



Successfully Juggling the Generations in China & India

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Session Objectives

- Explore the generational talent challenges in China and India
- Discover the dominant values and behaviors shaping generational differences in each country
- Examine what companies are doing to respond to these challenges
- Share talent strategies that help with recruitment, engagement and retention



Generation Y (Millennials) in the U.S.

- Sense of entitlement
- Prefer an open, collaborative style in the workplace
- Jobs should fit their lifestyles, not the other way around
- Strong need for constant feedback
- Desire to be involved in decision making



Generations & Globalization

- With globalization, some similar traits are shared in the emerging younger generations in China and India
- Yet cultural differences have not been erased and some traditional values still manifest in the workplace



Studying Starbucks in China

- China has an ancient tea drinking culture dating back nearly 5,000 years
- Not “doing as the Chinese do.” Since 1999, Starbucks has grown to over 400 stores
- Changing consumer tastes, “tea at home, but Starbucks in public.”
- Conspicuous consumption in the younger generation



Generational Differences in China

- The “Little Emperors”
- China’s “one child policy” aggressively enforced throughout the 80s and 90s, particularly in urban areas along the coast
- Created a very different set of values for the young generation, most of whom are now in the workforce



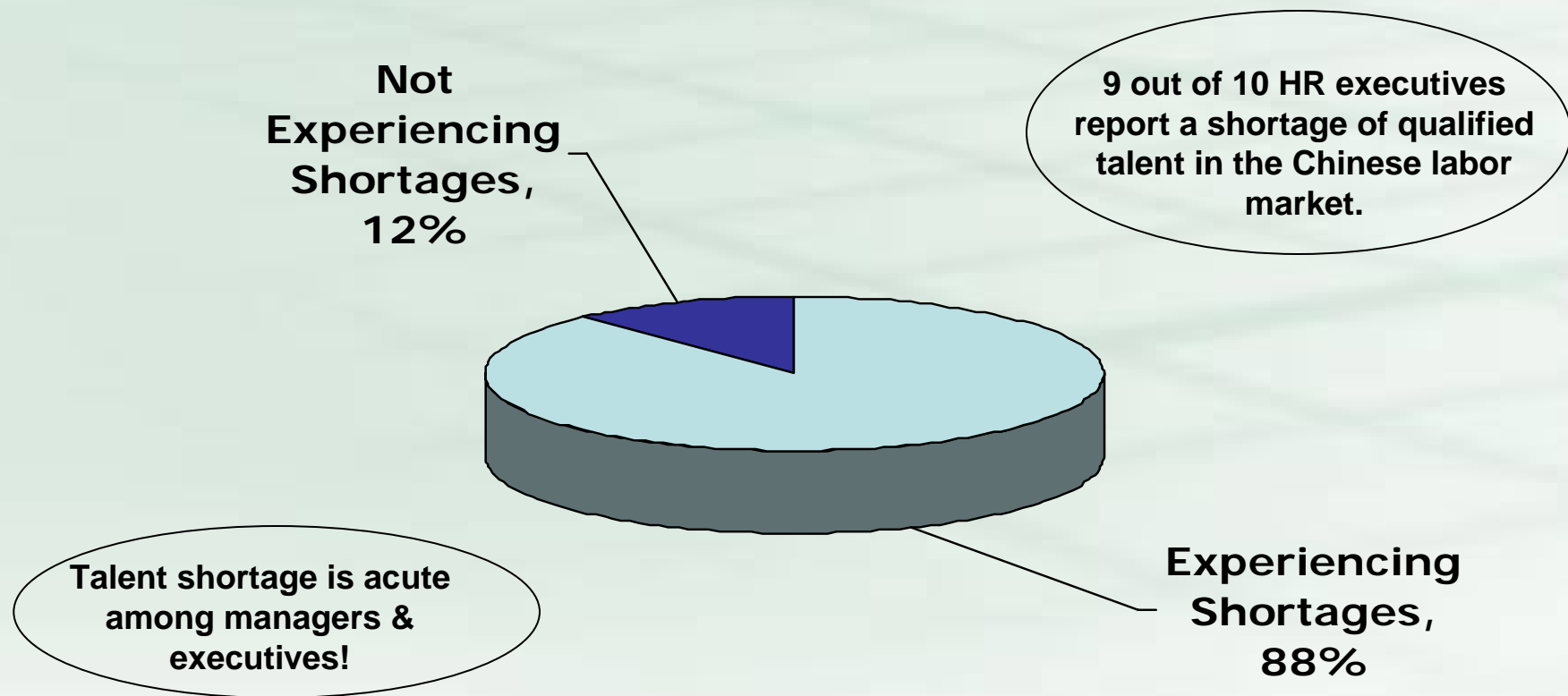
Generational Differences in China

- Hofstede's research indicates a large values gap between the U.S. and China on Individualism vs. Collectivism
- **U.S.** individualism: **91** – highest in the world
- **China: 20** – far more group oriented
- “Little Emperors” are significantly **more individualistic** than their parents
- Many feel stronger connection with youth of southern California than Chinese elders



Talent Management Challenges in China

Percentage of Organizations Experiencing Talent Shortages in China



Source: Corporate Leadership Council 2006 Agenda-Setting Survey

Talent Management Challenges in China

- Young generation Chinese not always so individualistic in the workplace
- Most IOR client frustrations involve a reported lack of initiative
- Expatriate managers are assuming too much self directed, proactive behavior leading to “under management” – lack of guidance and development



Talent Management Challenges in China

- Lack of development opportunities is the top reason cited for Chinese employee turnover by both exiting employees and HR
(SHRM 2007 Employee Retention in China)
- “I was too familiar with the job. There was no new empowerment or job change. I couldn’t learn new things”

Chinese Employee, customer contact company



Traditional Chinese Education

- Rote learning is still very common
- The **Confucian “Analects”** collected approximately 2,500 years ago
- Emphasis on principles of hierarchy, respect and obligations in relationships
- Hofstede research on power distance:
China – 80, U.S. – 40
- Students not encouraged to challenge teachers and authority in general



Talent Management Solutions in China

Intel's solution to talent challenges

- Align plant with the local university
 - Assess professors and invite them to the plant
 - Add courses and textbooks to the university curriculum
 - Shape and train their own hires
- **Cultural alignment**
 - Relationship orientation
 - Long term commitment



Generational Differences in India

- 50% of the population is under the age of 25
- Most young workers are incredibly optimistic and ambitious
- Highest ratings in 32 country Grant Thornton survey. 97% bullish about the business climate



Generational Differences in India

- Commonly referred to as the “in a hurry” generation
- Sense of urgency to seize opportunities given the pace of economic growth
- Older generation Indian workers (50+) sought security and stability in employment
- “It’s a very different generation. They want immediate rewards”
 - S. Gopalakrishnan, Chief Executive of Infosys



Generational Differences in India

- Younger generation relates more to western work values
- Pew Global Attitudes Survey: **71% of Indians had a favorable impression of the U.S.**
- Open to change and learning new processes
- More individualistic than parents, but parents are still influential
- **Hofstede** score for Individualism is **48**



Organizational Culture at Sasken

- Multinational Indian company of 3,000 headquartered in Bangalore
- Lifetime HRD Excellence Award from the NHRD Programme
- 32% of new recruits come through Internal Referral Program
- “PeopleFirst” corporate credo – **“respect for the individual”**
- “Single Status” policy: same workspace, leave time, benefits
- Flex-time, no enforced dress code
- Salary based on performance



Tata Steel and Retention

- Established in 1907
- 6th largest steel company in the world
- Fortune 500 company
- “Bring your parents to work” Day
- Link “home” and “workplace” together
- Parents shape and guide the employee’s attitude



Strategic Talent Management

- Organizational culture should be at the heart of the process
- This may or may not reflect national cultural values and behaviors
- Young generations in both China and India are very brand conscious and assess the appeal of an organization's culture



Talent Management Solutions

- Effective retention starts with the selection process
- Average growth rate of 30% over the past 5 years in Shanghai
- Turnover was highest among sales people and leaders
- Selection efforts dramatically improved retention rates (kept steady at 20%)
- Special recruiting programs at universities
- Behavior based interviewing
- Assess candidate fit with company culture



Talent Management Solutions

- Over 800% growth in India from 2003 – 2009
- Approximately 100,000 employees throughout India with headquarters in Bangalore
- Challenged by lack of management talent
- Developed in-house mini MBA program called ProPel to identify, develop and engage management talent
- Consists of seminars; on-the-job training; shared databases of management tips; email quizzes



Talent Strategies that are not as Effective

- Many common strategies that work well for recruiting and engaging younger U.S. employees don't work as well in China & India:
 - Stock options
 - Flexible work schedules
 - Telecommuting / virtual workspace
 - Relaxed dress code
 - Involvement in decision making



Successful Talent Strategies



- Don't rely on one or two strategies, the most successful companies incorporate a broad range
- Develop a robust selection process that assesses cultural fit (too many focus only on skills)
- Link pay to performance, which satisfies the ambition and drive for material success of the younger generations
- Establish succession management programs with an emphasis on development and learning opportunities
- Safeguard your key management talent which is the most highly poached. Have clear career paths that include valuable rotational assignments (international)



THANK YOU!

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