

## **How to Find Suitable Staff for SME in Mainland**

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### **War for Talents**

As all SMEs move to the new economy environment, they meet peculiar difficulties in the course of development. Human Resource development is one of the greatest handicaps, which SMEs are facing. The Human Resource market is feature in,

- China's economy is by far the best in the world
- China becomes the largest market for the world
- Returnees are coming back to further develop in China
- Local talents are reaching the international level
- Retention plans are of great importance for each company
- Compensation & Benefits are very competitive

How to get suitable staff in this war of talents and keep them are what SMEs thinking mostly.

In Mainland China, now people are freer to choose jobs they want, more job positions, more flexible environment. For example, Hukou system is strictly enforced in the past years, now for senior or skilled people, there are exceptions especial in Beijing, Shanghai, Gangzhou, and the big cities. A few years ago, if a company in Beijing recruited a staff without Beijing Hukou, the company was taking a risk of paying additional money to the local labor bureau and the staff would also meet difficulties in getting into the social benefit system. Now things are totally different. For SMEs, if they want, they would recruit people from other cities and they may have chance to move their staff's Hukou to their location. And more and more people accept working in different locations. For SMEs, they have a larger choice of looking for proper staff.

### **Effective Recruiting for SMEs**

To operate an effective recruiting, the right channel needs to be carefully considered after the job has been designed.

For SMEs, they need to determine that they need suitable candidates for their job position, not the best ones. While making the job designing, the following points need to be considered,

- Individual's skills
- Individual's integrity
- Individual's personality
- Potential to grow in the future
- Fit with company culture

### **Recruiting Channels**

As follows are the recruiting channels they can choose.

- Newspaper
- Recruiting websites
- Headhunters
- Job Market
- Networks

**Newspaper** - By using newspaper, you covers larger population but the target newspaper needs to be carefully selected. The cost is very high , space is limited, valid period is too short. Also the profiles of the candidates can be very various  
As follows are the newspapers usually used effective for recruitment in Beijing and Shanghai.

- Beijing Youth Paper
- Beijing Evening Daily
- Shanghai Wen Hui Paper

**Recruiting Websites** - Use Website as a channel, the advantage is you get an unlimited space, the cost effective and the websites offer longer period and the advertisement design with various colors but you have to pay much time for CV screen because of mass media and also the candidates are more likely from young generation and junior level.

As following are the famous Website for advertising recruiting needs for SMEs in Mainland China.

- [www.chinahr.com](http://www.chinahr.com)
- [www.zhaopin.com](http://www.zhaopin.com)
- [www.chinacareer.com](http://www.chinacareer.com)
- [www.51job.com](http://www.51job.com)

Mostly, when SMEs need to recruit senior positions, they can choose headhunters or we say executive searchers for them because headhunters can be more effective to focus on the right person for they needs. The advantage of using headhunters is as follows,

- Industrial knowledge in the industry
- Larger candidates pools
- Specialized interview skills

- Effective assessment tools
- Professional reference checks
- Higher successful rates

To use headhunter, the cost can be high and cheaper according to which headhunter you chose. In Mainland China, the following international brand executive searcher are available, they are

- Korn Ferry International
- Spencer Stuart
- Sterling International
- Nicholson International

Their fee usually is 25% to 30% of candidate's annual package. For other local headhunters, the fee can be various from 1-3 month salary, they can cost low and still professional and effective.

**Job Market-** Use "Job Market " to recruit staff, the advantage is you can see the candidate directly but the disadvantage are:

- Target job market needs to be carefully selected
- Space is limited
- Valid period is too short
- Candidates can be very various

After you find a suitable person for your position, you need to make an offer to the candidate, for SMEs in mainland , the C&B structure usually including 4 parts, they are,

1. Base Salary
  - Pay for the job
  - Pay for the market
2. Variable Pay
  - Pay for the performance
3. Stock Options
  - Establish same expectations as investors
4. Benefits Scheme
  - Mandatory benefits
  - Corporate benefits

### **Mandatory Benefits**

As to the mandatory benefits, the SMEs usually need to pay 5 benefit items, they are Pension, Medical Insurance, Housing Fund, Work related injury insurance , Unemployment.

## Possible Cooperation

As the Enterprise Consultative Dept. of Human Resource Development Sub-Committee , China National Committee for Pacific Economic Cooperation, We invite the possible Cooperation in 5 aspects as follows,

**1. Experience exchange on how SMEs in mainland can cope with the challenges of globalization and make further development.**

SMEs in mainland occupy an important place in China's economies, the number of SMEs occupy 99% of total enterprises in China. SMEs play a very important role in promoting the economic growth and solving employment problems. They provide 75% employment in cities. However, because of the small scaled and strength, SMEs face great difficulties in the course of development. HR development is one of the greatest handicaps , which SMEs are facing. So the experience exchange on how SMEs in mainland can cope with the challenges of globalization and make further development is needed.

**2. Training Programs for professional managers on management skill**

In mainland , economic restructuring is going on. There are large numbers of highly educated experienced employees in state-owned enterprises and redundant government employees, among whom there are many people have a doctor or masters degree. After training, they could easily become qualified managers, consultants. This is a big human resource, waiting to tap and development.

**3. Professional qualification certifying system**

There are many professional qualification-certifying organizations, but still high level and international certifying system are needed in mainland. There are great market potential among white collar and blue-collar people. Such as professional consultant, trainer. As to trainer, the entry barrier is very low, anyone can be a trainer, and the market needs such a certifying system.

**4. Experience sharing on governance concept between grass root level administrators from different countries.**

Governance experience for grass root level administrators. In these 10 years, the agriculture population in mainland China reduced from 74% to 64%, due to the quick urbanization process, the successful governance experience are extremely needed by grass root level administrator county, town district in mainland. Usually, the county government has plenty of budgets for office building, for car purchase, but ignore retraining themselves , improve their knowledge structure to adapt to new economy.

To enlarge their exposure in daily governance works in new circumstances. There is great need in these aspects. And it is something of urgency. They need to learn how to spend their money effectively and efficiently. So we hope to find cooperation opportunities from overseas where there is a developed governance system or experience to exchange with us.

## **5. Experience exchange on familial enterprise management**

In Mainland China, the familial enterprise plays a more and more important role in the new economy. They also need the systematic management training and exchange in this field.

We suggested the possible activities as follows,

1. SMEs and Familial Enterprise leaders workshop;
2. Symposium on best practices;
3. Exchange and training program;
4. Best practice study on building Strategic alliances between SMEs and large Firm;
5. E-learning and distance learning system

All above mentioned activities, our committee are very interested in organizing and operating, if you need more information please contact

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