



ManpowerGroup™

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## **Manpower Inc. Research Report Reveals Insights and Strategies for Multinational Corporations on How to Conquer the China Labor Paradox**

MILWAUKEE, Aug 30, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Despite being the world's most populous country, filled with people who would prefer to work for foreign companies, multinational corporations operating in China are finding their businesses hindered by a pervasive talent shortage and struggling to retain their management and employees. A new White Paper by Manpower Inc. (NYSE: MAN), a world leader in the employment services industry, examines this paradox and offers insight and answers to help multinationals improve their talent management strategies in China.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20060221/CGTU012LOGO> )

"Ninety percent of the world's top 500 multinationals have now invested in China, yet many of them are struggling to generate the sales or growth they want because of talent management challenges," said Jeffrey A. Joerres, Chairman & CEO of Manpower Inc. "Recruiting the right people, retaining the best staff and developing leaders of the future are difficult tasks in any market. For foreign companies operating in China, the difficulties are magnified by the talent shortage -- particularly of managers and executives -- and the difficulty of understanding how to adapt talent management strategies to the country's unique business culture and values."

Manpower's White Paper, The China Talent Paradox, offers five practical strategies for multinational corporations to embrace if they want to improve employee attraction, engagement and retention in China:

1. Create a learning organization
2. Appoint competent leaders
3. Establish an appropriate organization and culture for China
4. Provide competitive compensation and benefits packages
5. Select the right people

"It is vital that organizations view these five strategies as a holistic, integrated solution," said Joerres. "Neglecting even one of the strategies will weaken the solution considerably."

These five strategies represent the core elements of Manpower's proprietary Workforce Optimization Model that is used to assist clients in recruiting and retaining permanent employees in China.

Joerres said, "These strategies may seem to be self-explanatory to an HR professional, but it is important to recognize what they actually mean in the work environment in China. Effective talent strategy in China relies heavily on grasping the cultural nuances and leveraging this knowledge."

"Learning is a priority for Chinese employees because they are acutely aware of the limitations of their educational system and possess a strong desire to continuously acquire marketable skills," said Lucille Wu, Managing Director of Manpower China. "Learning has to be embedded into employees' daily activities so that they learn new skills and gain new experience every single day. Lacking this stimulus, they will leave for another company to find better career development opportunities."

Previous Manpower research of 33,000 global employers found that vacancies at the manager and executive level are much more difficult to fill in China than in other countries, which has a direct impact on the ability of organizations to grow.

"To fuel the current level of growth that multinationals are experiencing in China, they need to attract and develop competent leaders that can work effectively in the Chinese workplace," said Wu. "Chinese employees respond best to hands-on leadership and having a role model to demonstrate what is expected of them so that they may replicate their actions. They are also unlikely to tell a manager when they do not understand how to complete their work. This requires a different leadership approach than most Western multinationals expect when they come to China."

Manpower has found that nearly 75 percent of Chinese employees would prefer to work for wholly-owned foreign companies rather than joint venture companies or wholly-owned Chinese companies. This is a distinct advantage for foreign multinationals competing for talent in China, yet ironically, retention remains an issue for them.

"In addition to the many multinationals who come to China to set up manufacturing operations, there are also many companies that come to China to market their products and services to Chinese consumers," said Joerres. "The preference of Chinese workers to join a foreign company underlines the tremendous opportunities for companies that develop the right talent strategies to compete for a bigger slice of the world's largest consumer market," he added.

#### About Manpower Inc.

Manpower Inc. (NYSE: MAN) is a world leader in the employment services industry; creating and delivering services that enable its clients to win in the changing world of work. The \$16 billion company offers employers a range of services for the entire employment and business cycle including permanent, temporary and contract recruitment; employee assessment and selection; training; outplacement; outsourcing and consulting. Manpower's worldwide network of 4,400 offices in 72 countries and territories enables the company to meet the needs of its 400,000 clients per year, including small and medium size enterprises in all industry sectors, as well as the world's largest multinational corporations. The focus of Manpower's work is on raising productivity through improved quality, efficiency and cost-reduction across their total workforce, enabling clients to concentrate on their core business activities. Manpower Inc. operates under five brands: Manpower, Manpower Professional, Elan, Jefferson Wells and Right Management. More information on Manpower Inc. is available at <http://www.manpower.com>.

#### About Manpower Inc. in Greater China

Manpower Inc. first entered the Greater China market in 1964 and has more than 12 years experience in Mainland China. Today, the company has 58 offices across Greater China and 37 in Mainland China.

Manpower China has more than 350 recruiters operating nationally in nine cities across the Mainland. It provides a wide array of services to both foreign-based multinationals and local companies, including more than 80 percent of the world's top 50 companies. Manpower China provides professional and executive staffing under the Manpower Professional brand, offering clients middle management to C-suite executives in the Information Technology, Telecommunications, Industrial, Consumer Goods, Pharmaceutical, Services, Finance & Banking sectors. It also provides a recruitment offering of both permanent and contingent staff; HR and managed business services under the Manpower brand.

Manpower Inc. provides organizational consulting services through its Right Management subsidiary, which established offices in Mainland China in 1996.

In addition, Manpower Inc. is working with the Chinese labor authorities to support the country's rapidly evolving labor market. Manpower and the Chinese labor authorities formed this partnership in 2005 to better forecast skills shortages, find vocational training solutions and redefine the country's employment laws. The partnership is led by Manpower-Caden, a joint-venture initiative between Manpower Inc. and Caden Corporation SA, a leading consulting and advisory group that specializes in governmental and international policy issues.

For more information on Manpower Inc. operations in China, please visit <http://www.manpower.com.cn> and <http://www.right.com/cn>.

#### SOURCE Manpower Inc.

Britt Zarling, Manpower Inc., +1-414-906-7272, or [britt.zarling@manpower.com](mailto:britt.zarling@manpower.com)

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