CAHRS Working Group
A Focus on the Changes in Work and Implications For China
Hosted by General Electric
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Key Takeaways:

1. The future of work in China is being shaped by a number of macro factors, including digitalization and new approaches to commerce and retail; increasing consumer voice; greater use of big data, artificial intelligence, robotics, and automation.

2. Changes related to the future of work have put a spotlight on certain employee capabilities and have increased the number and range of technology and other knowledge-based roles in China for large multinational companies.

3. The changing nature of the type of work done by Chinese employees in large multinational companies has put an increased pressure on HR leaders and the HR function in China to be able to attract, develop, and retain top talent in areas such as computer sciences, engineering, digital marketing, and data science.

4. The changing nature of work in China is also reshaping the capabilities of HR leaders in the market and reshaped the key capabilities of HR leaders in China. Some key competencies and performance differentiators for HR leaders in China include: courage, the ability to develop insights from data, use of new tools such as design thinking, external engagement, and intellectual curiosity.

Over the last several decades, large multinational companies have radically changed the type of work that is done in China, and this is reflective of the overall rapid changes and growth in this market that have been driven by wholesale changes in technology, globalization, demographics, and environmental challenges. The changing nature of work in China has enormous implications for how organizations may need to rethink the delivery of HR in this important market and the key competencies for HR leaders over the next five to 10 years. In this CAHRS working group, we discussed the future of work, underlying people and HR challenges, and implications for the HR function and competency models. A few of the key themes and insights that emerged during the day are summarized below.

Changing Nature of Work in China

The first topic that the group discussed is how the nature and types of work done by employees of large multinational companies has changed in China over the last 10 years. Many participants noted that there has been a large and distinct shift in the types of work...
completed in China that is reflective of radical changes in technology, models of consumer and business-to-business commerce, speed of change in the market, increase of Chinese-based large competitors, and continuing globalization. Below are some of the more important new types of work in this market.

- Because of advancement in technology and increases in digital forms of communication, more multinationals see the need to have digital sales and marketing models to connect with customers — both individual consumers and business-to-business. This requires that multinational companies have the capability to do digital marketing and sales, have in-market supply chains, greater use of automation, etc.
- Chinese consumers and employees also increasingly depend on and expect to use social networking tools to interact with one another, complete transactions, share information, etc. This means that multinational companies operating in China need to understand how to leverage these platforms to enable employees, interact with customers, etc.
- Because of the fast changing consumer trends, speed of competitor responses, and need to predict future directions faster and more effectively, companies increasingly need to work with big data for more robust analytics, and use artificial intelligence and automation to improve decision making. In addition, companies are increasingly looking to introduce Beta versions of products in the Chinese market and then use data, customer insights, etc. to continue to refine the product/service over time — this requires more of the knowledge-based work around product/service design, data analysis, and refinement to take place in the market in order to enable speed and efficiency.
- Consumers in China are increasingly expecting greater levels of customization, again increasing the volume of knowledge based work that needs to be completed in market in order to enhance the understanding of local consumer needs and be flexible in design and deliver of customized solutions.

**Implications For Key Employee Skills and Capabilities**

Given what participants noted in terms of key changes in the market and changes in work in China, the group next focused on the hot skills, capabilities, and roles for multinational companies operating in China.

- Because of the complexity introduced by increased need for speed, customization, etc., participants noted that they increasingly need employees with deep technological knowledge who can work with others across disciplines in order to jointly create solutions. A core theme here is that across disciplines, employees must also have a stronger understanding and appreciation for customers’ needs and expectations.
- In order to be able to adapt and respond to frequent and larger numbers of changes, employees need to have a greater learning orientation, growth mindsets, and be agile and adaptive.
- To handle the complexity of work, employees must also increasingly be able to work on multiple projects simultaneously and have a process orientation. These capabilities enable employees to have a problem and solutions orientation rather than be focused on task completion as the latter mindset is predicated on stability rather than a rapidly changing environment.
- There is huge need for companies to attract and develop data scientists that are able to understand data needs; collect or acquire critical data; model and evaluate complex data; and work with others to interpret and generate insights from data.
- Participants also noted a growing need for digital marketing capabilities — marketing talent with the ability to use social media, on-line advertising, digital campaigns, collect and interpret digitally collected data to generate insights on customer needs, etc.
- There has also been a steady increase in the skill sets and capabilities required of engineers who now need to be able to design and engineer products and processes from scratch to meet needs of the local market, have deeper design capabilities to move from consumer needs to prototypes, to market ready
products, and the ability to work across engineering disciplines to develop complex products.

- There is also a greater need for engineers and scientists to develop artificial intelligence, robotics, and other forms of automation in market to meet with the customer and data needs in China.

### Implications For the HR Function in China

The work and workforce trends noted above have a number of critical implications for the HR function for multinational companies operating in China in order to effectively attract, develop, engage, and retain key talent for operations in China. Below are some of the key HR capabilities that are needed or will be needed to continue to advance and/or develop for large multinationals to successfully support the business in China.

- Importance of Organizational design to think about job and work design, workflow, organizational structure.
- Need for country HR leaders or HR business partners who support a division to have an ecosystem approach to getting work done – what is core to the company, what to bring in through strategic partnerships, what to bring in through short-term talent (freelancers, consultants, etc.)
- To support the rapid growth in the market and enable greater speed and customization, need to continue to build capabilities that enable the development and growth of local leaders. This includes both developing a robust talent management function and HR business partners that can effectively coach and help develop leaders on-the-job.
- Stronger internal communications to provide better information to employees, help them to understand internal employment and resource changes, and navigate careers in-market.
- HR leaders in China need to develop a better understating of workplace and workspace design to help drive and support the culture, enable more effective employee collaboration, and provide the work environment that engages, motivates, and retains key talent.
- Learning and talent management specialists need to better understand how to drive on-demand learning, use artificial intelligence and automation to predict training needs and push training solutions to employees, and use a blend of internal and external learning to support employee learning needs.
- Increasingly, within market HR teams and employees need to be able to collect, evaluate, and drive change based on data. Because of the unique nature of the market and employee needs and expectations, analytics might need to be driven more on the country-level rather than waiting for a centralized plan at corporate headquarters.
- Across business partner and specialist roles, HR leaders need to develop a stronger customer centric mindset that enables them to better understand how to design HR interventions and practices that enhance the employee experience, remove barriers that are negatively impacting employees, and ensure better connections and levels of service across aspects of the HR function.

### Impact of Technology on the HR Function

Connected to the above changes in HR, participants also noted an overall need to increasingly understand how, when, and where to implement technologies to improve the delivery of HR and enhance the employee experience. Participants noted several areas and issues connected to use of technology in the HR function in China.

- Employee shared services – chatbots as a way to answer basic questions and provide employees with a simple self-service approach to get immediate and timely answers to routine questions. There is a need here to fully map out what can be automated and how and when to transfer employees to live help when the questions or issues are more complex. One approach is to use Big Data and artificial intelligence to better understand employee repeat questions, identify patterns in questions, develop standardized best answers, and/or direct employees to better sources of information.
Payroll — automation/robotics — spot differences to identify issues and suggest where problems may exist.

HR team needs to build ecosystem that connects all of the technology interventions together to make sure that they create a common or similar employee experience across the life stages of employees.