

Survey: Chinese firms lack leadership talent

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Leadership capability is the most acute talent shortage facing the Chinese mainland companies, according to a survey by a leading global human resources company.

None of the companies operating in China's mainland were listed as outstanding firms for their leadership abilities in the Asia Pacific region, a survey by Hewitt Associates revealed. This is the second year the US-based firm has compiled this list based on the competence of the top managers in a company.

Organizational barriers and the lack of leadership talent are cited as major reasons for unsatisfactory performances by companies in China, including home-grown and the subsidiaries of multinationals.

Wipro Ltd of India, an information technology company, was named the region's top company for leadership expertise. Among the top 10 companies, five are Indian-owned.

In Asia Pacific, Hewitt surveyed senior human resource executives representing 203 major public and private companies in seven countries and regions including China, India, Singapore and Australia. Among the firms, 46 operate in China's mainland, with most of them wholly foreign-owned companies.

"The survey found that the active involvement of chief executive officers is a critical factor in building leadership quality and depth," said Simon Keeley, a senior consultant with Hewitt.

"Most top company managers in China's mainland lack know-how in building leadership and many focus on short-term development as they are under pressure to create the fastest returns for shareholders."

Keeley cited three major impediments to retain best talent and groom leadership in companies operating in China's mainland.

About 60 percent of the Chinese companies surveyed said they lack a qualified talent pool for leaders internally. Seventy percent of them admitted that over-emphasis on short-term operation is an

impediment to leadership development, and 23 percent of them said they lack know-how and experience in developing leaders.

Keeley added that it should be the chief executives to spot potential leaders within their companies, while in China this job is often carried out by human resource departments.

At the top 10 companies listed in the study, all the chief executives were actively involved in developing leadership talent, compared with only 77 percent for other respondents.