

## Leadership Development in China – The View from Perth

So to convince you that I am not a total wonk just sitting around thinking and writing sweet nothings, I visited China in November to promote the launch of my book in Chinese (see link on our website [www.perthleadership.org](http://www.perthleadership.org)). It was arranged by Ewin Books, my Chinese publisher (a joint venture between the Chinese government and McGraw Hill) who did an amazing job getting me out there. Fascinating and productive.



Author Dr. E. Ted Prince  
Founder and CEO of  
Perth Leadership Institute

The big thoughts:

- The Chinese really, really get it (i.e. our work and its implications for making bunches of money).
- They are much more open to new business ideas than Americans are (but both good and bad, they are too early in the development process to be good at discriminating yet).
- They are still way behind in management and human resources thinking – but expect them to catch up quickly.

### The “Wheres”

I visited Beijing for 7 days, Guangzhou for 2 days and Shanghai for 6 days. I made 14 speeches and altogether led 22 events not counting formal meals and receptions (included interviews and discussion sessions). Average attendance was about 70, with a range of 25 to about 120. The events were in three categories, universities, business organizations (private and State sector) and the media.

**“They are much more open to  
new business ideas than  
Americans are.”**

## The Universities

Here is the list, as you can see I got around. These were all business and MBA schools. The students were all actually working or had at least 5-10 years of experience. Despite the famed reticence of Chinese students, I got a lot of questions, not all of which were politically correct. They exhibited a surprising degree of sharpness and I actually learned a lot from them, particularly about differences, and more so, the similarities in business culture.

Beijing	Peking University Remin University Beihan University Central University of Finance National Institute of Accounting
Guangzhou	Sun Yat Sen University
Shanghai	Fudan University China Europe Business School

“They exhibited a surprising degree of sharpness and I actually learned a lot from them...”

## The “Whats” – Are Their Executives Different from Those in the US?

OK, so I always get asked, do our assessments work in other cultures? So we tried it out with two samples of senior Chinese executives in Beijing and Shanghai, each of which took our Financial Outcome Assessment. I met them all, at a formal gathering and then, mostly, one on one.

“I could see some cultural differences but they made no difference to their average propensity to make money.”

The result? There was no statistical difference between these groups and an average group of senior US executives. Sure I could see some cultural differences but they made no difference to their average propensity to make money. And the executives all got it as well; no East-West issues here. Looks like the ability to make money crosses all boundaries and is a great leveling factor.

## The Takeaways

What were some of things I picked up?

“Getting to the innovation phase is going to be difficult.”

**Cost vs. innovation leadership** – the Chinese are in the cost phase and it shows. Getting to the innovation phase is going to be difficult (just as it is for many US companies). Right now the Chinese are riding high; they have picked the low-hanging fruit. It gets more difficult from here on.

**State sector enterprises** – also called the SOEs – State owned enterprises – are a conundrum. Most are exactly what you would think – ossified bureaucracies. But the younger generation knows this and is already moving toward change. We may be getting a few surprises from them over the next few years.

**Family enterprises** – don't forget about them. They are probably going to become the most important companies in China, just like the Mittelstand are in Germany. We forget them in the heat of the moment in thinking about SOEs or entrepreneurial companies. The big debate is what happens when the second generation comes along? Can it sustain the momentum of the first generation? The answer, probably not, at least in the main.

**Talent management** – with companies expanding at hyper speed, talent management and retention is far more of an issue than it is elsewhere, maybe with the exception of India. But so far the Chinese have not figured out models to achieve this, other than paying more money. It would be a difficult problem for anyone. No doubt they will figure this out soon as well.

**Human resources** – still primarily concerned with the basics such as hiring, compensation and benefits. Generally no such thing as executive and leadership development except in the multinationals. The link between HR and business strategy is still not generally seen, but hey, how much does that differ from many US companies?

**“The link between HR and business strategy is still not generally seen, but hey, how much does that differ from many US companies?”**

**View of the US** – admiration and envy, despite Iraq. The Chinese are a smart lot and will pick up everything they can from us. Big issue – will this be the Japanese model (they copy products creatively and then make them much better, but on the soft and more creative sides, still lag) or will they come up with a Chinese way? Still too early to tell.

**Media Coverage** – OK so we get some (hard won) coverage in the US. But how about this. After a two week tour, here are the articles that were published on the book and our approach in the Chinese media in December!

- China New Time
- Business Watch Magazine
- Business Management Review
- Marketing and Management
- Financial Digest
- Expression
- IT Time Weekly
- China Business News
- China Business Post
- China Book Business Report

And there's more to come!

Only problem - all but one, are in Chinese. Not that that is an issue for Ewin, (my Chinese publisher). It gives you an idea of the enormous interest in China in new ideas in the talent and leadership areas. So why the interest?

- The Chinese want to make money (nothing new there) and are intensely curious about new ideas that they haven't heard before; we are new so that was very intriguing.
- Executive assessments haven't been tried in the main (things like competency and personality testing) so we are on new ground.
- Those who have heard about Western style assessments (a minority by the way) don't think they are business oriented enough to get the interest of people whose main interest is money and finance.
- It represents a new frontier in capitalism and the Chinese are into new financial frontiers in a big way.

Good omens for my book sales in China, I hope!

For more information on the Perth Leadership institute and Perth upcoming events,  
please visit us at: [www.perthleadership.org](http://www.perthleadership.org)

**Perth Leadership Institute:** 100 SW 75<sup>th</sup> St, Suite 107 - Gainesville, FL - 32607 [LeadershipInfo@PerthLeadership.org](mailto:LeadershipInfo@PerthLeadership.org)  
**Telephone:** 352.333.3768 **Fax:** 407.540.9479

To subscribe to Perth Leadership Institute, send email to: [subscriptions@perthleadership.org](mailto:subscriptions@perthleadership.org).

If you would prefer to receive this newsletter in text-only format, please [contact us](#) with your request.

To unsubscribe, send email to: [unsubscribe@perthleadership.org](mailto:unsubscribe@perthleadership.org).

Copyright Perth Leadership Institute 2007

All rights reserved. Articles may not be copied or reproduced without the permission of the Publisher.