

# Team Sweden Survey on Swedish companies 'talent challenge' in China

16 December, 2020



Embassy of Sweden  
Beijing



Sveriges generalkonsulat  
Shanghai



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## Agenda

- Introduction & background of the survey
- ‘Talent challenge’ survey
- Conclusion and possible ways forward
- Q&A / discussion



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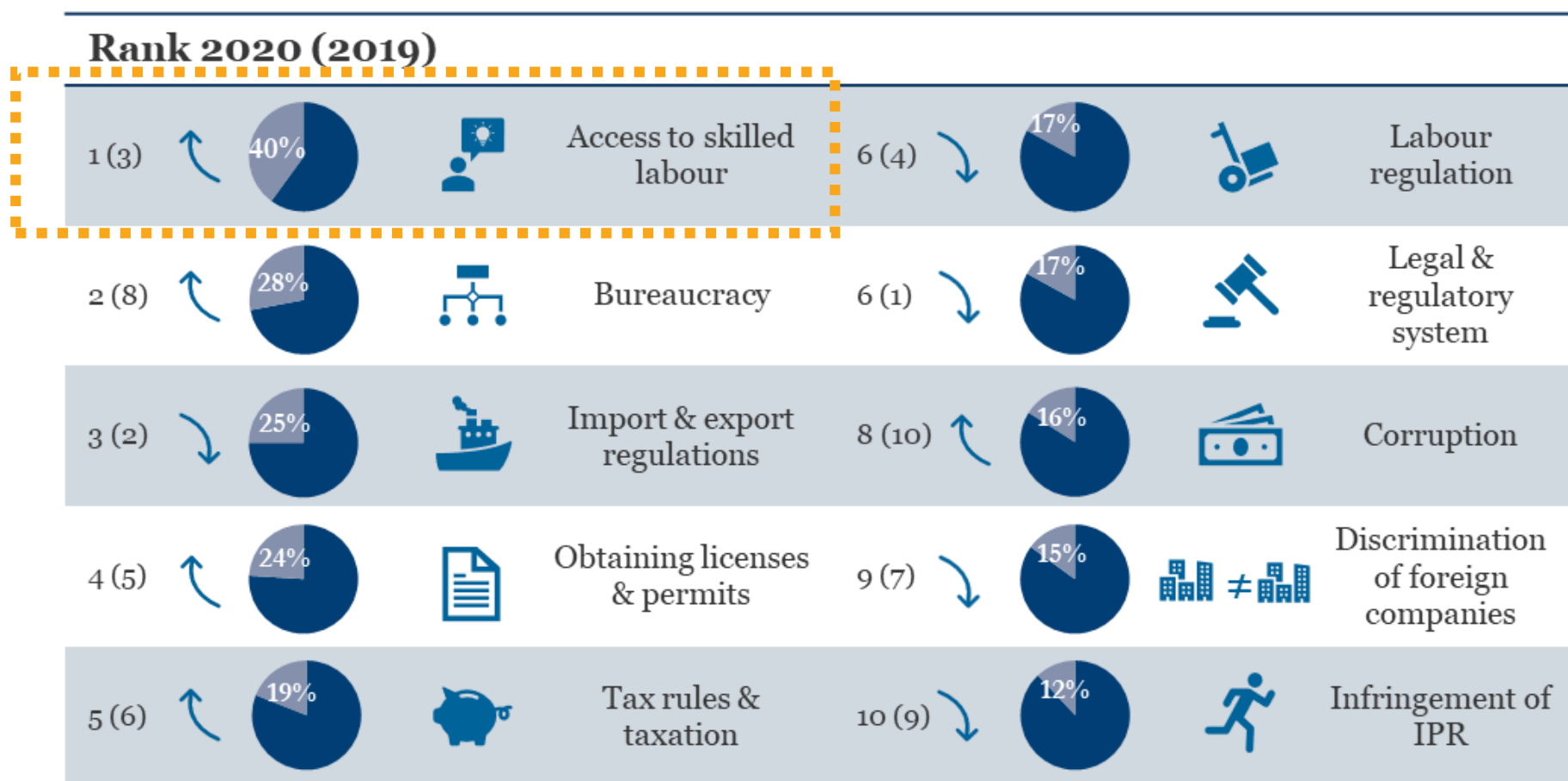


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# Access to skilled labour was identified in the Business Climate Survey 2020 as the most challenging factor for Swedish companies in China

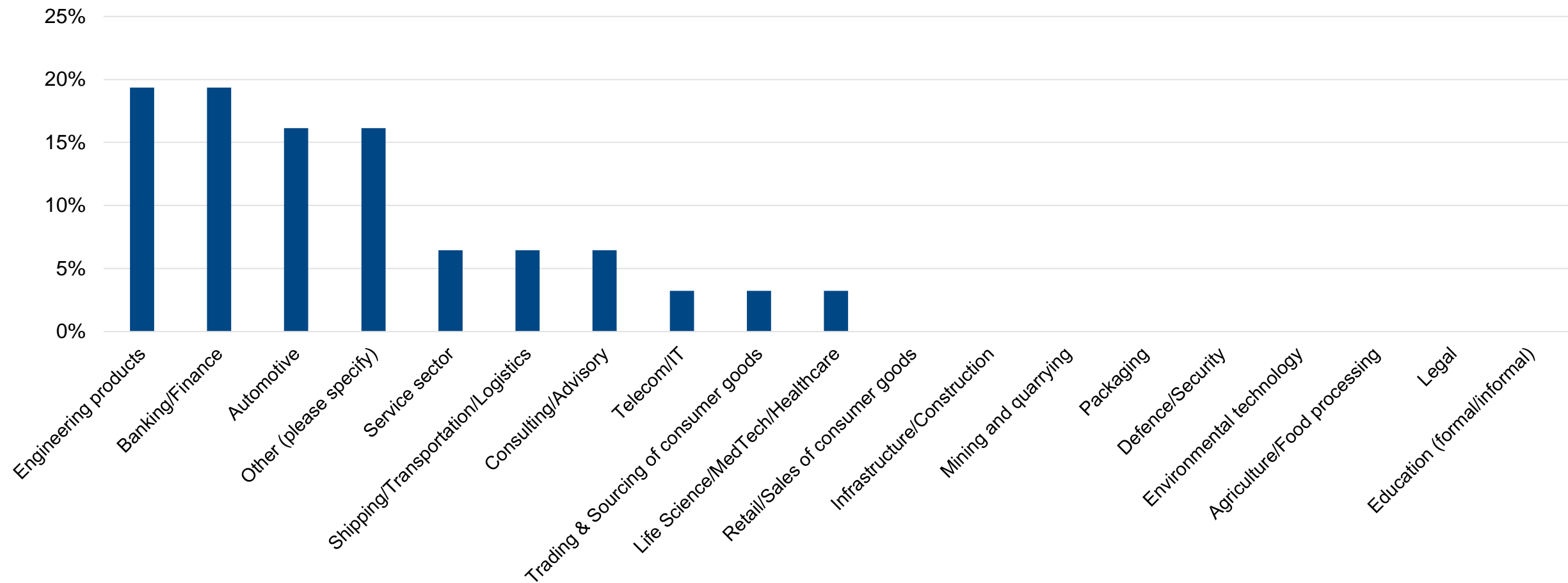
## What factors do you consider most challenging for your business in China?

(Respondents may choose up to 3 alternatives, N=93)



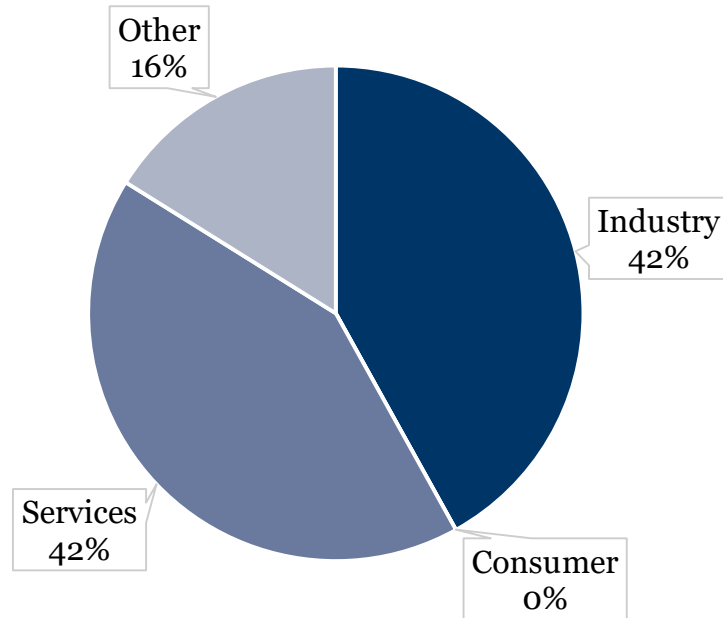
# Most of the participating companies in the study belong to the engineering, banking / finance and automotive industries

The main industry of your company in China  
% of respondents selecting industry, n=31

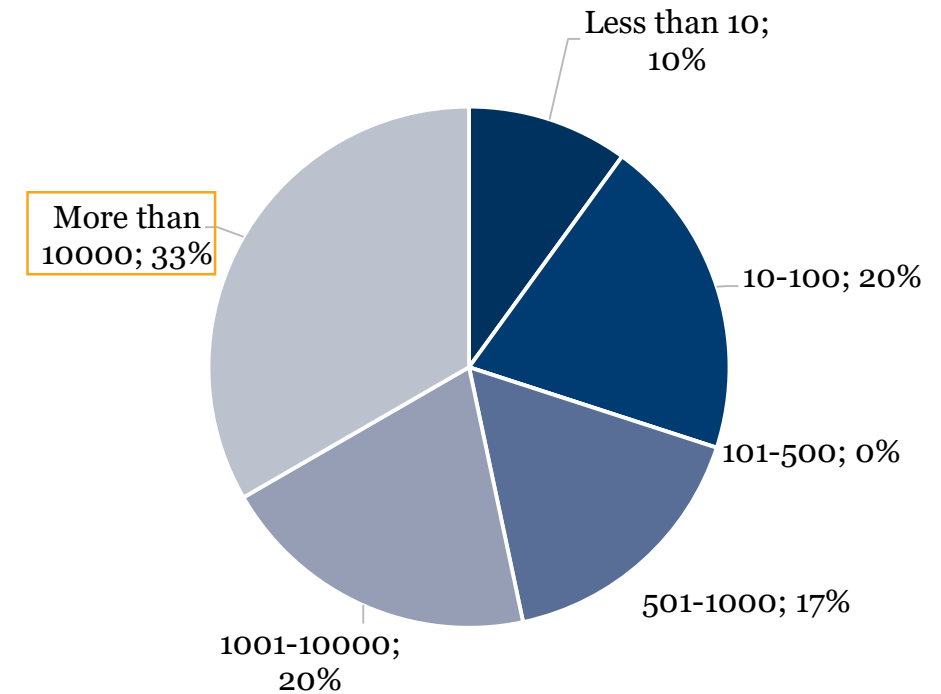


# A majority of the participating companies in the study are larger corporations belonging to the industry and services sectors

**Industry overview of participating firms**  
Main industry of business in China



**Global number of employees per company**  
Total number of global employees





The survey result was discussed in a workshop with HR managers from some of SwedCham's member companies to collect additional perspectives



clas ohlson

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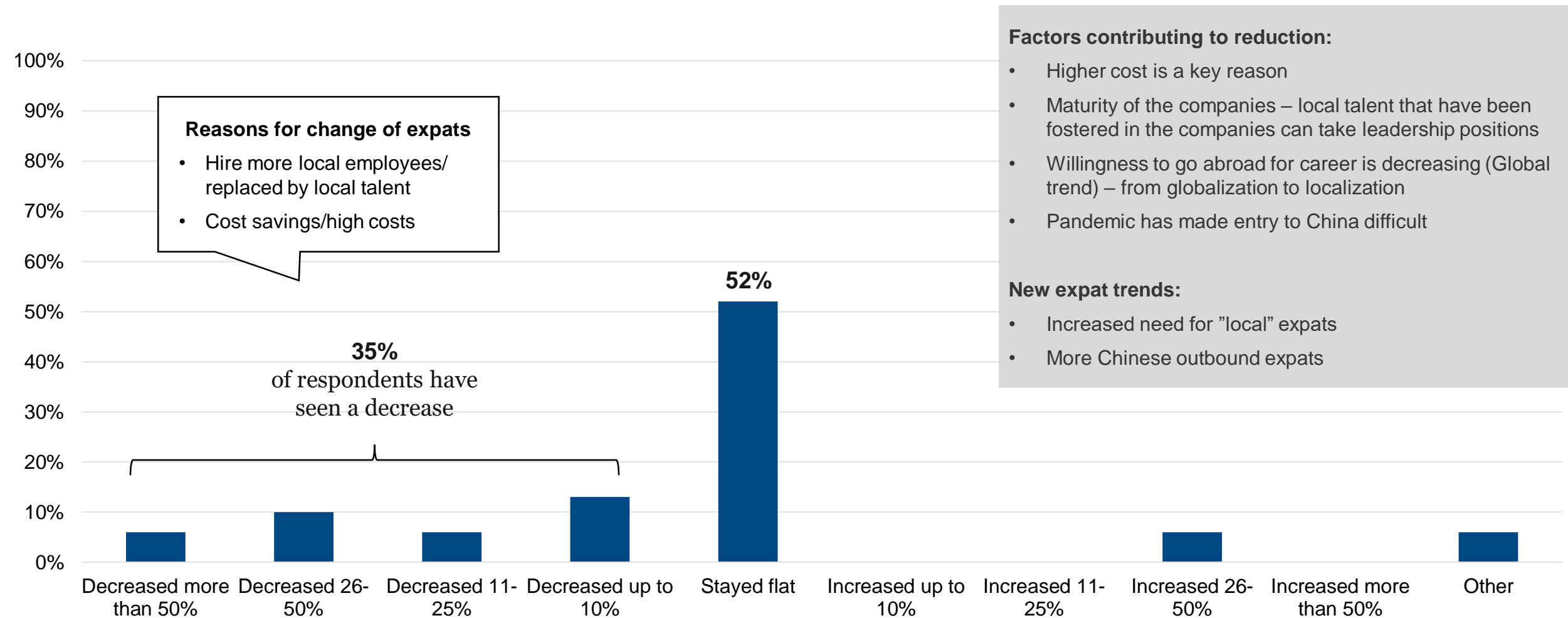
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# The number of expats at Swedish companies in China has overwhelmingly stayed flat or decreased during recent years

Change in the number of expats at Swedish firms over the past 3 years  
% of respondents selecting factor



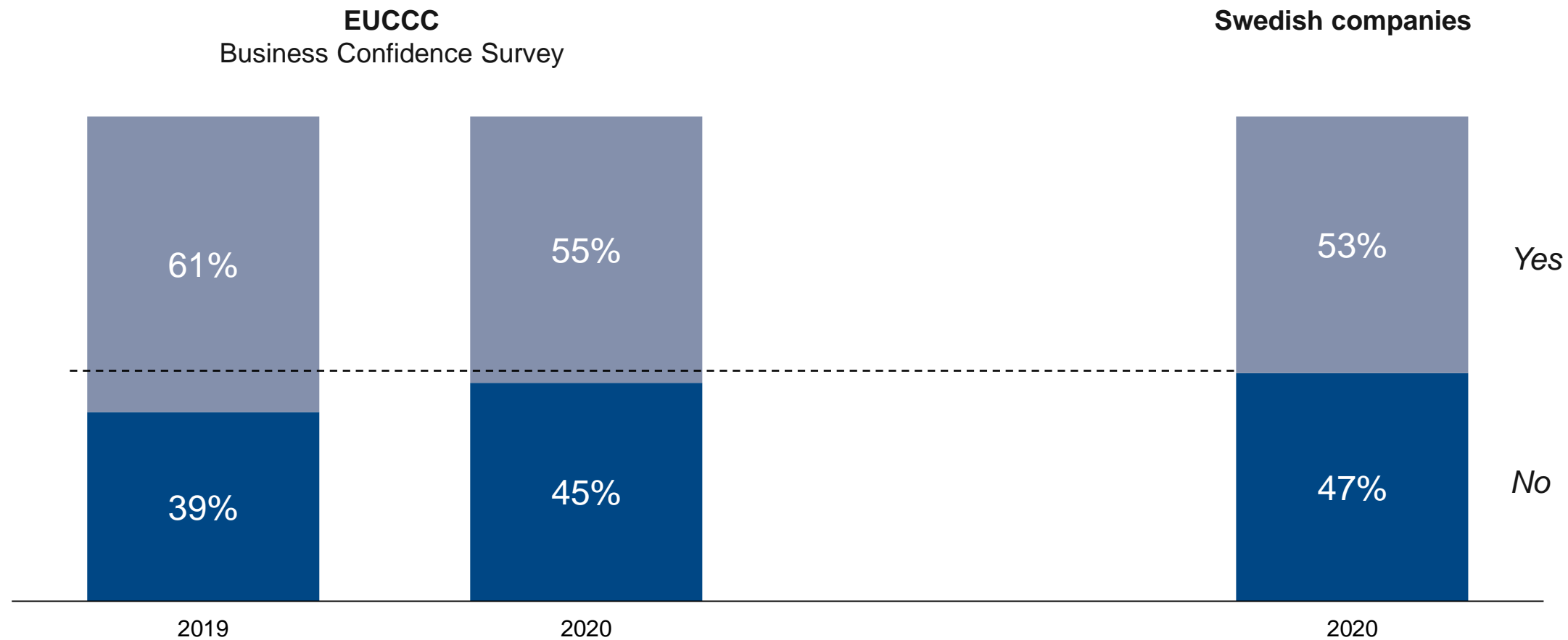
Note: How has the number of expats employed in your company changed over the past 3 years?




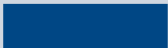
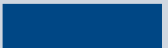

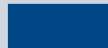
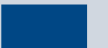
























# More than half of the respondents are facing challenges attracting talent

Is your company currently facing any challenges in attracting the right talent in China?

% of respondents



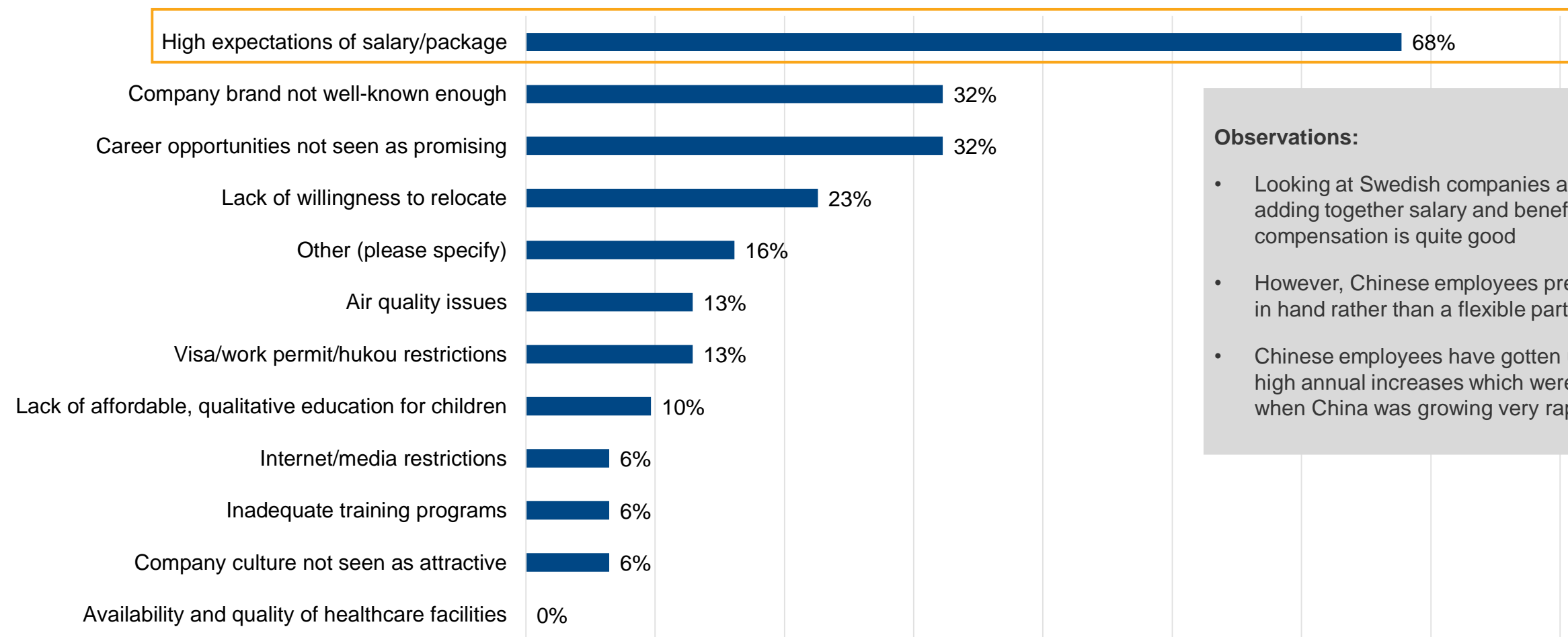
# Achieving cost efficiency and brand awareness are the largest disadvantages for Swedish companies in China according to the 2020 Business Climate Survey

		Biggest disadvantages		Key to maintain competitiveness				Biggest disadvantages		Key to maintain competitiveness	
	Cost efficiency		40%		52%		Digitalisation and e-commerce		15%		8%
	Brand awareness		32%		26%		Staff development/ training		13%		24%
	Public affairs/ Gov. relations		26%		26%		Sales competence		12%		23%
	Product development/ adaptation		23%		52%		Collaboration with/ feedback from customers		9%		8%
	Partnerships/ local relationships		21%		25%		Service development/ adaptation		8%		33%

# Salary package is the largest challenge for Swedish companies in China to attract talents, along with brand attractiveness and career opportunities

## Top three challenges in attracting the right talent in China

% of respondents selecting factor as top three



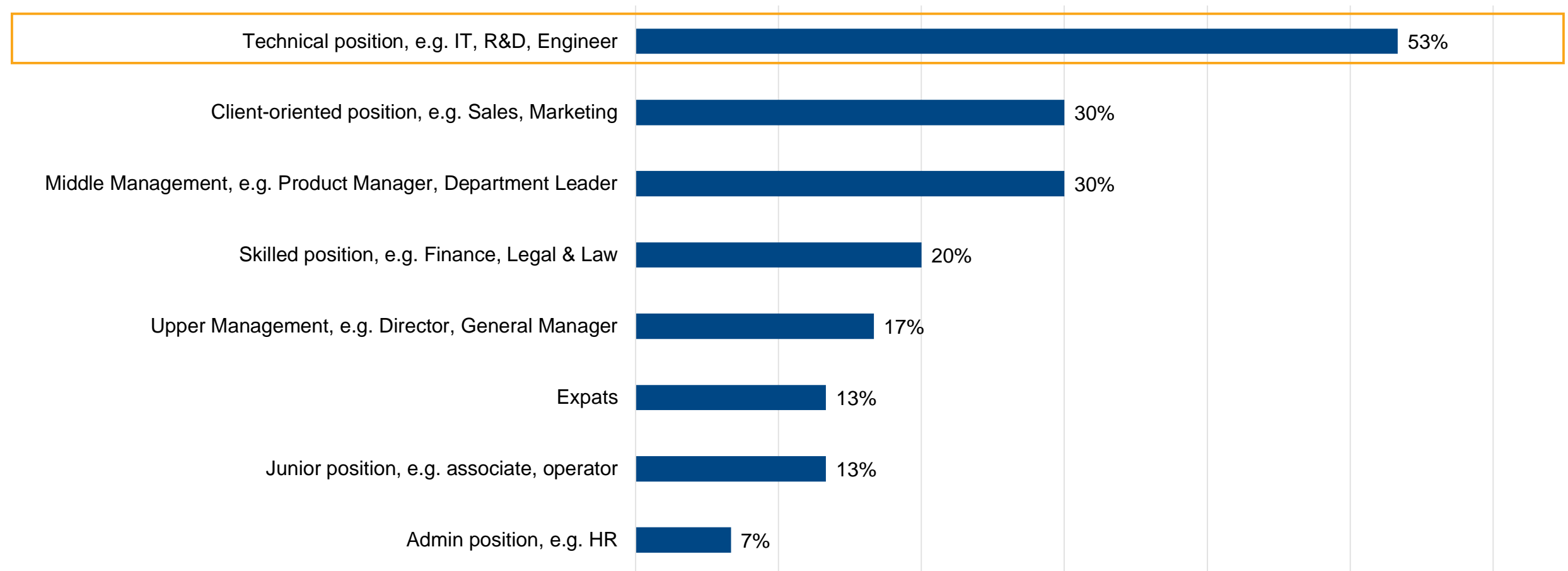
### Observations:

- Looking at Swedish companies and adding together salary and benefits, the compensation is quite good
- However, Chinese employees prefer cash in hand rather than a flexible part
- Chinese employees have gotten used to high annual increases which were normal when China was growing very rapidly

**Note:** Please list the top 3 challenges in attracting the right talent in China:

# Technical positions requiring more specific experience and knowledge are seen as the most challenging positions to recruit in China

**The positions with the largest challenges recruiting**  
% of respondents selecting factor as top three

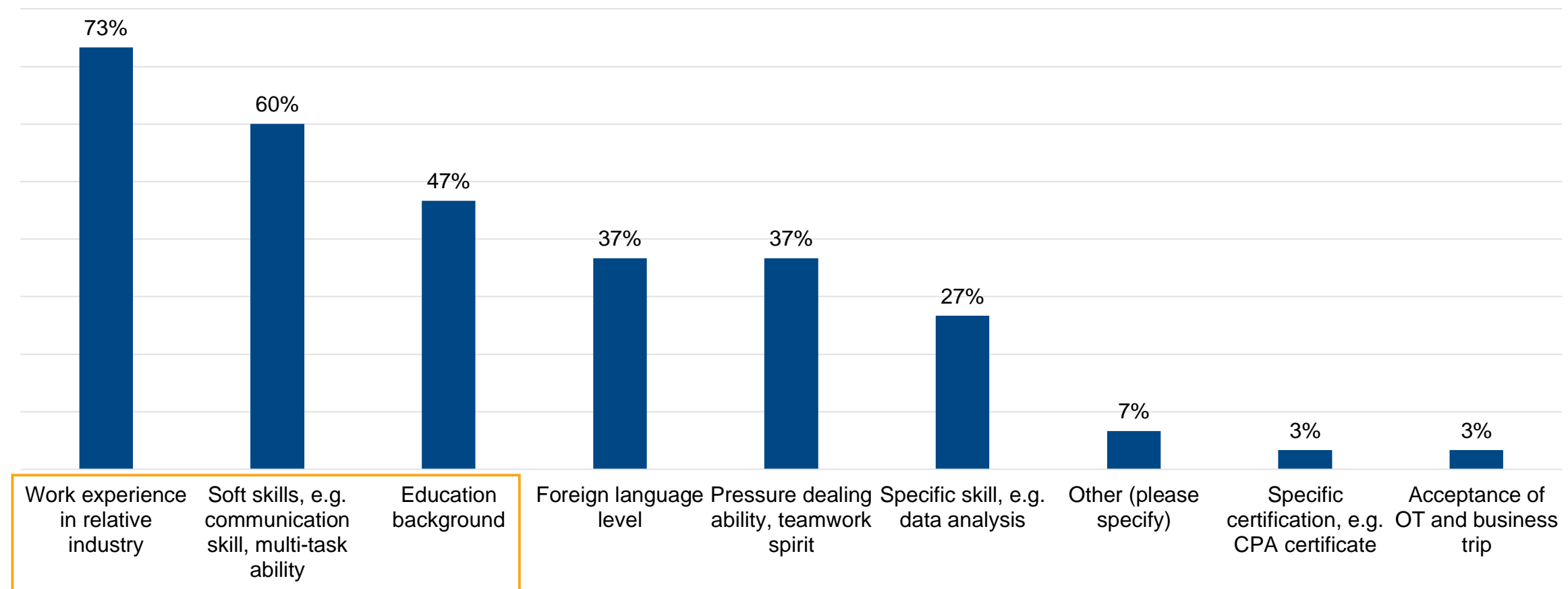


**Note:** What position do you have the largest challenge recruiting? (max 3 alternatives):

# Relevant work experience, soft skills and educational background are the main deciding factors when evaluating recruitment of talents in China

## Key evaluating criteria for recruiting talents

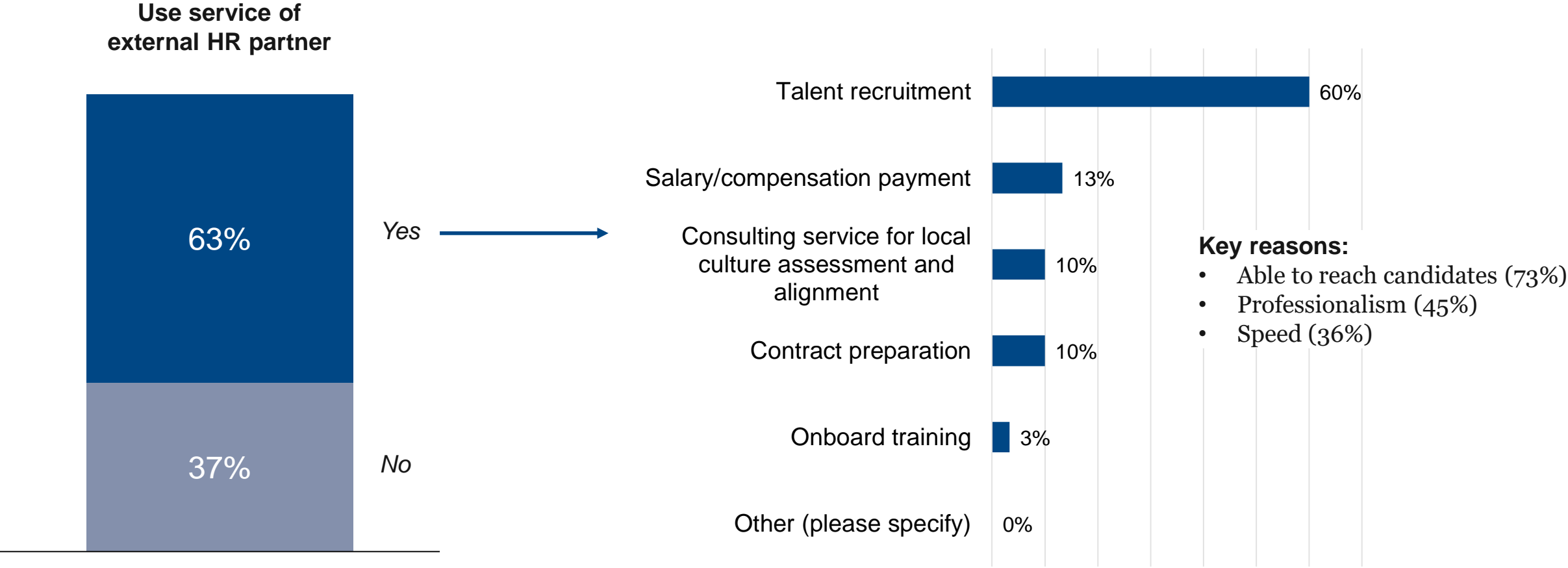
% of respondents selecting factor as top three



**Note:** What is the key criteria used for evaluating the talents when recruiting? (max. 3 alternatives)

# More than 60% of respondents use an external recruitment agency / HR partner when attracting and recruiting talent

Most important services for collaborating with an external recruitment agency  
% of respondents selecting factor as top three

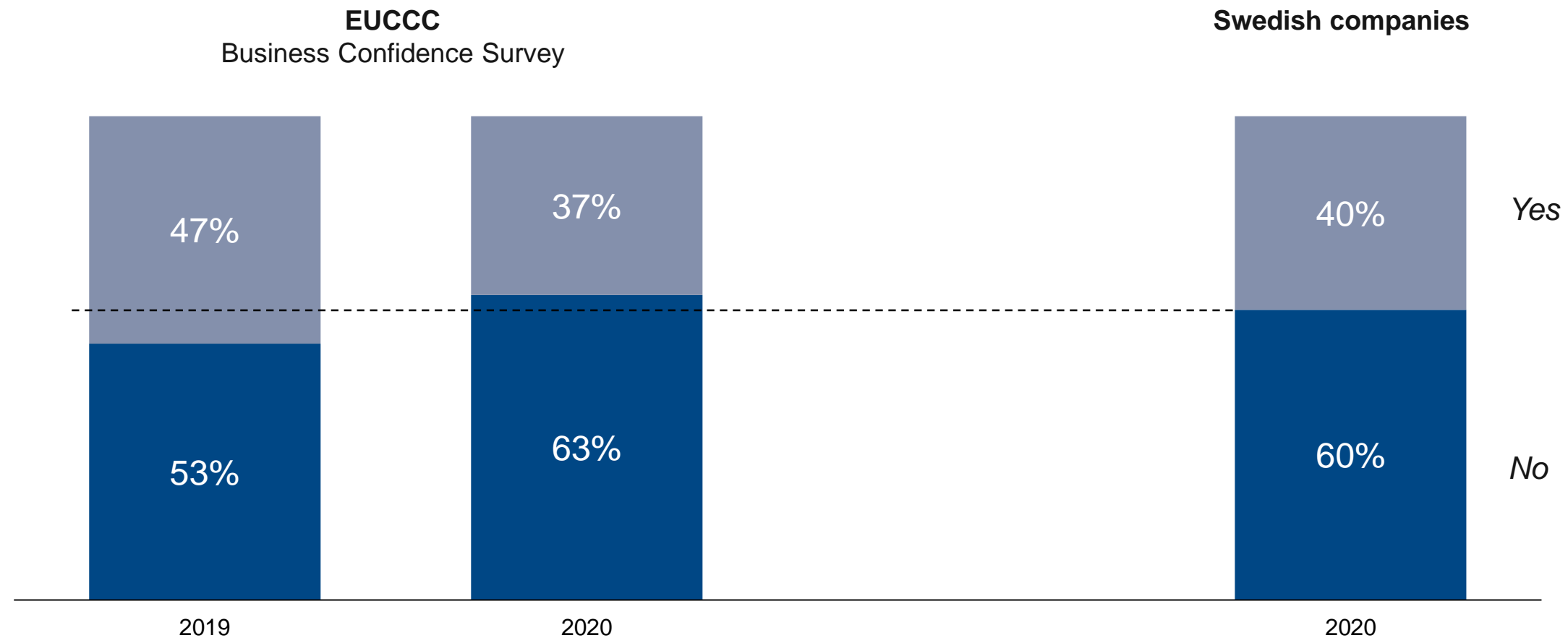




# 40% of the respondents are facing challenges retaining the right talent in China

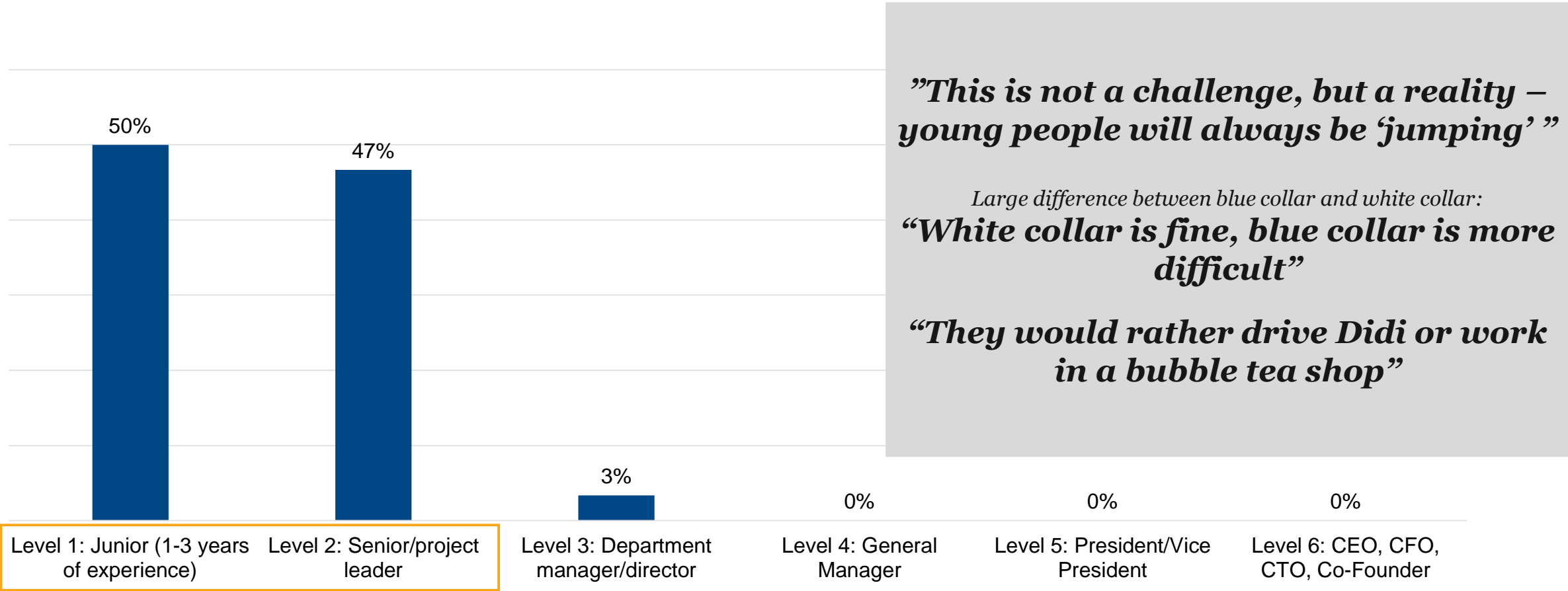
Is your company currently facing any challenges in retaining the right talent in China?

% of respondents



# The positions suffering from the greatest talent loss at Swedish companies in China each year are largely the junior positions at the companies

The level of position suffering from the greatest talent loss every year  
% of respondents selecting factor

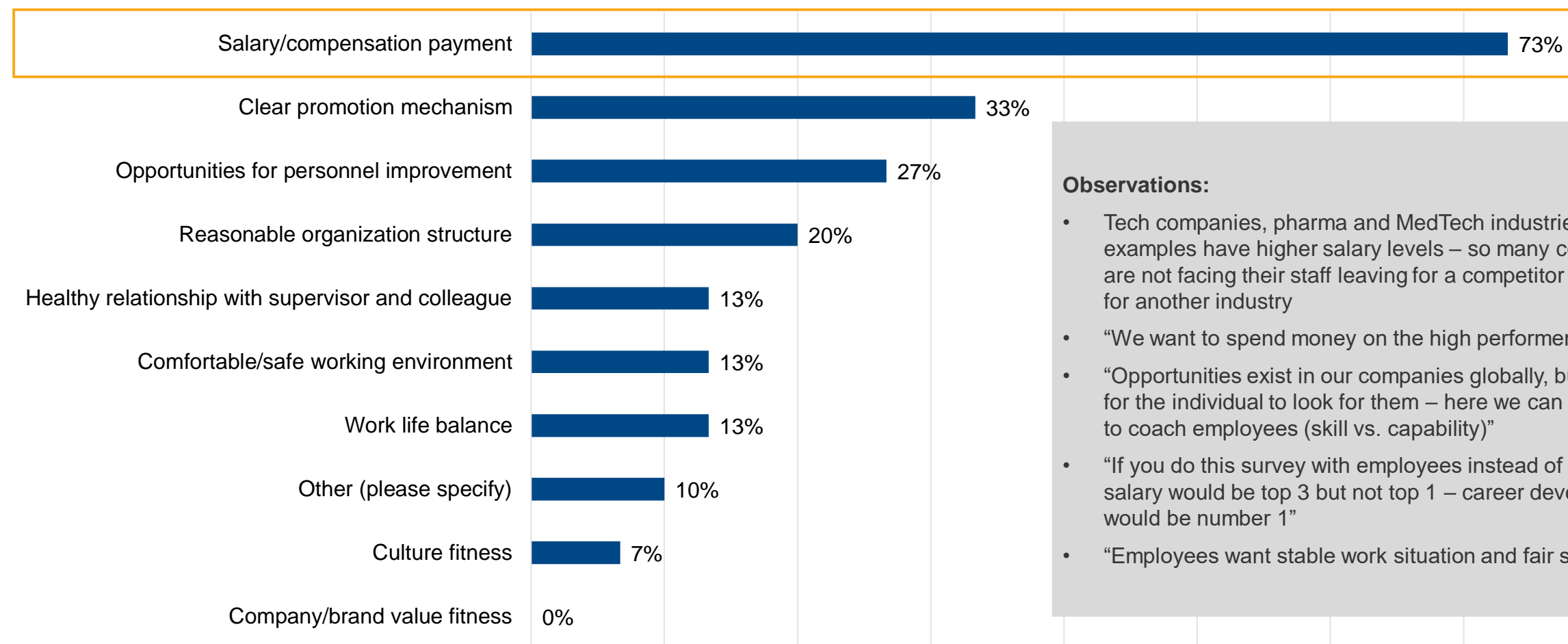


**Note:** What level of position in your company suffers from greatest talent loss every year?

# Salary and compensation payment is regarded as the main challenge to retain talents by the Swedish companies in China

## Greatest challenge for responding companies to retain talents

% of respondents selecting factor as top three



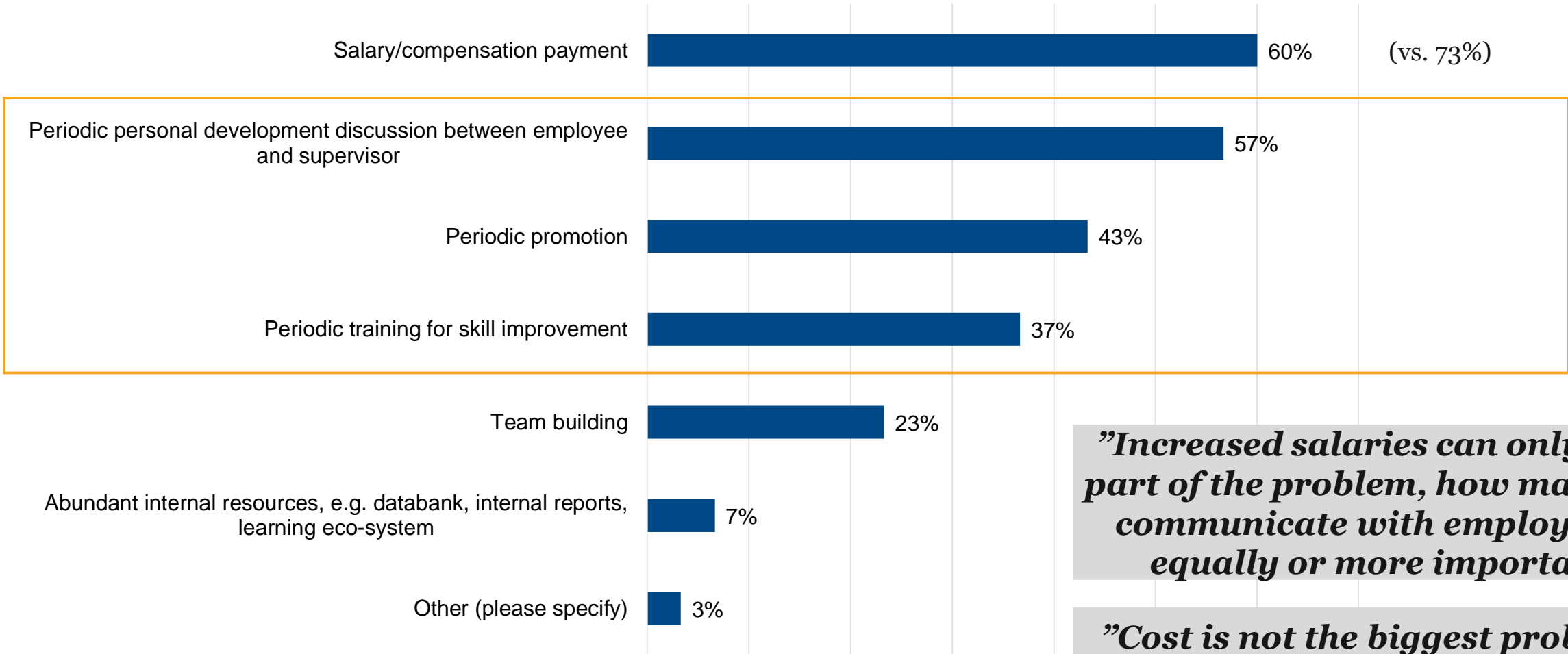
### Observations:

- Tech companies, pharma and MedTech industries as examples have higher salary levels – so many companies are not facing their staff leaving for a competitor but rather for another industry
- “We want to spend money on the high performers”
- “Opportunities exist in our companies globally, but it is up for the individual to look for them – here we can do more to coach employees (skill vs. capability)”
- “If you do this survey with employees instead of employer, salary would be top 3 but not top 1 – career development would be number 1”
- “Employees want stable work situation and fair salary”

**Note:** What do you perceive is the greatest challenge for your company to retain talents? (Max. 3 alternatives)

# Actions around personal development stand out as potential solutions to talent retention in China

Proposed solutions to the challenge of talent retention  
% of respondents selecting factor as top three



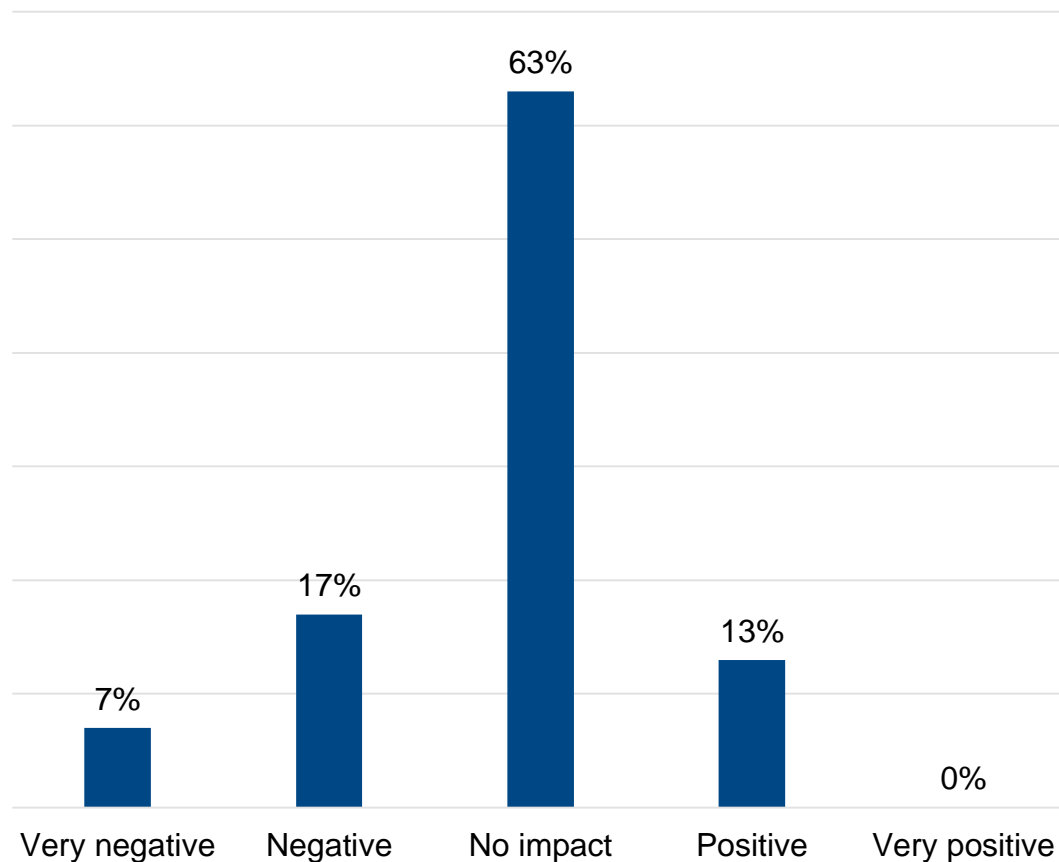
*“Increased salaries can only solve part of the problem, how managers communicate with employees is equally or more important”*

*“Cost is not the biggest problem... need to convince on the ROI”*

Note: What do you perceive can be the solutions to the challenge of talent retention? (max. 3 alternatives)

# Only a minority of the companies has seen a negative impact from the pandemic on talent recruitment and retention

**Perceive impact of COVID-19 on talent recruitment and retention this year**  
% of respondents selecting factor as 1-5



## Company specific challenges in recruiting and retaining talent during the pandemic

- Career opportunities, training & team building.
- Critical positions involving certain key skills
- Covid-19 makes it harder for expats to come to China
- Salary levels and career development opportunities in China

**Note:** How do you perceive the impact of COVID-19 on your company's talent recruitment and retention rate this year?

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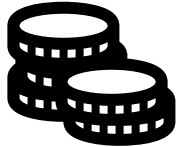


## A few of our conclusions



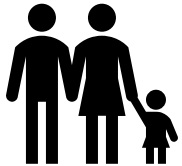
**The competition might not be the salary benchmark, but rather other industries**

- Although, looking at salary and benefits, Swedish companies are not that bad



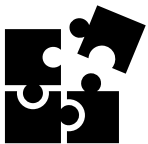
**As cost efficiency is a general disadvantage, you need to be selective**

- Cannot make large salary increases across the board – need to be selective
- Be ready to ‘out pay’ for the top talent



**Swedish companies have a number of good aspects that weigh up for salary**

- Work life balance
  - Respect for employees
  - Flat organizations / freedom
- focus on recruiting persons with similar mindset

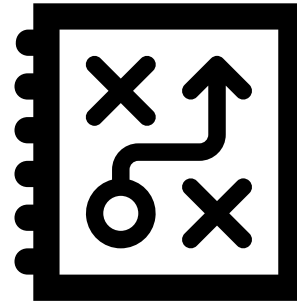


**If you can't attract the talent you are looking for, you need to think differently**

**A network exclusive for HR managers at Swedish companies has been initiated where we hope to add more members**



**WeChat Group**



**Topics of interest**



**Quarterly meetings**



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# SWEDCHAM ACADEMY; CROSS CULTURE LEADERSHIP TRAINING

**A training in cross-cultural leadership** and utilizing **coaching as a leadership tool**, with two certified coaches who demonstrated how you apply coaching as a manager to succeed in leading effectively.

**Coaching** has been well applied as an effective leadership skill in Nordic companies, and in this workshop Mercuri Urval also shared potential pitfalls for leaders using coaching in a global perspective.

**Takeaways** include how to apply coaching when working with development of individuals, teams and organisations, and how trust, courage and willingness to listen are essential skills a leader has to master for her or him to succeed



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# SwedCham Job Portal

A portal where companies and organizations, members and non-members, can offer job opportunities through SwedCham's channels.

# Process

## Upload a job post

Fill in certain information and requirements of the job and upload it to SwedCham's website.

## Let the talents reach out

The talents will contact you to express their interest.

## Hire the talents

Contact has been initiated, and you take over the remainder of the process!



# Value

For members, non-members,  
young professionals and general  
job seekers.

As hiring top talent is one of the main challenges many companies in China face, SwedCham Job Portal is a way to address this. Apart from generating revenue, this also creates value for many stakeholders and strengthens the SwedCham presence and brand in China.



# Nordic Career Fair 2021

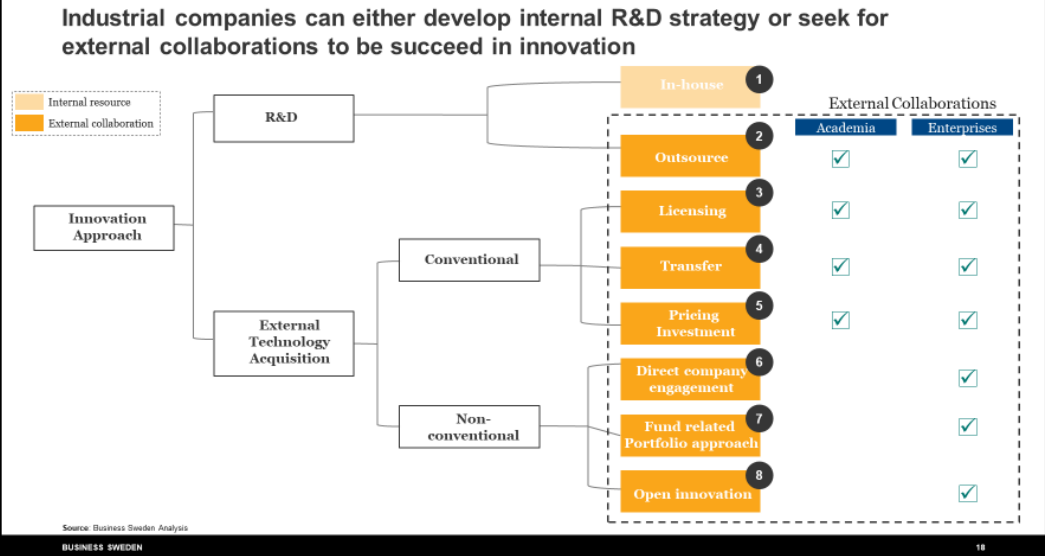
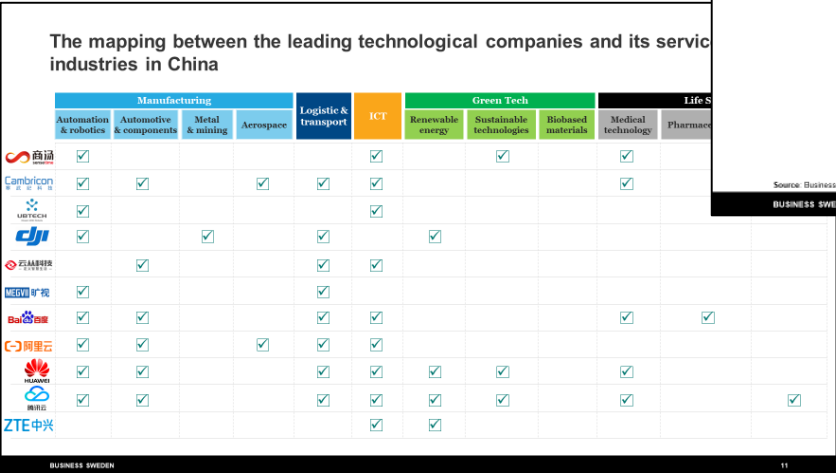
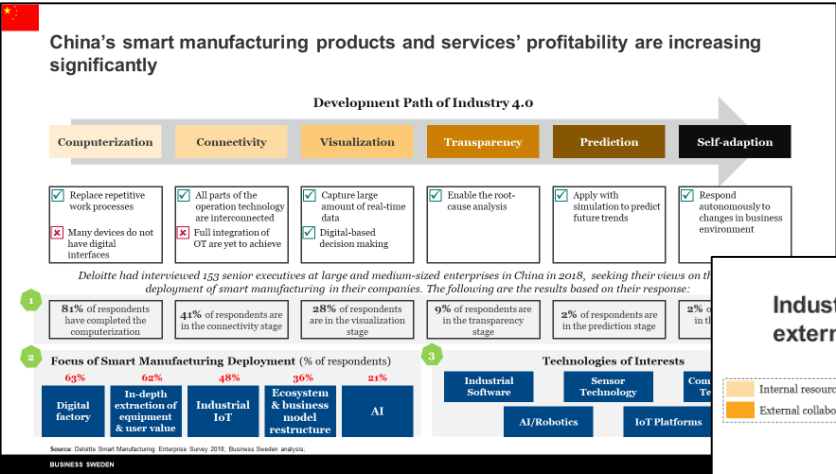
The Swedish Chamber, Danish Chamber and Norwegian Business Association are excited to invite you to the first Nordic Career Fair in! The fair will be held in Beijing and Shanghai 2021, Date coming soon!

For five years in a row, the Swedish Career Fair has been held in both Beijing and in Shanghai with huge success! Every year we have had over 30 companies exhibiting and over 1000 visitors. This year we are scaling up and making it a Nordic Career Fair.

Participating in the Fair:

The Nordic Career Fair will help you to not only find great new employees, but also to increase your visibility and interaction of Nordic companies and Chinese employees. Every year we have hundreds of visitors of Chinese university graduates and young professionals, but also overseas talent, all from a variety of fields. Our exhibitors are all Nordic companies and organizations, ranging from SMEs to MNCs, in different industries.

# If you cannot attract or access the right innovation talent through recruitment, there are other options to look at



**Case study 1 (continue): Open ecosystem is increasingly adopted by multinationals for innovation and product development**

**Open innovation and inclusive development**

- Define the 10 grand challenges facing basic research and the challenges foreseen for the intelligent world;
- Innovation approach - supporting the research programs of universities and research institutes, building its own labs, and investing along multiple technological paths.

**Using Hackathons to generate fresh ideas**

- Organize hackathons internally by involving all employees;
- Employees generate new ideas and innovations and make initial versions of them;

**GE GENIUSLINK™**

- Engage millions of brilliant minds to solve business problems - from data science and analytics to innovation and small batch manufacturing.
- The Expert Access System provides a sophisticated blend of crowdsourcing, experts on demand, and open innovation.

**Connect + Develop website**

- Through this platform, P&G communicates their needs to innovators that can access detailed information related to specific needs and submit their ideas to the site.
- Connect + Develop has generated multiple partnerships and produced relevant products.

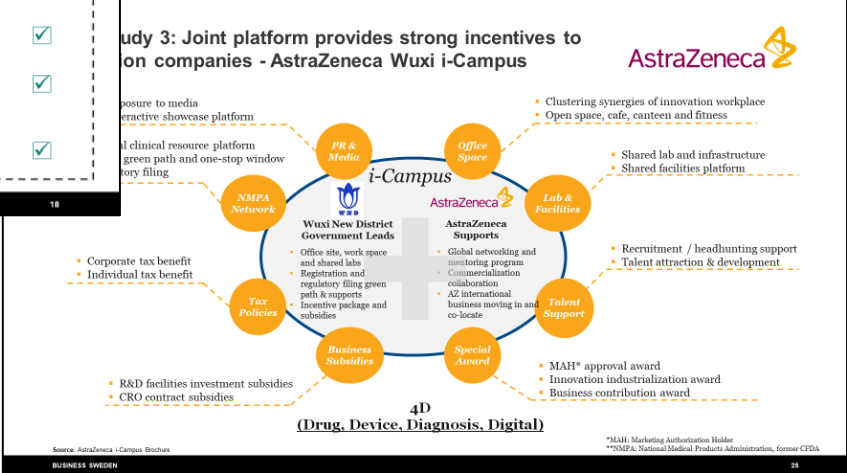
**"Inside-out" & "Outside-in" strategies**

- "Inside-out": make their skills and resources available to the outside world;
- "Outside-in": draw on the capacities of individuals, organizations, and even small start-ups from around the globe.

**Open innovation**

- Coca-Cola accelerator program: aims to help start-ups in around the world to think in innovative ways to build the Happiness Coca-Cola brand;
- Fresley dispenser machine: allows users from around the world to mix their own flavors and suggest a new flavor for Coca-Cola products.

Source: Veritas.com; Business Sweden analysis.



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