on intuition, failing to realize sufficient accreditation, misunderstanding in cross-cultural communication, and ignoring local relationships (Chris, 2022). Enterprises have to face with many dilemmas, such as the development of unfamiliar markets, the updating and adaptation of product localization, the sorting and polishing of business processes, and the integration of cross-cultural and cross-faith. Obviously, as the starting point and ultimate purpose of problem analysis, dismantling, path determination, implementation plan, internal promotion and external communication, the difficulties and complications of human resources management have been extremely increased.

2. Necessity of Multinational Chinese Enterprises' Talent Management

Talent management in multinational enterprises is relatively complicated and the difficulties are far higher than local company in most cases. Some global enterprises only accumulated limited experience even though they have tried for many years. Exploring the reasons behind this phenomenon, we could not ignore that multinational enterprises need to share resources and knowledge across large amounts of business units. Meanwhile there are particularly high demands when pushing the global leadership processes (Matthew & Asmus, 2022).

Currently, more and more Chinese enterprises have taken steps towards the world and participated in the real process of globalization. According to statistics, from 2016 to 2020, the market share of HCM (Human capital management) in Chinese overseas enterprises has increased from 1.2 billion RMB in 2016 to 2.8 billion RMB in 2020, with an average annual growth rate of 24.8%. The value is expected to reach 8.6 billion yuan by 2025, with a consistent annual growth rate of 25.1% from 2020 to 2025 (Digital Value Institute, 2021). It has become clear that the significant inputs of human capital are increasing constantly. The key group member and high potential talents stand for the enterprises' bright future and determine the core value of the whole organization. They will lay the groundwork for future development in multinational operation.

At present most multinational Chinese enterprises complete pioneering actions through acquisition, independent expansion, agency and other forms, which will decide that headquarters are hard to understand the talents' information within limited time and provide the recommendation of management process appropriately. Compared with the fluency and efficiency of relevant actions in

China, the cultural barriers, organizational obstacle and multi-dimensional operations in overseas promotion often bring greater hidden dangers, which are directly influence business. Understanding and matching local culture better and faster, establishing a talent pool suitable for enterprise development to reduce the risk caused by personnel flow, setting up an effective closed-loop development mechanism for talent, and ensuring the unity of standards and processes in multiple places have become the top priority of multinational Chinese enterprises in overseas talent management.

3. Problem Analysis of Multinational Chinese Enterprises' Talent Management

3.1. Lack of Empathy in Cross-Cultural Understanding

Whether cross-country operation or multi-culture integration, the oncoming difficult point of multinational Chinese enterprises is coping with unfamiliar objects. For example, most western countries emphasize the intersection of democracy, individuality and innovation. They always take individualism and liberalism as the guidance and emphasize the realization of individual value. Local practitioners usually emphasize work-life balance and the results of participation and accustomed to explain their views to ensure the unambiguous results. Faced with the requirements of understanding and integrating the disruptive situation, it is difficult for multinational Chinese enterprises to balance operation and culture barriers when they first get involved in local affairs.

According to the practical procedures, few Chinese enterprises have successfully completed the expansion and promotion even though considerable enterprises are trying to go abroad. The negatively affect do not derive from adjustment of technical skills and products management, but rather focus in cultural influences. David A. Leakes, an international management expert, thinks that the failure of multinational enterprises comes from the result of ignoring cross-cultural differences (Fu, 1996). Rather than considering the impact of cross-cultural differences, most Chinese enterprises will take business strategy thinking and promote overseas expansion process from their own perspective into account. In the long term, it is hard to maintain sustainable development and continue to earn success and recognition from local society. At the same time, it may reduce internal management effectiveness and increase the complexity of management and decision period.

Empathy is the capacity to understand or feel what another person is experiencing from within his or her frame of reference, that is, the capacity to place oneself in another's position (Bellet & Maloney, 1991). Empathy means to think from the other person's point of view, deeply understand their thoughts and feelings emotionally and intellectually. At present, most of the multinational Chinese enterprises are lack of empathy, often grow up and influence others through self-centered ways, which will produce the opposite results and "drift apart" from local culture even further.

3.2. Insufficient Supply of Qualified Personnel with International Perspective

Actually, the overseas expansion of Chinese enterprises is not smooth. Among more than 80,000 multinational companies, western countries capture the commanding share in the world. They could receive largely positive reviews and feedback from market coverage, market share, product sales, sales rate and other indicators. By contrast, leading domestic enterprises only have lower level of society's reception and trust between local partners when hit overseas markets, even though they have large groups of customers and plenty of niche markets in China. At the same time, it will take much effort to collect the useful information and assimilate into the community. Thus, multinational Chinese enterprises may urgent need for the comprehensive talents, who could understand the local environment, master customer resources, recognize Chinese culture, familiar with Chinese products' processes and offer the necessary communications support across different regions. For the incensement of internal and external pressures, demand for qualified labor exceeds supply continually.

Due to the situation and requirement under the pandemic, multinational Chinese enterprises are facing the limitation and transformation of remote control and automatic management. No matter in sales and marketing or services and operation support, every routine in the plant has continuous requirements changes. Digital transformation has become an important engine for global economic growth and a transformative force reshaping global value chains in the post-pandemic era (Li & Li, 2022). In addition, the digitalizing processes have been accelerated toward the unknown environment, which may bring the radical changes in specific capacity requirements, such as transformational motivation, business agility, enhanced decision-making, process optimization, insight discovery, etc. The person who has these abilities and potential could help enterprises drive the exploring procedure and promote the confidence. In order to meet the high demand of society, massive changes are penetrating into groups, which will raise the expectations of the managers and adjust the job requirements frequently.

3.3. Unsustainable Growth Path for Talents May Lead to Serious Brain Drain

There is a "three-low" phenomenon in the composition of overseas talents among Chinese enterprises, including the proportion of overseas employees is relatively low, the proportion of international mindedness talents is relatively low, and the proportion of senior personnel is relatively low. Currently most of the multinational Chinese enterprises are accustomed to set up the strategy focusing on the advanced area and cover the surrounding countries with agile teams in order to reduce the cost and increase the slew rate, which make stringent requirements to the organizations. Such team members usually have multiple job duties, which means that anyone leave his/her position will trigger the "Butterfly Effect". It is hard for groups to find the replacement in a short time. Even if they find the ap-

appropriate person, the cost of new talents cultivation is also a pressure unconsciously.

Under the pandemic, some of the employees find it hard to accommodate themselves to the new situation, which may have more interactions online, and more unpredictability and independence from flexible working practices. They cannot receive encourage, motivation and incentive in time, thereby instability of the high performance employees and slack in work of the general staff have become the norm. Managers hope the employees contribute as much as they can, and at the same time, employees need to have the guidance of professional careers from the team. However, either of them is hard to achieve nowadays. Sometimes the things you want the most do not happen and what you least expect happens. Talents have invisibly turned into the burdens and managers have to search for the talents instead of the unqualified and resigned persons in limited period.

4. Practical References for Multinational Chinese Enterprises' Talent Management

4.1. Build Multi-Dimensional Values and Multi-Cultures Atmosphere

When Chinese enterprises enter the overseas market, their behaviors are subject to the market environment, which may bring the uncertain factors. They should recognize different cultural backgrounds cognitively and respect different cultural psychologically. Different corporate cultures are often composed of personnel, practices, skills, strategies, structures and systems driven by values, while common values will lead the development and integration of the other dimensions, showing a state of mutual complement and promotion.

Facing the changeable conditions, whether external markets, customers, or internal products, employees, common values will become the "soul" of all strategic initiatives, helping us to determine effective principles and clear how things develop. With this key element, we can constantly evaluate our strengths and gaps, so that we can promote the internationalization process as soon as possible, to avoid any unnecessary distractions. For cross-cultural organizations, we should fully identify differences and find targeted measures in values, life and customs. Based on the understanding of multiple cultures, multinational Chinese enterprises should achieve cultural empathy and strengthen cross-cultural communication and collaboration, take advantage of cultural differences to promote multi-dimensional and diversified strategies, and improve internal cohesion and development momentum to adapt to external opportunities and challenges.

4.2. Establish the Compound Talented Pool and Adapt to Multinational Development

It is highly esteemed and turned out to be the common concept that the quali-

fied personnel is the core competence. Whether we can consistently provide the right people on staff will become the key to the success of the enterprises. Currently, almost all companies are confusing with the puzzle — they are all facing the dilemmas of selecting, employing and retaining persons, which may undoubtedly add more pressures to the multinational Chinese enterprises. In the full introduction of modern enterprise management nowadays, multinational groups attach great importance and expectations to the introduction of talent, training and selection combing the actual situation of domain expertise to support business to develop rapidly.

There are two broad categories of international recruitment. The first one is campus recruitment, which has become one of the most important business recruitment practices and have received more and more enterprises attention. It could ensure the uninterrupted and sustained supply of targeted talents and reserve youth squads effectively, covering overseas and Chinese universities that have established long-term cooperative relationships with enterprises or could promote through network media easily. Another one is social recruitment, which is most used for searching the experienced persons. Sometimes they will use headhunters, recruiting services, that find workers for high-paying positions and highly talented professionals, and internal referral platform for quickly finding the necessary technical staff. Which method is appropriate and should be selected may need to deeply consider the resources, budget, requirement and related situations. Due to the limitation and particularity of international recruitment, they usually set up the job classification at the beginning of the process, identify which action is the best at the right time and proper paths in practice.

It is important to notice that enterprises should view the result periodically to ensure whether the actions are effective, have continuity and could support the target within the promising time. If you have answered no to even one of the above questions, you should probably considering alternative ways to try again or redeploy internal or external resources to recognize the optimal path. This workflow will not only be started when receive the recruitment needs, but happen according to the organizational development at any time, to monitor status of job market, ensure a constant source of talents in relevant areas and reduce the risks of team evolution.

4.3. Tailor Development System for International Team Members to Upgrade Talent Roster

Multi-national enterprises always appear “acclimatized” on the way of the development when expanding overseas which will cause the shortage of available persons. There is an urgent need for mixture of experienced and young players to achieve the target altogether. With this situation, both the new and experienced employees should receive necessary development that is more professional. In fact, multinational groups have appeared “barriers to intercourse” over the pandemic-period. The thought of strategy management is hard to be permeated every functional field worldwide and business targets have preoccupied

most of the managers' concentration rather than devoted more resources to high potential employees, which are the direct consequence of organizational issues. Some old members are difficult to maintain momentum and tempt to do other things, some of them keep the low performance mode and their working results come in well below expectations. At the same time, new employees could not have the necessary basis that they have only the vaguest grasp of business and cannot establish the targeted path for personal advancement. Due to the fact that talents crisis is looming ahead, multinational enterprises have to take all possible actions to ensure the best application results and set up the appropriate platform covering the functions of evaluation, presentation and breakthrough.

For new staff, enterprises should develop standards for training the "capable person" according to the HQ job qualification and all the local branches need to define and implement personnel development plan connecting to the uniform demand as well as local condition. In the initial days, it highly suggests to assign a mentor in charge of arranging new employees' work and giving them best guidance. After the probationary period, they will work in schedule like all the old players, and will have their own annual, quarterly and monthly performance targets, which could help them identify the key points and make the gap analysis in time. Meanwhile, face-to-face interview, which revolves around specific target and personal development plan, will help managers understand team players better and better and account talent value in details, so that every mission they concentrate will be accomplished easily and competition ability could be boost continuously. For the backbone of the staff, they will be involved into the training courses and more related practices. It is important for them to prove their knowledge and ability by connecting theory with practice and make the recalibration of personal career path and development plan constantly. Simultaneously, they should accumulate method through summing up and gaining hands on experiences to reduce the unavailability of the evaluation, uncertainty of the standard and unsustainability of development.

5. Conclusion

This paper provides the review of the difficulties and problems of multinational Chinese enterprises based on the pandemic situation, which has changed the working range and function of the talent management nowadays. It has never been more important for HR to be a true strategy partner and a bridge between the workforce and the organization (Laura, Neel, Asmus, & Florian, 2022). Obviously, we are in the new era, related management teams must awaken to the challenge, learn their responsibilities, and take on leadership for change. Meanwhile, they should shift the emphasis away from purely procedural management to the customer-oriented processes and emphasis the "Moment of Truth" for the employees in their interactions with different parties. Towards the unsustainable troubles of the talents, multinational enterprises need to learn how to transfer a liability to an advantage. They should tackle four capabilities in the short term,

including that building an agile organization, setting up the self-sufficient teams, finding and promoting adaptable leaders, and investing in talent and culture, so that they could demonstrate better shareholder returns and are better than their peers at integrating new technologies, supporting customers, building partnerships, and attracting and retaining employees (Dana, Michael, & Brooke, 2022).

With the acceleration of the localization process, Chinese enterprises are increasingly paying attention to the management of overseas talents. From the initial cost control to the emphasis on the compliance, and then to the establishment of talent management systems and policies which are suitable for the enterprises, multinational Chinese enterprises gradually lay a solid foundation for the long-term and healthy development depending on these positive adjustments. Therefore, how to coordinate talent management effectively with the international development strategy of enterprises has become a topic, which will optimize and accelerate the synergistic effect of each functional unit around the world, and achieve the greatest advantage in the process of internationalization strategy as well.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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