

# China discovers its soft side

Firms are adapting to life in the global commercial market by tending to their deficiencies in management and communication. Corporate training is in vogue

China's services sector is growing at a rate of 9% percent a year – and so is the need for employees with “soft” skills such as management and communication. But the country's educational system and existing corporate training programs tend to fall short by simply focusing on the “hard” technical skills.

The soft-skills gap is further exacerbated by high employee turnover (up to 20% in major cities) and a skills shortage in key senior management areas. Greater global competition and new communication technologies affect almost every industry and this has forced companies in China to align with global best practices.

The ability to understand and work with other people can be turned into a powerful comparative advantage – and corporate training is necessary to bring skills in these areas to fruition. The corporate training market started when multinationals im-

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Shanghai-based HR consultant, specializing in communication skills



ported Western human resource practices into China about 10 years ago.

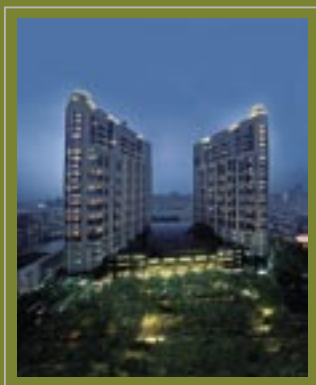
Development of the industry can be measured by the uptake of these practices by state-owned organizations. Five years ago, product knowledge accounted for 90% of the training budget for a large state-owned bank. Today, up to 50% is spent on improving managerial skills at leadership development training centers.

Other training initiatives are designed to groom local Chinese talent for leadership in national and regional positions. I worked as a corporate trainer with inter-

national accounting firm Ernst & Young, helping prepare the most promising managerial staff for 18-month working assignments in the UK, Canada or the United States. Staff enjoy the opportunity of international working experience – they improve their language skills and return to the home office knowing their future promotion prospects are good.

### Outbound assignments

This method is also used at the operational level. HSBC sends its best data operators overseas to train colleagues in Southeast Asia – a perfect combination of rewarding good performance and building people skills. Successful corporate training should be used to develop staff with skills that correspond to meeting the demands of the market. The key to success, as many large multinationals have shown, is systematic and consistent training programs to ensure



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▶ a certain benchmark of skills across the whole company.

Outside major multinationals, training departments vary in quality. While many competent HR managers are able to analyze training needs and competently select vendors, many companies use external partners to fill this gap by providing professional know-how on how to design and implement training programs.

This has led to a growth in “just in time” training, which is intended to be practical and immediately applicable in the workplace. The nature of this format requires a much more rigorous approach, such as periodic top-up trainings that increase retention of what has been learnt. Whereas a year ago companies preferred to take a day here and a day there, now more are turning to the intensive option.

Good corporate training can be used to retain top talent and develop future leaders. Multinationals are adopting leadership development pipelines which demonstrate to executives that the company is serious about career advancement.

A current trend sees external coaches used to support executive development. A common coaching issue involves helping Chinese executives improve their commu-



**HR FOCUS:** HSBC sends staff abroad to train others

nication with overseas upper-level management in head offices. Coaches offer business insights, cross-cultural communication tips and even tips on assertiveness.

**Focused sessions**


The major advantage of this system is it allows the parties involved to focus on the areas most in need of development. In this way, the return on investment is higher as coaching can be specific to making certain projects work more effectively. It doesn't require lengthy time away from work and the company can expect to see tangible results in the near term.

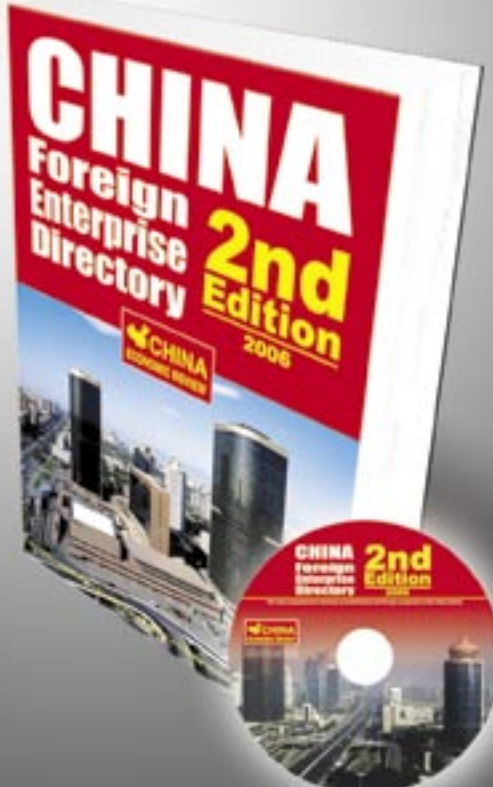
A potential blind spot in corporate training is that too much emphasis is placed on polishing and refining top managers who

already have good skills. Any business decision still needs to be implemented by line staff and so more attention needs to be paid to employees at this level.

Large multinationals are centralizing training into centers or “corporate universities” based on models used in the US and Europe. Similarly, progressive companies are now directing their training centers to improve soft skills across the board. It is only a matter of time before Chinese firms realize *en masse* that greater productivity gains can be made by using these kinds of one-stop-shop training centers.

This will be supplemented by more individual decision-making on training. Some firms already allow staff to choose their own training courses. Another option is inviting staff to take part in open day training fairs at which they can come together to select training programs that match their needs. The key is using training to further motivate and empower employees.

For now, HR professionals and training providers alike give the same clear message: the corporate training industry in China will grow consistently for the foreseeable future as companies search for the ideal strategy to develop people with skills that match market demands. 



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