



Talent Report Greater China

2020

*The Next Generation
of Global Talent*

MORGAN PHILIPS
GROUP

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The Next Generation of Global Talent

As we enter a new decade in the 21st Century, Morgan Philips Group is proud to present the findings of the 2020 Greater China professional and executive talent survey.

Focusing on the factors that motivate career moves and the aspirations of professionals, we have explored all the key topics shaping the world of work – for employers and individuals alike.

As the competition for talent heats up, we investigate:

- > **The economic landscape in the Greater China region**
- > **The mindset of candidates in the current jobs market**
- > **Global mobility and a multi-generational, diverse workforce**
- > **How getting rewards right is key to improve retention**
- > **Why global talent strategies need to focus on local talent**

Matching people to roles has no geographic borders. How to turn this into an advantage will be key for companies seeking to expand their global footprint. For professionals, this can prove to be a launchpad to progress their careers.

Whether it's talent acquisition or retention, understanding local individual and organisational needs will be decisive in securing the next generation of global talent.

A note about the Coronavirus: although the pandemic has already had a pronounced effect around the world, no one can predict the full scale of the socio-demographic or economic costs, for the Greater China region and beyond. The analysis is an accurate reflection of the 'status quo' at the end of Q1 2020.



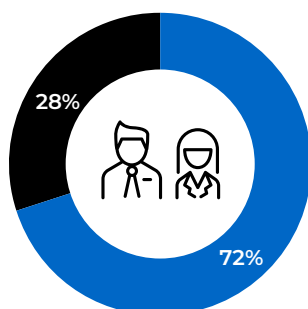
Survey demographics



The survey sample consisted of over 5,000 respondents in the Greater China region and beyond. Respondents were mainly experienced and senior professionals working in both management and specialist roles. Job roles included Managers, Directors, General Managers and C-Suite execs, across a wide range of functions, sectors and local/global organisations.

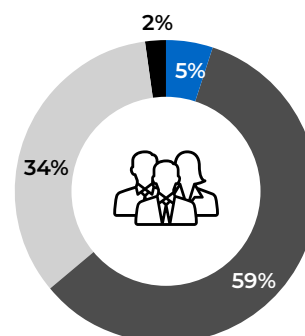
By gender

- Male
- Female



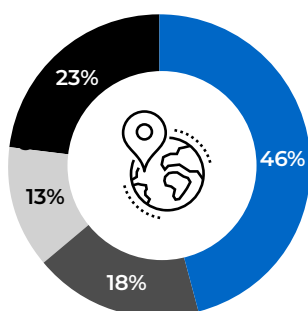
By age

- Baby Boomer
- Gen X
- Gen Y
- Gen Z



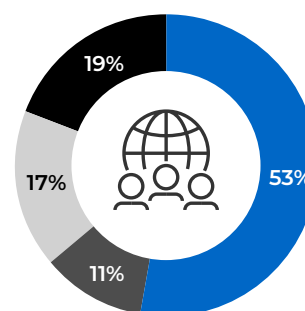
By region

- Mainland China
- Taiwan
- Hong Kong
- Others



By company size

- 1000+
- 500-1000
- 100-499
- 0-99



By seniority

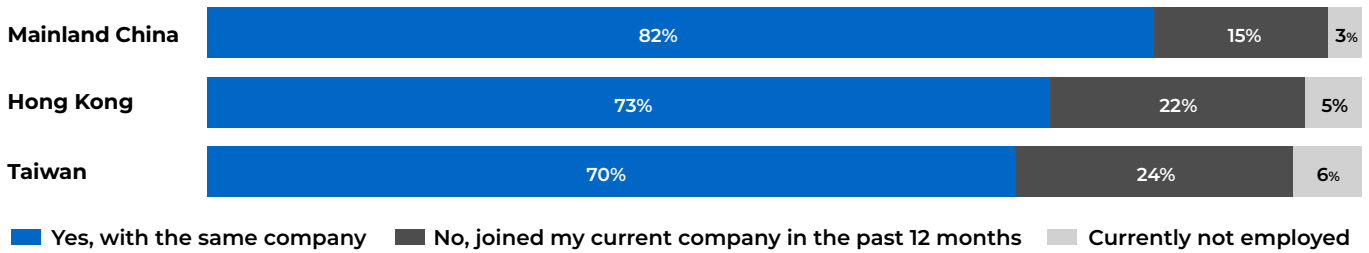
President/CXO	4%
MD/GM/VP	16%
Director/BU Head	21%
Sr. Manager / Manager / Supervisor	40%
Professional / Specialist	13%
Others	6%



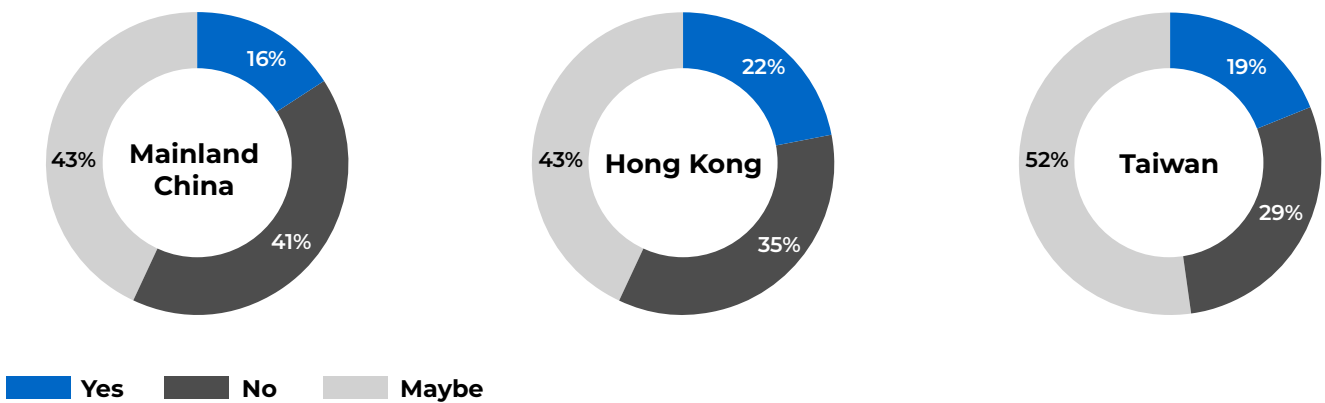
By industry

Energy & Power	24%
Consumer	20%
TMT	19%
Life Sciences	10%
Financial Services	7%
Automotive	7%
Others	13%

Have you been in your current role for the past 12 months?



Are you planning on leaving your present employer?



“Although employees may not be as mobile given economic uncertainty, organisations must pay attention to engagement or risk losing talent when the economic landscape improves”

David Ng
Managing Director, Mainland China & Hong Kong
Morgan Philips Group

Greater China – regional economic overview

Despite a relatively robust growth of 6% in 2019 (down 0.8% from previous year), the current market outlook for Mainland China remains uncertain. The Coronavirus has left an indelible mark on the economy, while the trade war with the US and the controversies surrounding Chinese technology giants such as Huawei and TikTok have added to the instability.



The country however remains committed to the development of its IT, digital and e-commerce infrastructure. The plan to develop a Mainland China-centric ecosystem while simultaneously boosting exports is proving to be effective.

The biggest question mark remains over the impact that the global COVID-19 outbreak has had on the Chinese consumer market. While the life sciences sector has been a driving force behind Mainland China's growth, the pandemic has already had a significant impact on the entertainment, consumer and service industries.

The percentage of respondents considering leaving their present companies has fallen by 2.8% in Mainland China, the largest drop across the wider region. This would suggest a slowdown of the market, perhaps also due to salary 'stickiness'.



Hong Kong has also had to deal with protests, political turmoil and the ongoing trade war in 2019. The economy contracted by an estimated 1.3% in 2019, with the decline expected to continue into 2020.

The administrative region's retail, tourism and service industries were all affected by the protests. However, the November 2019 election and the preliminary trade deal between US and Mainland China could signal a positive upturn for the economy.

Unlike Mainland China, a slightly larger percentage of respondents are considering changing jobs (up by 1.1%). Salary rises have been less frequent, which is to be expected given the current state of the market.



Compared to the rest of the Greater China region, Taiwan posted a relatively healthy growth in 2019. The island's economy continues to benefit from a steady flow of capital repatriation, as local manufacturers move capacity home from Mainland China to avoid being caught up in the US-mainland China trade war.

Global demand for tech hardware products, used for semiconductors, IoT devices, 5G infrastructure, and components for self-driving cars, remains steady.

The government's three-year incentive programme has further accelerated the pace of returning Taiwanese companies, and the focus on defence, high-tech, life sciences, renewable energy (particularly wind) is further evidence of an economy that continues to perform well.

However, the continuous tension between Taiwan and mainland China has impacted the state's export and tourism markets, while the COVID-19 will also test its healthcare sector and disease prevention infrastructure.

While the percentage of respondents exploring outside opportunities remains the same, more individuals have reported improved salary increases when they consider changing jobs. There was a significant hike in the number of people approached by recruiters for new career opportunities (35.6% vs. 22% in 2019).

Top takeaways



MAINLAND CHINA – RETENTION A MUST FOR EMPLOYERS

Over 4 in 10 (42.9%) of respondents would consider other roles. That said, a similar number (40.8%) are likely to stay put. *“Although employees may not be as mobile given economic uncertainty, organisations must pay attention to engagement or risk losing talent when the economic landscape improves,”* says David Ng, Managing Director, Mainland China & Hong Kong at Morgan Philips Group.

HONG KONG – EMPLOYEES OPEN TO NEW ROLES

Like Mainland China, the vast majority of executives (73.3%) have been with their current employer for the past 12 months. Over 4 in 10 (42.8%) would consider moving roles.

TAIWAN – BUOYANT ECONOMY CREATING MORE JOBS

Over half of respondents (51.9 %) said that they would be open to changing jobs. More candidates are being approached by recruiters and enjoying salary increases.

Emergence of the multi-generational workforce

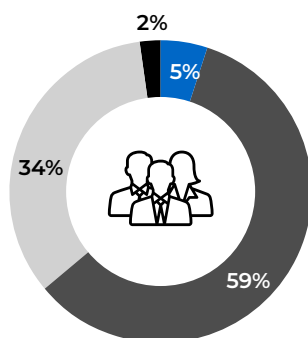
With the arrival of Gen Z cohort of professionals, and with longer life expectancy and changes in retirement planning, the workforce of today is more diverse than ever. How to better integrate different generations in the same workplace is now a major challenge facing all HR professionals.

But while Gen Z offer a completely different skillset, it is also worth noting the value that hiring senior individuals bring. Only a few years ago organisations were looking at how much 'runway' individuals had left in terms of their age. Now experience and knowledge are highly prized assets.

Hewlett Packard Enterprise is an example of a company that has enjoyed success with its 'career reboot' programme. 'Returnships' have been used to court professionals, who have already retired or are on career breaks, enticing them to rejoin the workforce. As we've seen with some recent senior financial hires, companies are looking for proven experience.

By age

- Baby Boomer
- Gen X
- Gen Y
- Gen Z



Retiring at 65 is a thing of the past, so companies need to create an environment that encourages people to work for as long as they want, while supporting the diverse demands of a multi-generational workforce.

Top takeaway

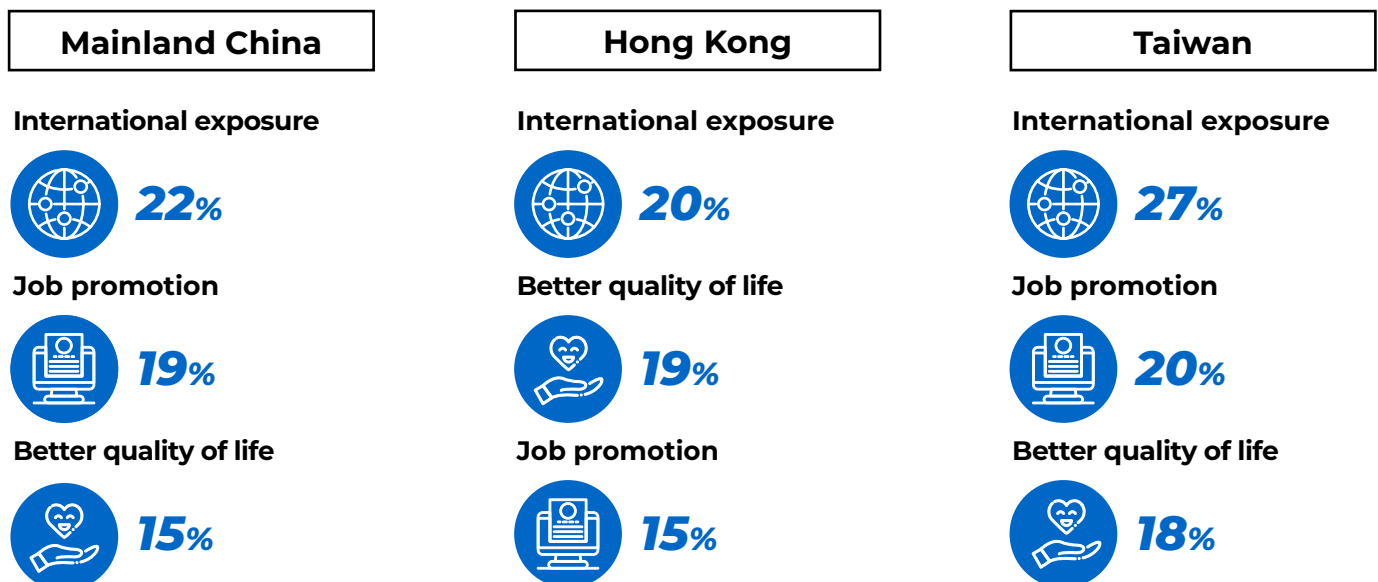


With increasing workforce diversity, organisations need to better integrate different generations. *"Although work styles and values may be different, it is important to leverage the power of diversity in your workforce. Employers must harness the experience and skills of older professionals,"* advises Mike Paxton, Director, Morgan Philips Talent Consulting.

Global mobility – gaining international experience

The advancement of technology, the ease of global travel, the lure of different challenges, expat lifestyle and the chance to experience a new culture marks an important stepping stone in the career development of the global executive. Gaining international experience can fast-track your career with promotional opportunities more likely.

Top 3 reasons to relocate



By seconding their high potentials, companies reap the benefits in terms of stretch assignments but also diversity of thought – international teams with expats from all over the world tend to perform better.

Companies in Greater China, unlike their western counterparts who typically target international assignments for their senior/top level executives, are more likely to send larger teams overseas, even at the more junior level.

The aim is for them to learn from different surroundings, working with diverse people, then return armed with that knowledge and experience to help develop local talent.

Mainland China's 'Going Out' Policy is one of the reasons local companies have been able to exert such a strong influence on the global stage.

In the new world of work, the opportunity to experience another culture and work in a foreign country has many advantages. As well as furthering their careers, employees are able to apply what they've learnt when they return home.

Top takeaway



Top 3 preferred destinations



Mainland China

Europe



North America



Rest of Asia



Hong Kong

Rest of Asia



Europe



North America



Taiwan

Rest of Asia



North America



Europe



Interestingly, while the push for global mobility continues, there has been a change in desired location. While North America remains a popular destination for Greater China talent, the rest of Asia and Europe have grown in popularity. The former is the most desired destination for talent in Taiwan and Hong Kong, while Europe is now the preference for Chinese talent.

For Taiwan, the government's 'New Southbound Policy', plus the spillover effect of the Mainland China-US trade war, have made other countries in Asia more attractive alternatives. Companies setting up operations in the region are actively seeking professionals with prior experience working in those countries.

The political uncertainty had made Mainland China slightly less attractive, but Hong Kong professionals remain in favour of moving to new APAC headquarters in places like Singapore.

Unsurprisingly, the US is no longer the top choice for Chinese talent. The expansion of Chinese companies in Europe, combined with a relatively more welcoming view towards Chinese professionals, have made countries such as the UK, France or Italy more enticing options.

Top takeaway



The evidence would suggest that professionals in Greater China are more tempted by opportunities in Europe or other Asian countries. Clearly, US and Mainland China tensions have been a contributing factor.

Mobility challenges

Top 3 challenges when you work in a new city/country/region



Mainland China

Cultural differences



Starting a new social network



If the job is a good fit



Hong Kong

Cultural differences



Starting a new social network



If the job is a good fit



Taiwan

Healthcare & Insurance



Starting a new social network



Concern on safety



Cultural differences are seen as the main challenge to mobility for candidates in the Greater China region (with the exception of Taiwan).

Adapting to cultural differences, building a social network and ensuring that jobs are a good fit – these are the three key challenges for professionals moving abroad. Taiwanese professionals are more concerned with healthcare and insurance, and are seemingly more safety conscious.

Top takeaway



Whether adapting to a new country and culture, learning a new language or growing your social networks, moving abroad can be daunting. Professionals need to be supported by their organisations.

Compensation & Benefits

As companies ramp up their pursuit of top global talent, providing the right Compensation & Benefits (C&B) package will be a key attraction for top tier talent.

There are a number of benefits that employers can offer as part of their compensation packages. Providing special cultural assimilation and awareness coaching and training (delivered either internally or externally) to aid managers' understanding of diversity in the workplace and supporting those whose second language is English are two examples.

Though the base salary will vary between different industries and levels of seniority, other typical perks include housing, relocation expenses, transportation (company car, vehicle allowances), destination services (including education, financial set-up etc.), and immigration related visa/residency applications for the individual and family.

But as international assignments become more common, Chinese and multinational companies will adopt a 'local plus' C&B strategy to ensure the deployment can be done in a cost-effective manner, using different incentives to meet business and personal needs.

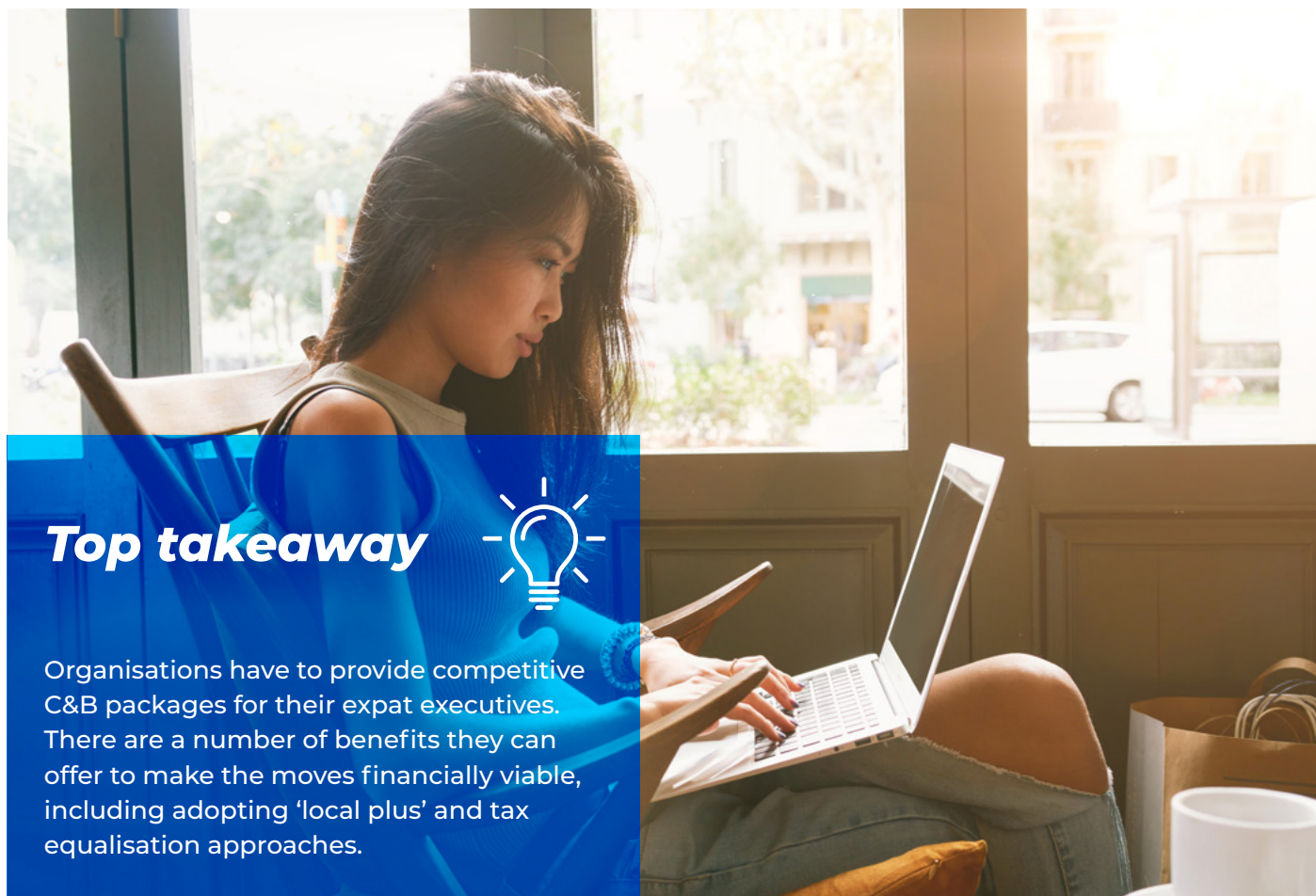
We're likely to see individual C&B policies for separate geographic locations being replaced by an overarching global policy aligned with the company's global talent strategy.

Although tax equalisation remains a thorny issue facing the majority of companies, the allocation of payments can make a significant difference for top level talent.

Top takeaway



Organisations have to provide competitive C&B packages for their expat executives. There are a number of benefits they can offer to make the moves financially viable, including adopting 'local plus' and tax equalisation approaches.



Top skills for a global workforce

According to studies published by the Harvard Business Review, when the need for global talent arises, *“game-changing companies know where their best people are, what capabilities they possess, and how they can help with the challenges the company is facing.”*

The 3 key skills required in the global world of work

Mainland China

International mindset


22%

Adaptability


17%

Language skills


16%

Hong Kong

International mindset


22%

Adaptability


17%

Language skills


11%

Taiwan

International mindset


20%

Adaptability


17%

Language skills


16%

Survey respondents agreed that an international mindset, adaptability and language skills are pivotal to making any global move a success. For them being 'global' means you need to understand a different environment and adapt, whereas for companies it's about finding the most suitable person who can fit in and help meet local business needs.

To complement the people they're trying to attract, organisations need to make their talent policies and practices global. However, it is imperative that companies recruit and develop people locally, reflecting local business needs, the local culture and local employment laws.

Top takeaway



Building global brands that are deeply connected with the local market is key to Chinese companies. *“Harnessing top talent with the space to develop internationally while retaining local roots will be a key driver for retention and engagement,”* comments Paxton.

Leadership styles in focus

Chinese philosopher and military strategist Sun Tzu described a good commander as the embodiment of “wisdom, sincerity, kindness, courage and strictness”. Successful leaders need to demonstrate a range of virtues to deal with different scenarios.



“To be a great leader involves a complex combination of vision, actions and the way you treat people. Inspirational leadership is essential to business success, and that usually means excellent financial results.”

Patty Yang
Managing Director, Taiwan
Morgan Philips Group

When asked about preferred leadership styles, respondents across the region said that ‘inspirational’ leadership was their number one preference. They also wanted their leaders to be ‘supportive’ and ‘visionary’ – the three qualities combined accounted for almost half of the responses. Interestingly, being supportive was the most important leadership trait for executives in Taiwan.

However, when asked about their own leadership styles, most describe themselves as ‘results oriented’ followed by ‘supportive’ and ‘coaching’. Whereas senior execs want to be inspired by visionary leaders, when put into leadership positions themselves, meeting objectives becomes their key concern.

“This reflects the difference between what we prefer in our leaders and what we recognise as our predominant leadership style,” notes Paxton. “What we desire versus what we actually practise varies significantly.”

Top 3 preferred leadership styles



Mainland China

Inspirational



Visionary



Supportive



Hong Kong

Inspirational



Supportive



Visionary



Taiwan

Inspirational



Visionary



Supportive



Top 3 personal leadership styles



Mainland China

Results oriented



Supportive



Coaching



Hong Kong

Results oriented



Supportive



Coaching



Taiwan

Supportive



Results oriented



Inspirational



The figures aren't surprising as nowadays employees are looking for managers and leaders who can inspire and provide them with that sense of purpose – employees want to be recognised for their contribution.

Clearly these factors need to be taken into consideration in the recruitment and retention of talent, as well as the assessment of a person's compatibility for the role.

Top takeaway



There is a clear contrast between the attributes that executives are looking for in their leaders, compared to the qualities that would matter to them most if placed in leadership roles themselves.

Inspirational leadership for the Next Gen

Given that senior level execs view ‘inspirational’ as the most desirable leadership trait, how can you demonstrate this style of leadership? What does it involve?

According to recent McKinsey research, although some leaders may be better at inspiring than others, the ability to motivate can be developed. The behaviours to inspire can be learned. *“To be a great leader involves a complex combination of vision, actions and the way you treat people. Inspirational leadership is essential to business success, and that usually means excellent financial results,”* says Patty Yang, Managing Director, Taiwan at Morgan Philips Group.

The findings also reveal that inspirational leaders need to create and enable purpose. Charles-Henri Dumon, CEO and Founder of Morgan Philips Group explains, *“Millennials and Gen Z have given clear indication that organisations with clarity of purpose are seen as the most attractive places to work – which will have a positive knock-on effect on talent retention.”*

The new generations tend to gravitate more towards companies with purposeful missions and who take their corporate social responsibility (CSR) seriously. They are more concerned about the positive impact they can make, the value they can bring to the company, and are driven by new challenges.

Global professional networking site LinkedIn also identified ‘empathy’ as one of the qualities most valued by senior professionals. To be inspirational, a leader must live the organisation’s values and set the example for others to follow. Being able to listen and respond with empathy are hallmarks of the inspirational leader. Employees are more likely to be happy at work, feel more engaged and remain loyal if their managers and leaders demonstrate these characteristics.





Top takeaway



Inspirational leaders have the ability to bring out the best in their teams, pushing them to greater heights while holding them accountable to results. They are also able to disrupt engrained behaviours and empower their people.

To further understand inspirational leadership, a leading semiconductor company would arrange for an hour-long meeting at the end of the interview process with the company's founder. They would be told about the importance of the person's role and how that would fit in with the company's purpose, goals and objectives. Most candidates found this so inspiring that they would even accept a similar level of remuneration.

"This is a great example of a forward thinking company looking to connect and engage with potential recruits. Every person wants to feel that they're contributing to the company's goals. All too often, people don't have that sense of purpose because they're not told how their role fits into the bigger picture," stresses Dumon.

"Millennials and Gen Z have given clear indication that organisations with clarity of purpose are seen as the most attractive places to work – which will have a positive knock-on effect on talent retention."

Charles-Henri Dumon
CEO and Founder
Morgan Philips Group

Want advice on how you can develop a total talent strategy?



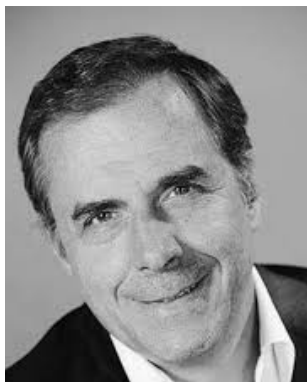
Morgan Philips Group provides talent acquisition and consulting services across the Greater China region – transforming individuals, teams and organisations.

To find out more about our full range of services

About Morgan Philips Group

With a global presence in 20+ countries, Morgan Philips Group is radically changing the headhunting, recruitment and talent consulting business with a range of modern, innovative service lines designed to succeed in the new world of work. Our approach to combining high-touch consultancy with worldwide search capability and digital sourcing technologies means we are in a strong position to offer organisations a range of talent solutions, including executive search, talent consulting, temporary and permanent recruitment, outplacement, project solutions and interim management.

Our leadership team in Morgan Philips Group Greater China:



Charles-Henri Dumon
CEO and Co-Founder
Morgan Philips Group

As CEO and Founder of Morgan Philips Group, Charles-Henri oversees the talent solutions firm and all its businesses on a global scale. An entrepreneur at heart, Charles-Henri's commitment to investing in the latest digital and data-led solutions, and disrupting conventional approaches to talent solutions, is what led him to launch Morgan Philips Group in 2013 alongside co-founders François Sallembien and Pascal Tour. Previously, he was at Michael Page for almost thirty years, where he operated as Managing Director – Continental Europe and the Americas, and was also a member of the board.



David Ng
Managing Director, Mainland China & Hong Kong
Morgan Philips Group

David first joined Morgan Philips Group during its inception days in 2013, and after several years heading up the firm's executive search business, he now operates as the Managing Director for Mainland China. Based in Shanghai, David manages all of Morgan Philips Group's brands and service lines in China. With more than 12 years' experience in the recruitment sector, David has a proven track-record conducting highly confidential retained searches for senior management roles, including General Managers, Vice Presidents, Managing Directors and CEOs across a range of sectors.

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Patty Yang
Managing Director, Taiwan
Morgan Philips Group

With close to 20 years of experience in the search and recruitment sector across Taiwan, Singapore and China, Patty operates as the Managing Director for Morgan Philips Group in Taiwan. Having studied a Master's Degree in technology management in the US, Patty has earned a strong reputation in the recruitment sector for her consistent track record leading successful teams and overseeing high-priority projects.

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