Food For Thought

Retaining Talent: How It's Done in China and India

By Mickey Matthews

Business is now conducted in a global village, where the practices are as varied as the cultures. While the differences are often subtle, they are all united by a single purpose: finding and retaining the best people in order to build successful teams and generate value for shareholders.

Let's focus on China and India, the world's leading emerging economic powerhouses. As outposts of increasing numbers of American companies and a vast source of talent, it is important to understand what retention strategies they bring to our global economy. This knowledge can increase our bottom lines.

China and India bring thousands of years of history to their business practices, especially when it comes to their workforce. There is a natural inclination toward retaining people. They learned a long time ago that it eventually yields big returns.

An ancient proverb common to both nations says it well: If you need returns within a year, invest in crops; if you need returns within 10 years, invest in trees; and if you need returns for over 100 years, invest in people.

The biggest advantage shared by both countries is their young, qualified and eager-to-work population. The challenge is how to leverage this good fortune. In India, the median age is less than 26 years and in China less than 30.

Each country has adopted specific retention strategies that have contributed to their economic growth. Some of the key features include:

Growth Practices

Chinese managers are more entrepreneurial, even when working for a large company. They like to pursue aggressive results, look for reinvestment of actuals into business, and grow business enterprises through projects and new acquisitions.

To retain Chinese management, companies should develop jobs and offer a larger entrepreneurial risk-taking job profile. This can include incorporating bigger responsibilities in terms of revenues, geographical coverage, product lines and organizational staff.

In India, management prefers more specialization and subject matter orientation. Managers want to align with new technologies — something creative with higher potential of future growth — in areas such as life sciences, semiconductors or creative media. A pivotal retention strategy is to expose these areas to managers, offering them opportunities to experiment with engineering, creativity and technology.

Job Mobility

The Chinese are entrenched in job locations, more so than Indians who will gladly move anywhere. That's why there are four million Indians working worldwide. Their mobility is always attached to higher savings potential, which they aim to achieve in a financially rewarding job. Strangely, their mobility is higher when it comes to an international location than within India.

The Chinese, who tend to be restricted in their mobility, prefer to grow within the geographical zone familiar to them, often sacrificing growth opportunities.

Services vs. Products

The Chinese are more product-oriented. They are comfortable in a large infrastructural manufacturing or a rapidly growing consumer enterprise. They time their entry and exit in a career, sensing the boom in any particular sector. Action-oriented, they like to ride the wave of a new concept and fuel its growth.

Indian managers are service-oriented. They like to build solutions and aftermarket service plans around core hardware. They thrive when there is a lot of engineering on a small-scale production, whereas the Chinese thrive with less engineering and more production.

Compensation

In dealing with job candidates from both regions, we have found that the Chinese aim hard to maximize bigger gains, while Indians tend to be micro-sensitive on compensation matters. For Chinese managers, pay-design with an aggressive (even 100 percent of fixed salary) performance pay would be the right strategy. For Indians, pay costs with a higher benefits quotient may do the trick. Both seek higher salary stakes.

Luck and Destiny

In most instances, Indians and Chinese believe that destiny and luck govern one's success, although they differ subtly in their attitude toward destiny. Indians time their moves when they think that luck is favoring them. Chinese may believe in destiny, but at times, are open to challenge. They do not mind taking risks to disprove that what was destined to happen didn't really occur.

Safeguarding Key Assets

It is critical today for companies here and abroad to hold onto their valuable talent, which may well be their most valuable asset. To safeguard this asset and remain competitive, consultants and the companies they serve must work together to avoid a potential brain drain. Many companies now realize that the consultant's role does not always end at the hire.

In China and India they learned long ago that an investment in people is a wise and profitable investment. ■

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