



So Many People, So Few Managers

Rapid economic growth and investments from the West are driving the demand for leaders with global savvy. Can China deliver?

By Josephine Rossi

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It's hard to imagine that the world's most populated country is short on middle and senior managers, but it's a dismal reality that Chinese businesses are struggling to change.

The consulting firm McKinsey & Company says that China's management talent typically comes from several sources—all of which are increasingly scarce. The firm estimates that during the next 10 to 15 years, Chinese companies that want to expand globally will need 75,000 leaders. In 2005, the country only had between 3,000 and 5,000 individuals who could work effectively in international environments. Worse, those Chinese managers who are qualified to work globally are subject

to poaching by competitors. Some are working in other parts of Asia, such as Singapore or Taiwan, and are demanding higher wages than locals to return to the mainland.

Current managers aren't attractive candidates to new domestic and foreign-invested companies because they lack the appropriate education and training to serve as senior executives. According to employment-services provider Manpower, older Chinese employees are not fluent in English and, because they worked in state-owned enterprises with traditional values, they have little or no experience with Western systems and culture.

Of China's working adults between 40 and 44 years of age, less than 3 percent have at least a university degree: For those in their late 40s and 50s, that proportion is only 1 percent. Conversely, the Conference Board reported in February that the number of young people earning university and graduate degrees is increasing rapidly. These newcomers, however, often lack the practical experiences and softer creative and leadership skills required in the business world.

The problem is compounded by the country's shifting age demographics. In March, the *New York Times* reported that the proportion of people 60 or older is escalating faster in China than in any other major country in the world. In fact, the United Nations predicts that approximately one-third of the country's population will be retired by the middle of the century. Further, as a result of the country's one-child policy, the number of people in their 20s and 30s continues to shrink, and young couples must care for four aging parents as they work. Ironically, this portion of the population also is the one tapped to fill the talent gap.

But China's government is trying to create a more educated society. In the late 1990s, it started establishing new universities and graduate programs and expanded enrollment opportunities in existing universities that gave more teenagers and young adults the

China vs. the World

The following positions are the most troublesome to fill, according to 2,700 employers in China and 33,000 employers in 23 countries and territories.

China

1. Production operators
2. Sales representatives
3. Technicians
4. Managers and executives
5. Engineers
6. Machinists
7. Researchers
8. Designers
9. Restaurant and hotel staff
10. Receptionists

The World

1. Sales representatives
2. Engineers
3. Technicians
4. Production operators
5. Skilled manual trades
6. IT staff
7. Administrative assistants
8. Drivers
9. Accountants
10. Managers and executives

Source: Manpower's January 2006 Talent Shortage Survey

Current managers aren't attractive candidates because they lack the appropriate training.

chance for advanced education. That expansion also sparked a steep increase in the number of graduates since 2001, which reached a record 4.13 million in 2006—a 22 percent increase from the year before, according to the Conference Board.

The number of postgraduate degrees awarded in business-related fields continues to grow in line with the rapid expansion of MBA courses in China. Currently, there are more than 230 MBA programs at more than 100 institutions in 35 locations. However,

the Conference Board says that in some cases, the quality of the education is not high because the programs are so new.

Similarly, some multinational organizations have forged ties with universities to bring about change that otherwise might happen very slowly. Although well received, the approach sometimes falls short of expectations because China's university system relies heavily on memorization as a learning tool.

Among the suggestions that Manpower makes for organizations to attract and retain these coveted managers is to "invest heavily" in creating learning organizations. The firm says that learning is a priority for Chinese employees because they are acutely aware of the limitations of their educational system and are keen to acquire marketable skills. They know that if they don't keep their skills updated in such a fast-growing economy, they will be left behind and have to settle for a second-class career.

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// TRENDS //

MEASURE OF A LEADER

Three-quarters of organizations recently surveyed by the Institute for Corporate Productivity (i4cp, formerly HRI) said that they use or are considering using psychological assessments for executive selection and development.

Of the 180 organizations that responded to the survey, 58 percent currently use assessments, and another 17 percent are considering implementing them.

“Organizations are placing an increased focus on the development and selection of key talent,” says Jay Jamrog, senior vice president of research at i4cp. “Accurately identifying high-performing leaders is critically important when it comes to managing through change in an increasingly competitive global environment.”

He concludes that the findings prove that organizations recognize the demands placed on high-level executives.

The i4cp survey also revealed that assessments most often are used for selection and development, and roughly half of organizations assess candidates for almost all management and supervisory positions.

Additionally, more than half of the companies (52 percent) have psychologists from outside of the company administer the assessments, and the majority (64 percent) employ a mix of tests and interviews.

Where the Jobs Are



FOR THE SECOND YEAR, SALES REPRESENTATIVES TOP THE LIST OF THE WORLD'S MOST DIFFICULT POSITIONS TO FILL, ACCORDING TO EMPLOYMENT SERVICES FIRM MANPOWER.

This year's sales shortage is especially high in the United States, Japan, Hong Kong, Taiwan, Singapore, New Zealand, Ireland, and Peru. Similarly, skilled manual trades workers, such as electricians, carpenters, plumbers, and masons, remain in short supply, particularly in Europe, where many countries are easing the shortage by sourcing foreign talent. The survey also showed that last year's need for information technology staff and administrative and personal assistants has been surpassed by demand for accounting and finance staff and nonskilled manual labor positions.

According to Manpower, the Americas region (specifically Argentina, Canada, Costa Rica, Mexico, Peru, and the United States) is experiencing the most change compared to 2006: Four new positions made the top 10 list for 2007. But some needs are confined strictly to a country within that area. For example, teaching positions are the second hardest to fill in the United States, but the profession does not appear in the top 10 elsewhere in the region. Likewise, production operators do not rank among the U.S. top 10, but are scarce in the region as a whole.

MORE/www.i4cp.com

MORE/www.manpower.com

WORKERS NOT CONFIDENT ABOUT COMPETITIVENESS

More than half of working adults in the United States believe that America is unprepared to compete in a global economy, according to Switzerland-based staffing firm Adecco.

What's causing their lack of confidence? Seventy-six percent of participants in Adecco's survey said U.S. employers do not invest enough in training and development, and 64 percent blamed the U.S. educational system for not providing workers with the necessary skills to be prepared for the jobs of the future.

MORE/www.adecco.com

Polite Can Be POWERFUL

Long lines, flight cancellations, and booked hotels can challenge the tempers of even the most veteran business travelers. So, when your next trip has you seeing red, business etiquette expert Barbara Pachter reminds you to follow these common-sense tips for keeping cool and getting what you want.

1. Be prepared for delays. Pack food and necessities in your carry-on bag, charge your cell phone, and take a good book. If you're prepared for the worst, you'll be less stressed and better able to handle the situation.

2. Acknowledge the difficulty. Recognizing your customer service representative's challenges can help you make a positive connection.

3. Don't curse, name-call, or be rude. Customer service people say that although they have to help rude people, they will do as little as possible. If you are polite, they are more likely to go out of their way for you.

4. Don't make threats.

5. Ask for what you want. If you make a reasonable request, you are more apt to get it.

6. Befriend other passengers. It makes for a more pleasant trip

when things get difficult. Plus, people will share what they know, which can help you get around faster.

7. Try different alternatives. When the lines at the airport or hotel are long, call the reservation number for assistance. Frequent flyers can call their special numbers and make use of priority security lines.

8. Be alert, not a bully. For example, when new lines open up, you'll need to move fast. But that's not an excuse to push or shove.

MORE/www.pachter.com





GATES TAKES STAND FOR LEARNING

Arguably the biggest name in the technology industry recently went to bat for workplace learning.

In March, Microsoft Chairman Bill Gates addressed the United States Senate Committee on Health, Education, Welfare, and Pensions about the need for improved workforce training. His two-hour testimony suggested that both private and public sectors must take responsibility to address the current and future skills gap in the American workforce.

“As a nation, our goal should be to ensure that, by 2010, every job seeker, every displaced worker, and every individual in the U.S. workforce has access to the education and training they need to succeed in the knowledge economy,” Gates told the committee. “This means embracing the concept of ‘lifelong learning’ as part of the normal career path of American workers, so that they can use new technologies and meet new challenges. Workforce enhancement should be treated as a matter of national competitive survival.”

Gates also recommended that Congress should commit to improve high school education, promote science and math learning on both the secondary and post-secondary levels, and increase the number of H-1B visas available for highly skilled foreign workers.

MORE/www.help.senate.gov/Hearings/2007_03_07/Gates.pdf

The Price of Execution

A new survey by Expertus, a provider of strategic training outsourcing services, and outsourcing services consultant TrainingOutsourcing.com taps into the costs of corporate training administration and operations.

Results show that administrative expenses are high in some organizations. The findings include

- Seven percent of respondents said their companies spent more than 50 percent of their training budgets on administration and operations; 10 percent spent between 36 and 50 percent; and 30 percent spent 20 to 35 percent of their budgets.
- Only 15 percent of the respondents thought administrative-related spending was too high, and 65 percent thought it was “about right.”
- Approximately 60 percent of respondents expected spending on administration and operations to increase during the next two years; 16 percent projected spending would stay

the same; 5 percent predicted it would decrease; and 18 percent said spending would likely fluctuate.

- Seventy percent believed that the biggest administrative efficiencies could be gained by upgrading current technology. Respondents rated adding additional staff (35 percent) and increasing staff training (28 percent) as other changes that could improve efficiency.
- The most common administrative and operational functions used for training was program scheduling, followed by program evaluations, material fulfillment, registration services, and student and program reporting.
- Administrative challenges most frequently listed by respondents were heavy workloads (57 percent), inadequate technical support (47 percent), limited budget (40 percent), and lack of qualified personnel (40 percent).

MORE/www.expertus.com/survey/results5/TrainingAdmin.pdf

How We Judge



Men:
What do *women*
judge you on?

Work ethic – 43%

Accomplishments – 40%

Talent – 39%

Sense of humor – 38%

Looks – 32%



Women:
What do *men*
judge you on?

Looks – 61%

Body/weight – 54%

Work ethic – 50%

Accomplishments – 49%

Source: Elle/MSNBC.com *Work & Power Survey*, March 2007

Illustrations by iStock Photos

What Keeps CEOs up at Night?

Despite feeling confident in their companies' future performance and growth, CEOs are worried about finding talent and recent world events.

More than 20 percent of the 250 executives participating in a Management Action Programs survey reported "hiring talented employees" as their biggest business-development roadblock and likened the process to "finding a needle in a haystack."

Some of the CEOs said onboarding is difficult because the most talented employees are already working at another organization. Others espouse reactive, rather than proactive, recruitment tactics, which force them to scramble to find great hires.

In spite of these staffing shortcomings, however, approximately half of the CEOs plan to expand their products and services. "CEOs appear very confident—

but cautious—about their prospects during the next 12 months," says Allan Hauptfeld, principal of California-based Vantage Research & Consulting that conducted the research.

"These CEOs want to boost capital expenditures but simultaneously are concerned with rising interest rates," he explains. "They want to increase their company headcount, but worry about finding high-quality, dependable employees."

Lee Froschheiser, president and CEO of MAP, says the "undercurrent of caution" can be addressed with an onboarding process that recognizes that company growth and a stable, productive workforce go hand in hand. "Next, CEOs need to align their strategies and resources to support this priority," he adds.



The survey also revealed that CEOs are concerned with how national and world events will affect business. In particular, they cited the residential real estate market, interest rates, the war in Iraq, and uneasiness surrounding terrorism and homeland security as top concerns.