

# Hiring and Retention in China

Buzz Peters  
Unifrax Corporation

# HIRING PEOPLE IN CHINA

## –Basic Information

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### Average Salary of Cities and Towns, Per Person, Per Year

#### ■ China Overall, 2007

- US\$3,561
- Average Annual Increase Rate in last 6 years: 14%

#### ■ Shanghai, 2007

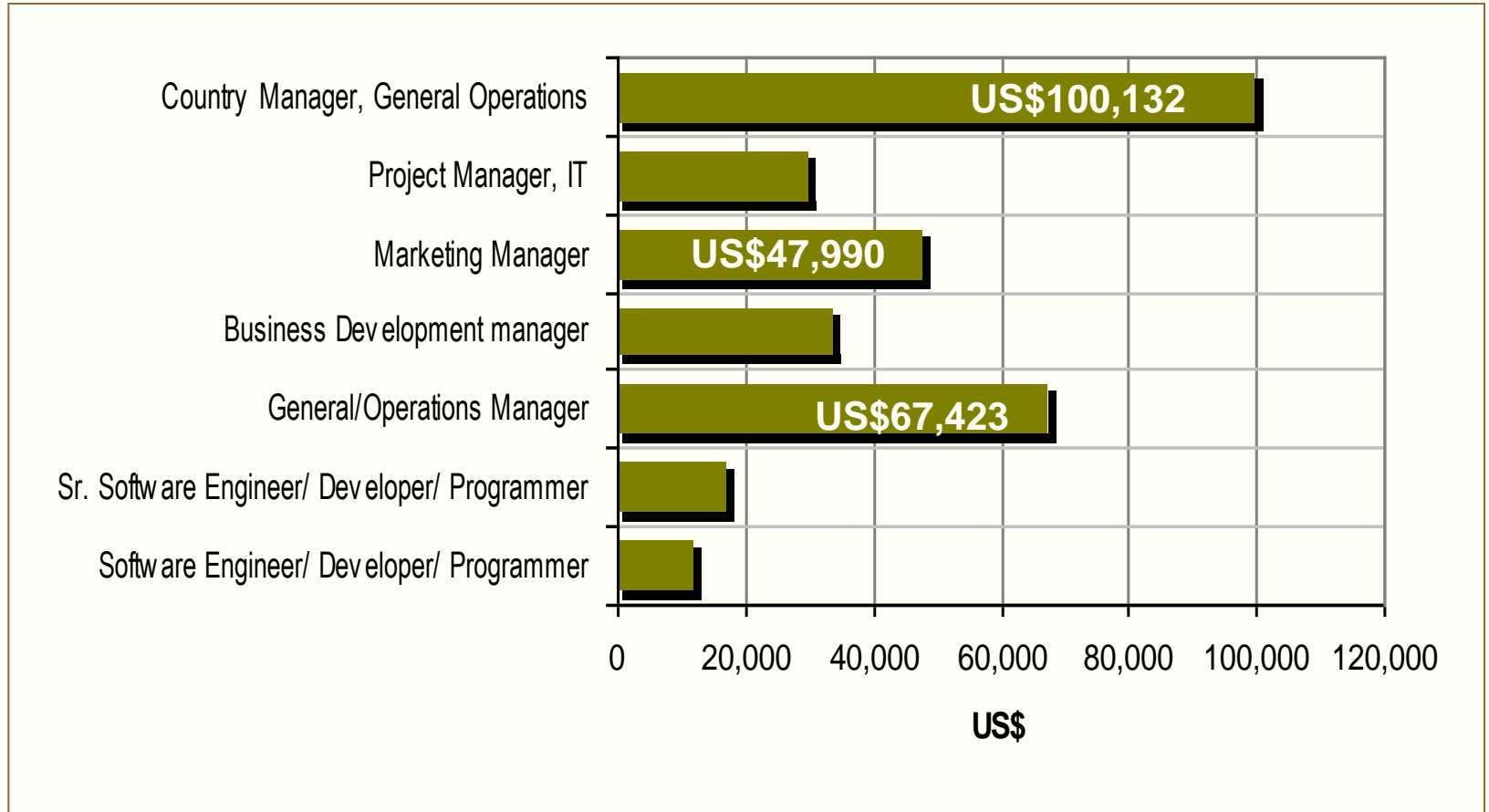
- US\$4,957
- Average Annual Increase Rate in last 6 years: 11%

### Overall Workforce, 2003

- 760.75 million
  - 6.6% with junior college level and above

# HIRING PEOPLE IN CHINA

## —Salary of Management and Professionals, 2008



Source: PayScale

# HIRING PEOPLE IN CHINA

## - Key Suggestions

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- **Research your area, talk and listen**
- **Use professional services & third party**
- **Follow US recruiting methods and practices**
- **Make complete reference checks**
- **Add 30% to salary for English Language skills**
- **Give preference to International experience**

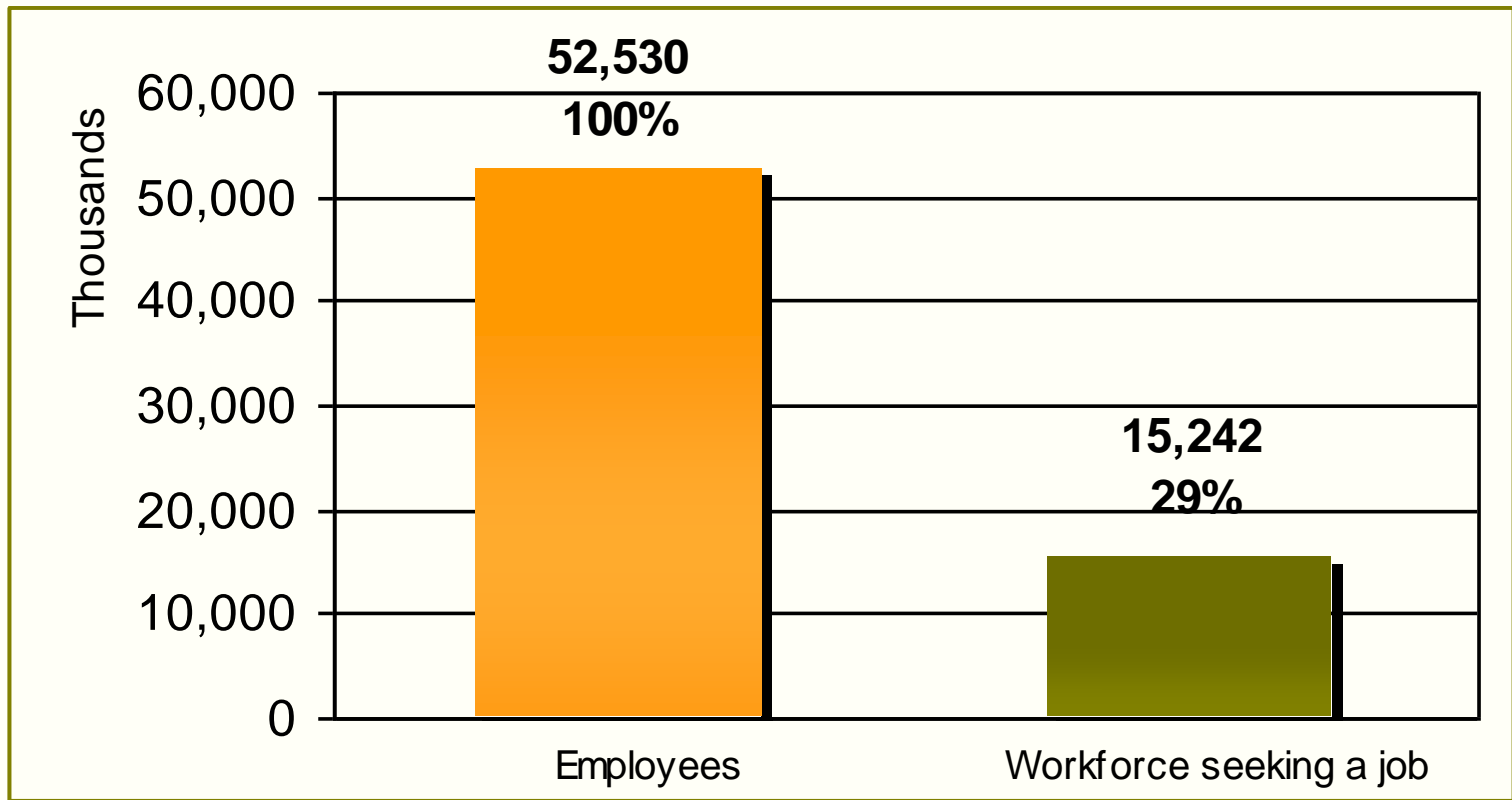
# RETENTION OF EMPLOYEES

## - A Problem

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- **20% annual turnover is common**
  - **Up to 40% turnover in some foreign investment companies**
- **22% of salary workers are expecting to change within year**
- **39 % of Graduates have three or more jobs by 30 years old**

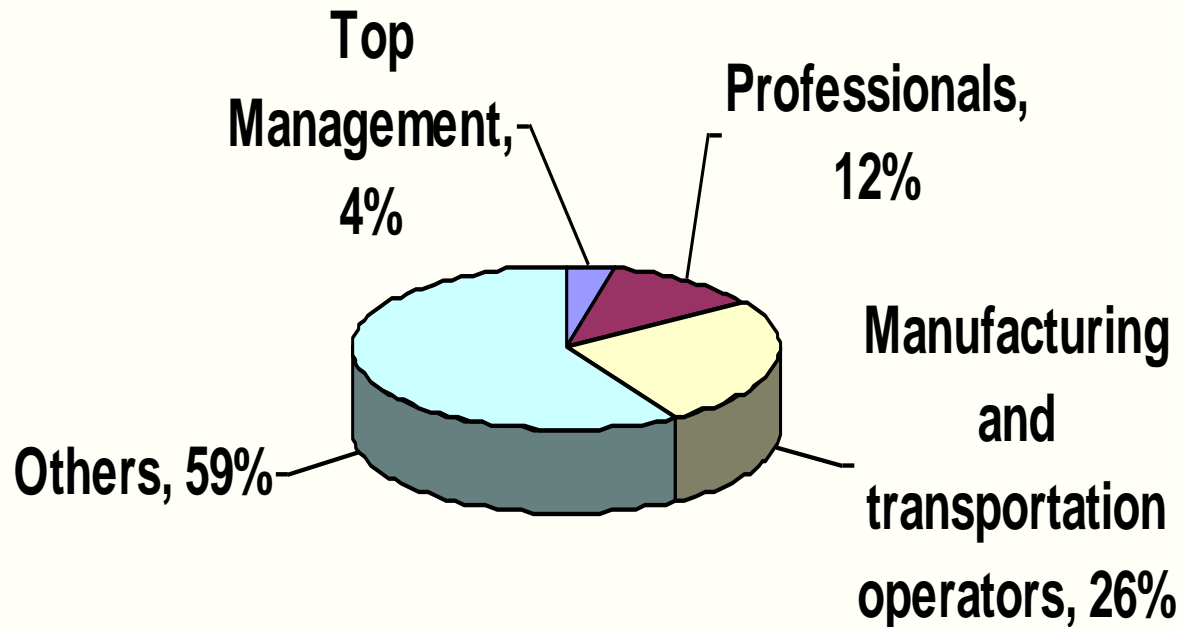
# STATISTICAL DATA IN 121 MAIN CITIES, 2006



Source: National Bureau of Statistics of China

# PROFILE OF WORKFORCE SEEKING A JOB IN 121 MAIN CITIES, 2006

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Source: National Bureau of Statistics of China

# STATED REASONS FOR CHANGING JOBS

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- **Lack of growth in job**
- **Changes in management**
- **Ceilings or limits**
- **Compensation**

# THE DREAMERS & OPPORTUNIST

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- **Change to gain income ... fast**
- **False impression that success is fast and easy**
- **Better conditions: commute, perk's, care givers**

# EMPLOYEE RETENTION TACTICS

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- **Rigorous, probing, multiple interviews and reference checks**
- **Provide tender loving care**
- **Do career counseling**
- **Provide training**

# BEYOND THE HR TEXT BOOK

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- **Golden Handcuffs... Overpay**
- **Employment Contracts... We train you stay**
- **Deferred bonus payment... 50% next year**
- **"Ladder " of Job Titles... Career progress**
- **Flexibility... Allow work- at- home**
- **More... Pay for moves closer to office**

# **COST OF FAILURE IS HIGH ....SO PLAN**

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- **Over staff**
- **Avoid specialists –Multi task people**
- **Have a full time recruiter and trainer**