

# Recruiting in China After COVID-19: HR Planning and Talent Acquisition for SMEs

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COVID-19 has caused great disruptions to China's economic activities. Industries, such as catering, tourism, film and television, and retail, have been hit badly due to the pandemic outbreak. Many enterprises, especially small- and medium-sized enterprises (SMEs), have had to suspend new hiring or even downsize staff to cut labor costs and survive financial difficulties.

That said, now is also a great time to reconsider the firm's human resources (HR) planning and recruitment arrangement.

Here is why.

Firstly, SMEs can evaluate and adjust their business development plan, dissolve unnecessary business units, and set up new lines of business that meet the new market needs.

Although the COVID-19 pandemic has taken a toll on many industries, some industries, such as healthcare, e-commerce, online education, online medicine, telecommuting, and gaming, have seen explosive growth. Overall, COVID-19 will have a profound impact on future economic activities. To stay agile, enterprises should seize new market opportunities to achieve business transformation and stabilize their core business. For example, in the early days of the infectious outbreak, Chinese electric-vehicle maker BYD launched the world's largest medical mask plant to meet the huge demand of masks at home and abroad.

Compared with large companies, SMEs can be more flexible in achieving business transformation. They can reorganize their HR structure and start recruiting talents more quickly to prepare themselves for potential changes. Given their limited resources, such entities must be adaptable to survive and stay relevant in the market.

Secondly, SMEs should develop medium- and long-term human resource planning strategies to prepare well for new challenges in the post-COVID-19 era.

COVID-19 is now under control in China. Daily life and economic activities are gradually returning to normal. To restore the economy, the Chinese government has issued a series of preferential policies that will be effective until the end of 2020, including tax and fee cuts and social insurance exemptions. It is a rational choice for foreign companies to do business in China, under the current circumstances.

Moreover, it would be much easier for SMEs to locate targeted talents with lower employment costs under COVID-19.

In China, there are structural problems in labor supply – high quality talents with high skills are difficult to obtain due to the fierce competition. By convention, Chinese employees choose to quit jobs before the Chinese Lunar New Year and look for new job opportunities after the holiday.

However, the COVID-19 outbreak right before the holiday unexpectedly disturbed the established rhythm. A lot of people found it difficult to get themselves suitable jobs after the festival. Some companies laid off their employees due to the pandemic. Given this situation, it is a good time for companies to hire outstanding talents.

Recruitment is a fundamental and important part of HR management and for the business growth of the company. The first issue a foreign-invested enterprise (FIE) may encounter after entering China is hiring suitable local employees to support its business development.

Recruitment is an important means for companies to obtain talents. If companies cannot find suitable employees over a long period, their ability to operate normally will be affected, resulting in the waste of time and money.

Naturally, recruitment serves as the foundation for HR management. If the recruitment work is not efficiently executed, it will affect all other aspects of HR management, such as employee training, compensation and benefits, performance evaluation, labor relationship, etc. In case an unqualified staff is employed, it will cost much more time and money in conducting training sessions to ensure the employee fits in the team. Therefore, recruitment can determine the success or failure of HR investment.

Generally, we divide recruitment into internal recruitment and external recruitment – internal recruitment includes post rotation, promotion, reassignment, and internal referrer, whereas external recruitment is to locate external talents through campus selection, websites, and job fairs.

An SME with a small number of employees and simple organization structure will rarely need to employ a large number of employees. Therefore, most SMEs do not have a local professional HR team to support the recruitment work. There are some concerns when they hire new employees:

1. Foreign-invested SMEs are not familiar with the local labor market, such as the talent pool situation, the salary range, the employment cost, etc. Thus, it is very hard for them to come out with a reasonable HR solution. Ultimately, the recruitment becomes more difficult and the recruitment cycle gets prolonged.
2. Information asymmetry is common in the recruitment process. Normally there are two kinds of recruitment information. One, is the information companies and candidates both know well, including company information, job description, and salary range. The other, is the information candidates know well but companies don't, such as candidates' personality, actual capability and knowledge, motivation for applying to new jobs, individual qualities etc. For foreign SMEs that have just entered the China market, they will not be familiar with the local talent market and will lack effective talent assessment tools and means of selection – this will put the firm at a disadvantageous position.
3. It is difficult for SMEs to attract talents considering their employer brand hasn't been well recognized in the domestic talent market.
4. SMEs normally want to hire employees with multiple skills to handle different roles, which will cause ambiguity and uncertainty in the role description. This makes it harder for them to proceed with the recruitment work, as well as perform the later job analysis.

Recruitment is a challenging work that imposes high standards for recruiters when done right. Below we list out the key stages of the recruitment process and summarize the required competencies and knowledge for a qualified recruiter.

## The Recruitment Process and Competencies Required for Qualified Recruiters

Recruitment process	Work content	Requirements for recruiter	Professional knowledge required for recruiter
HR planning and position analysis	Before recruiting, the recruiter should complete at least one to two years of HR planning based on business development needs and conduct an analysis of the positions to be recruited, so as to know what kind of talents would be suitable for the position	<ul style="list-style-type: none"> <li>Ability to predict the HR needs from a perspective of the company's strategic development</li> <li>Strong communication skills</li> <li>Writing skills</li> <li>Data collection and analysis skills</li> </ul>	<ul style="list-style-type: none"> <li>Knowledge of HR management and labor economics</li> <li>Knowing the method of prediction and planning</li> <li>Understanding of company culture</li> <li>Job analysis ability</li> </ul>
Recruitment plan development and implementation	The HR team should formulate recruitment plans consistent with the company's development strategy, build up a professional recruitment team, select reasonable recruitment channels, and collect and sort out the information of candidates	<ul style="list-style-type: none"> <li>Ability to set the recruitment budgets and control the recruitment cost</li> <li>Negotiation skills</li> <li>Ability to design the recruitment advertisements to attract candidates</li> </ul>	<ul style="list-style-type: none"> <li>Knowledge of HR management</li> <li>Knowledge of cost management</li> <li>Advertisement designing</li> <li>Marketing</li> </ul>
Talent selection	The recruiter should use various means to objectively evaluate the quality of the candidates, such as specialty quiz, comprehensive face-to-face interviews, assessment tests on the capability orientation of the candidate, in order to choose the most suitable talent	<ul style="list-style-type: none"> <li>Ability to select qualified candidates through their profiles and other information</li> <li>Rich interview experiences, skills, and methods to evaluate candidate</li> <li>Proficient in using assessment and testing techniques</li> <li>Good professional ethic, to minimize the employment risk and build positive employer brand –discrimination should be avoided during the selection</li> </ul>	<ul style="list-style-type: none"> <li>Analysis skills</li> <li>Interview skills</li> <li>Talent assessment</li> <li>Knowledge of labor law</li> </ul>
Employment	The recruiter should confirm the details of compensation and benefits, complete background checks/physical examination, sign labor contract, go through the onboarding procedures, and assess the employee's performance during the probation period	<ul style="list-style-type: none"> <li>Excellent salary negotiation skills</li> <li>Familiar with the salary range of local talent market</li> <li>Be able to determine the candidate's salary under the company's cost control policy</li> <li>Familiar with background check and physical examination to help enterprises avoid employment risks</li> </ul>	<ul style="list-style-type: none"> <li>HR management skills</li> <li>Negotiation skills</li> <li>Knowledge of labor law</li> </ul>
Evaluation	The recruiter needs to analyze and review the recruitment data to evaluate the effectiveness of recruitment work, find out the advantages and disadvantages, so as to continue improving the recruitment work	<ul style="list-style-type: none"> <li>Performance management ability to evaluate the new hire's work performance during the probationary period</li> <li>Be able to summarize recruitment data, control recruitment cost, and analyze the effectiveness of recruitment work</li> </ul>	<ul style="list-style-type: none"> <li>Performance management skills</li> <li>Data analysis</li> </ul>

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To meet their integral recruitment needs, SMEs can outsource their [talent acquisition](#) to a professional recruitment service vendor like [Dezan Shira & Associates](#). DSA can improve the SME's market position by helping build a good employer brand identity among potential candidates. In addition, DSA has a rich recruitment experience, a specialized talent pool, good connections in different industries, provides an objective third-party judgment, and possesses the effective talent assessment tools to help SMEs obtain the most qualified candidates.

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