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Sharing, exploring, discovering and learning
with our Chinese counterparts . . .

HRD in China

BY DAVID C.
WIGGLESWORTH

In September of 1980, I was a member of the ASTD International Division Delegation that visited The People's Republic of China (PRC) under the auspices of the *People-to-People Program*. Our delegation was led by Vincent A. Miller, past president of both ASTD and its International Division. The delegation was comprised of representatives from the academic world, from both federal and state governments, from non-profit institutions, from industrial and commercial organizations, and from my area: the external consultant arena.

Our 32-person delegation spent slightly less than one month in China, meeting with those involved in varying aspects of human resources development and training within the PRC. The focus of our delegation was on sharing, exploring, discovering, and learning through formal and informal exchanges with Chinese counterparts, as well as on the development of historical and cross-cultural insights. We visited seven cities, meeting with trainers, professional managers, management educators, and university professors. We also held discussions with representatives from industry, government, commercial establishments, and service organizations.

While almost totally a positive

experience, our trip did suffer from some communication breakdowns, some misconceptions on both sides, and initially, something of a lack of a full understanding as to *why* we were there. However, negotiation was a key element that seemed to be fully understood by all concerned and was an approach that seemed acceptable to our hosts. As a result, Vince Miller, as leader of the delegation, was involved in intensive negotiation at practically every new city we visited.

In the final analysis, we won some and we lost some. Whether all of our professional objectives and personal agendas were fulfilled is a moot issue. I know that I found the trip to be informative, professionally rewarding, and personally enriching.

In our visit to seven cities (Shanghai, Suzhou, Nanjing, Tianjin, Beijing, Guilin, and Guangzhou), we held meetings with a cross-section of organizations involved in human resources development and training. These included department stores, factories, universities, the Chinese Red Cross, the Civil Aviation Administration of China (CAAC), an agricultural commune, and a computer-based geological survey group. In addition, there was ample opportunity for individual intercultural exchanges on the street, and a degree of openness that far exceeded my expectations.

My personal perceptions are based on data garnered from over 18 hours of tape-recorded briefings and interviews, and from personal and professional observations made during our tour. It needs to be pointed out, however, that what may have been true in September of 1980, may not be the same today. A sense of change appears to be pervasive throughout the China that we saw and thus it is difficult to anticipate or predict what the current status may be.

Rather than attempt to provide a cursory overview of all that we experienced, I shall focus on three specific site visits, and attempt to place them in an overall perspective relative to our other stops. These three specific areas will be: The Number One Department Store in Shanghai; The Number One Tool Factory in Shanghai; and the Chinese Enterprise Management Association (CEMA) in Tianjin.

The Number One Department Store

In Shanghai, we spent half a day at the *Number One Department Store of Shanghai* on Nanking Road. This store was established in October, 1949, just four months after liberation. It was the first department store to be operated by the government after liberation. Today, it has five selling floors and stocks over 40,000 items of goods

for sale. Eighty-five percent of these goods are actually made or produced in Shanghai. The remaining 15 percent represent goods produced elsewhere in China or abroad.

The store employs 2,400 persons of whom 1,600 are shop assistants (sales people relating directly with the customers). The remaining 800 employees work in the support services and management areas. Fifty percent of the employees are women.

The store is divided into nine sales departments handling nine general categories (or representing nine differentiated market areas) divided according to commodities. Each floor is divided into two departments, with the exception of the basement which has only one selling department. Each department employs 100-200 shop assistants who are divided into five-to-six sub-groups within each department on the basis of the products being sold. A tenth department of the store is responsible for warehousing and shipping.

Shop assistants are recruited from the middle school and are brought in to fill vacancies caused by retirement or promotion of an employee. Their initial training is focused on how to do specific calculations, how to use the abacus, and on how to wrap and pack merchandise. This initial program is on a one-to-one basis in an on-the-job setting. This on-the-job training also introduces the apprentice to basic sales techniques.

After two-to-three weeks of this basic training, apprentice shop assistants embark on a rotation program designed to carry them through the nine selling departments of the store. This program is aimed at reinforcing their basic skills and refining their product knowledge. In this latter aspect, trainees are expected to know where and how the goods are produced, how the customer may best utilize and maintain the items, and how best to present this information to the customer.

The training program includes observation training, as well as scheduled instruction at specific times each week (during slack

periods in the store). The training may also include role playing and on-the-counter simulations. Spare-time school training is also available. The apprenticeship training program continues until the trainee is viewed as being sufficiently trained to work in any of the nine departments. The average length of time for this apprenticeship training program is about three years.

In addition to this apprenticeship program, the store provides two types of educational programs for staff personnel. These are in the spare-time schools which were established as supplemental educational / training programs throughout China.

One of these educational programs is a general knowledge education track aimed at supplementing the education received from the schools. The emphasis in this track, at the moment, seems to be on compensating for the lack of

appropriate education received during "the cultural revolution."

The other educational track is concerned with business education for the store personnel and at its advanced levels is aimed at upgrading designated personnel who are slated to become section leaders. Plans are now under consideration, we were told, to build institutions of training and higher learning that relate more directly to the retail trade. Such institutions might offer courses in statistics, importing, exporting, merchandising, etc.

The Number One Tool Factory

The Shanghai Number One Tool Factory is a machine tool plant located in the industrial section of Shanghai. Upon entering the well-planted grounds, we were welcomed by a larger than life-size statue of Chairman Mao Tse-tung.

This machine tool factory has 42

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sections, each with its own quality control inspectors who utilize specially designed instruments to measure the accuracy of the tools produced. These QA/QC inspectors are graduates of technical schools and colleges. The 42 sections work three shifts. Approximately 10 percent of the section chiefs are women (this 10 percent seemed to be the general figure provided whenever the question was asked about the role of women in supervisory positions, wherever we went in the PRC).

The average wage for factory workers is perhaps best explained in percentages. The average factory worker in Shanghai is paid 1.33 above the minimum wage. Top workers in this factory, however, receive 2.73 above the minimum wage. Engineers and managers at this factory earn slightly less than double the wages of the top factory worker and their earnings are in excess of five times the minimum wage of factory workers in Shanghai.

Entry-level factory workers receive on-the-job training as part of a general apprenticeship program. Opportunities at spare-time schools and established academic institutions are available to outstanding workers destined to become supervisors.

The Shanghai Number One Tool Factory is the home of the "July 21st Universities" (for an excellent discussion of the "spare-time schools" and the "July 21st Universities," see Henry J. Sredl's "Industrial Training in China," in the *Training and Development Journal*, August 1980, pp. 52-53). This is a full-time program providing classroom instruction and experiential training for engineers and technicians employed by the factory. Students in this full-time program receive full pay while participating.

The "July 21st Universities" are said to differ from the spare-time schools in that the general academic level of these "universities" is higher and that the students attend them on a full-time basis.

It appears that it is virtually im-

possible to discharge or fire employees at this time, though the management indicated that this situation might be changing. While vacations, *per se*, do not exist, employees receive one day off per week and seven paid holidays

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during the year. Exceptions to this no-vacation policy include the rewarding of outstanding workers with paid trips to scenic historical sites for a brief holiday, and in those instances where husbands and wives work in different parts of China, they may be entitled to two weeks' paid vacation together.

Upon leaving Shanghai we proceeded by train to Suzhou (Soochow) and Nanjing (Nanking) visiting arts and crafts factories, a spare-time school, and a western computer installation. We flew from Nanjing to Tianjin (Tientsin) which served as a base of operations for our sortees into Beijing (Peking). In Beijing some of our group went to the Red Cross offices, others to an industrial site, and some of us to the CAAC, Civil Aviation Administration of China. In Tianjin we visited The Number One Carpet Factory, additional arts and crafts factories, and were the guests at a banquet of the China Enterprise Management Association (CEMA).

The Chinese Enterprise Management Association

The Chinese Enterprise Management Association was founded in 1979 in Beijing because of a need to improve the management levels in China. It is an organization for exchanging, popularizing and studying both the theory and practice of management.

CEMA is composed of representatives from the industrial, com-

munication, and capital construction departments of the government, and of the industrial and communication enterprises, building companies, research institutions, universities, as well as experts, scholars, and people with practical experience in business management.

We had an informative briefing by directors of CEMA and held intensive discussions with CEMA personnel in Tianjin. The mission of CEMA is broad and the organization would appear to have a well-recognized role to play. They have the broad responsibility of attempting to upgrade management capabilities to achieve the goals of "the four modernizations" (to modernize science and technology, industry, agriculture, and national defense).

Historical Perspective

Looking at management development through a historical perspective, it can be seen that after liberation, the study of management was instituted based on

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Russian models of management. This was achieved through the cooperation of the USSR and their advisors. This program ceased when the Soviets abruptly withdrew their advisors in July of 1960. For the next few years, until the "cultural revolution," local models of management were followed as leaders drew upon the experience of the people.

With the advent of the "gang of four," we were told that management development programs came to a halt. In addition, many experienced cadres (managers) were either unable to find employment or were not available to work due to incarceration, social or political exile, or because they were not in positions of power or influence.

Since the overthrow of the gang of four, CEMA has been following the directives of the Central Committee of the Communist Party of China. These directives have been aimed at enabling management to readjust, rectify, conform, and to improve the economy. The Central Committee has also assisted CEMA

by locating and bringing together those experts within China who can assist in redirecting the nation toward increased and improved productivity.

The basic management development program for cadres is two-fold: (1) to learn and to apply the appropriate principles of management; and (2) to master the advanced technology that is in evidence outside of China. CEMA's cadre training is on a rotational basis and includes the study of the theory of the communist/socialist economy; the principles of the Communist Party of China as they relate to economic policies; and the commodity economy of China on a theoretical basis.

Establishing Management Development Centers

In addition, this study of the commodity economy addresses adjustments, rectifications and improvements aimed at enhancing further development of their socialist commodity economy. This commodity economy is designed to

protect acceptable competition and to promote "combination planning" (collaboration) while maintaining the predominant importance of Marxist principles.

Management training policy in recent years has also included the extension of invitations to foreign experts to present lectures. Such programs have relied upon experts from the United States and Japan. However, CEMA is establishing four management development centers which are to look at management development in relation to motivation, quality control, advanced industrial engineering, operations research, etc. Three of these centers will represent different approaches to management. The one at Port Arthur (Dairen) is to represent the U.S. approach to management and is referred to by CEMA as the "Harvard Case Method" program. The center at Tianjin will represent the Japanese style of management, with a West German center being established in Shanghai.

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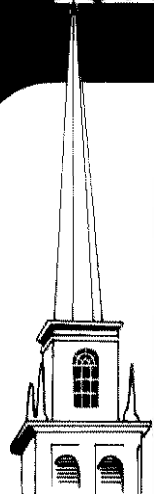
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The fourth of these management development centers is being established in Beijing. This will represent something of an amalgam of the three diverse approaches from outside China with the Chinese approach. These management development centers will only be open to higher-level cadre who have had some university experience.

A key objective of CEMA is to train a significant number of chiefs of factories, before the end of 1981, through short courses at these centers.

A main purpose of CEMA is to generalize and popularize the skills and theories of management knowledge. This is to be accomplished through the training of the cadres of larger enterprises via part-time training and short courses addressing particular subjects, as well as through the training of managers of smaller enterprises and middle management personnel through television lectures and the utilization of local experts.

CEMA also intends to coordinate what they call "backbone" classes that focus on needs in management accounting, management development, cost control, productivity, and more recent management practices that were either obliterated or not permitted during the cultural revolution. Current enrollment in these types of programs now exceeds 10,000 students.

Additional plans are underway to combine short-term training with longer-term programs in order to speed up the development of younger (40-50 age bracket) factory chiefs and managers.

CEMA is also authorized to translate, edit, and publish texts and periodicals aimed at popularizing new developments and techniques in the management sciences.

From Tianjin we flew to Guilin (Kweilin) where we visited a precision tool factory among other sights. We next flew to Guangzhou (Canton) where we visited a large textile factory and an agricultural commune. We returned to Hong

Kong by train.

"A Deep HRD Commitment"

It appears obvious that the Chinese are deeply committed to training and human resources de-

"A key objective of CEMA is to train a significant number of chiefs of factories, before the end of 1981, through short courses at these centers."

velopment. Entry-level training would seem to be basically an apprenticeship style program with hands-on experiences in on-the-job programs. Rotational job experiences with role modeling, one-on-one coaching, some simulations, and classroom instruction seem to round out such training.

The cadre (management) development programs appear to have a high priority and a high visibility.

CEMA, a relatively new organization, has considerable prestige and power and appears destined to play an important role in the enhancement of management development within the country.

These personal perceptions reflect my observations as they relate to my frames of reference, prior international experiences, and personal professional development. I found the trip to be stimulating, productive and most worthwhile. In addition, the opportunity for cross-cultural exchanges, for viewing of historical sites, and for the appreciation of culturally significant experiences only served to enhance my personal and professional growth.

One further word . . . the unique combination of professions and personalities within our delegation did much to heighten my experiences and learnings.

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