Institute of Policy Studies

# Human Capital Management: The View from Beijing

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The People's Republic of China is looking to build a pool of some 51 million scientific and technical personnel with some 2.3 million research and development (R&D). According to Mr Gao Fengtao, Vice-minister of the Legislative Affairs Office of the State Council, China hopes to attract some 500 "top- talent" among the 418 000 foreign talent that they require in critical areas of R&D in the near future. Hence, the Chinese government convened an international seminar on "Law-based Development and Management of Sci-tech Personnel" from 29 March to 1 April 2011. This seminar was organised by the Chinese Academy of Personnel Science which comes under the purview of the Ministry of Human Resources and Social Security. The primary motivation for the seminar was that the Chinese government was keen to learn from the experiences of other countries, such as Singapore and the Organisation for Economic Co-operation and Development members like France, Germany, Japan, the United States (US) and the United Kingdom (UK), on how they managed to attract and retain talent.

As part of the panel discussion on talent acquisition, development, management and retention, I shared the lessons learned from the management of scientific and technical talent in India and Singapore. Arguably, India and Singapore do not have specific legislation pertaining to the attraction and retention of talent. In the case of India, it has for decades suffered from a "brain drain", however, this trend has been in decline and there is a reverse flow of returning Indian talent. There is also a large Diaspora Indian community globally around 27 million in which India is tapping into as a "brain bank" and creating linkages with for its own development. In the case of Singapore as a global city with an open economy, it too has experienced the flight of its own talent overseas. This is not surprising since Singapore has positioned itself as a node or hub of the global economy and experiences circulation of talent, especially among the multinational companies (MNCs). Nonetheless, in order to maintain a critical mass of talent for its economic development, Singapore had to resort to attracting foreigners to come and work and live in Singapore.

In the discussion following my presentation, it came as a pleasant surprise that there was a lot of interest in Singapore's experience in the area of foreign talent management. However, I began with the premise that Singapore was a city-state and in this regard, it should be compared to other global cities like London, New York or Shanghai and should not be compared to a big economic power like China. As a global city, Singapore is also rather unique because it is also a city-state without a hinterland that could domestically compensate for the flight of talent. In addition, Singapore is a "young" nation with an emerging but still evolving sense of nationhood that is experiencing continuous churn by the flows of talent.

In relation to significant points that may be of interest to Singapore, several of the presentations had stressed on certification and accreditation of talent. For example, in Spain and Italy an engineering degree is at the Masters level and takes 5 years to acquire. In France, engineering training involves soft skills such as languages and the development of entrepreneurship. These countries are also gearing their scientific and technical talent to understand the major challenges that their society will face in future. For example, Finland is working on economic growth and the well-being of its citizens. Finland has some 80 000 people (1.5%) of its population working in R&D. Apart from funding for scientific institutions, Finland has an Innovation fund called SITRA which is an independent fund to promote the welfare of their society. Some of the roles of SITRA is to assist Finland prosper as a global pioneer in systemic changes that generate well being. SITRA also analyses and evaluates the key drivers of change and their impact on Finland. Some of their programmes include; efficiency and transparency, human-centric technology and cooperation between private sector, public sector and citizens.

While China was looking for alternatives in managing their talents, I was left with the deep impression that once they put their mind to it, they will be able to find the unique solution they need. China has and continues to develop linkages with reputable R&D institutes in the U.S., U.K., France and Germany. Given its market size, resources and focused determination China is poised to expand its development. However, creativity and innovation has often been thought to be one of China's key weaknesses if any. This may no longer be a problem. Why? Chinese cities have attained developed status in terms of amenities and facilities but also problems such as environmental pollution and traffic congestion but which

they are trying to mitigate. As a result, with increasing opportunities with the presence of MNCs, growth of Chinese companies and better living standards, there is a significant flow of Chinese Diaspora returning to China. The wealth, knowledge, expertise and experience that these returning Chinese Diaspora bring to China will be invaluable as China develops at a frantic pace.

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