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A job fair in Xi'an, capital of Northwest China's Shaanxi province, on Jan 10. YUAN JINGZHI / FOR CHINA DAILY

# Multinationals lose recruiting edge

Domestic firms may be less well-established but have clear advantages in attracting job-market talent

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Whether multinational companies are still as attractive to candidates as they were some 20 years ago is an open question nowadays.

US headhunting company Manpower has been monitoring multinational companies' hiring demand in China since 2005. However, the hiring willingness has been declining since 2010.

Multinational companies' conservative attitude toward the Chinese market is one possible reason that holds up their recruitment plans. According to the survey released by German Chamber of Commerce in China in late November 2017, more than half of the 423 surveyed German companies said they did not have any plans to invest in new locations in China in 2018 — a record high since statistics became available.

Besides, a number of well-known multinational companies have with-

drawn from the Chinese market in various ways. German toymaker Autec announced in January last year that it will move all its production lines back to Germany. In the same month, US data-storage company Seagate announced that it will shut down its plant in Suzhou, East China's Jiangsu province. At the end of October, Japanese digital camera maker Nikon closed its plant in Wuxi, also in Jiangsu province.

At the same time, multinational companies are faced with fierce competition for talent from Chinese domestic companies, according to global recruitment agency Hays. As Simon Lance, managing director of Hays in China, explained, domestic companies are seeking all possible ways to look for and retain the right talent by offering better payment, stock options and the promise of opportunities for further development, he said.

Lu Yue used to be the human resources vice-president of a US technology company in China. However, the company adjusted its strategy in the country four years ago, cutting

much of its headcount and forcing Lu to look for another job opportunity.

She soon landed a job at a local Internet finance company in Shanghai. One year later, she relocated to Beijing to work as the human resources vice-president at a domestic Internet entertainment and technology firm.

"It will be impossible for me to go back to the system at multinational companies right now," she said, adding that the payment and empowerment she currently receives from executives "are something that can be hardly found in multinational companies".

Liu Naiying, human resources vice-president of Coca-Cola Greater China and Korea Region, admitted that the company's recruitment has been somewhat affected by the rise of the domestic companies, especially those in e-commerce.

"Shortly after the reform and opening-up policy took effect in China (in the late 1970s), it was quite easy for multinational companies to hire the right talent here thanks to our more competitive compensation packag-

es. But now, the younger generation show greater interest in working at emerging industries," she said.

However, Coca-Cola will still adopt a recruitment plan in China that Liu considers a bit more aggressive than last year's, hiring more hands in marketing as well as research and development.

"We can still attract the talent we want. But the problem for us now is, the turnover rate is so low at the company that we lack a little bit of vitality," she said.

Pete Chia, managing director of recruitment service provider BRecruit in China, said multinational companies are not seen as the ideal choice for candidates right now, given that domestic companies have caught up and even overtaken them in terms of technology, pay, overseas job opportunities and social recognition. The advantages of domestic firms are especially apparent in the Internet and technology sectors.

Meanwhile, multinational companies usually have a longer brand history than domestic ones and thus their personnel structure is more

stable. Younger staff anxious for promotions may have to wait a longer time than they would at domestic companies before achieving their career goals. The comparatively longer waiting time will force some people to give up the opportunity at multinational companies and opt for domestic ones, Chia said.

But he also pointed out that multinational companies have been changing over the past decades in terms of their talent requirement. In the early days of reform and opening up, the positions opened to the Chinese market were preliminary ones such as factory workers. But now, they increasingly need more candidates with professional knowledge and skills, he said.

"It is true that domestic companies have learned a lot from multinational companies over the past few decades. But the story should be the other way around now. Multinational companies should learn from the domestic ones to know more about the Chinese market, get more localized, and pass on the message to the global headquarters more efficiently," he said.