Manpower Inc. Warns of Talent Challenges for Foreign Companies in China as Workers are Attracted to Chinese Private-owned Enterprises

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MILWAUKEE, Nov. 10, 2010 /PRNewswire/ -- Manpower Inc. (NYSE: MAN), a world leader in innovative workforce solutions, warns that multinational companies with operations in China need to improve their talent attraction and retention strategies or face losing out to Chinese private-owned companies in the battle for senior level talent, as local workers begin to favor Chinese private-owned companies.

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"China's rapid growth means the talent landscape is changing as non-native companies, previously regarded as highly desirable places to work, are no longer considered the country's best employers," said Jeff Joerres, Manpower Inc. Chairman and CEO. "As local firms build stronger employer brands, multinationals will find it increasingly challenging to attract and retain managers. The war for talent will only intensify due to an aging workforce and more foreign companies increasing their focus on the Chinese market."

Manpower's new Fresh Perspectives Paper: *Winning in China: Building Talent Competitiveness,* based on the findings from the 2010 Foreign and Chinese Private-Owned Companies Talent Competitiveness Survey, shows that of job seekers who wish their next job to be with a Chinese private-owned company, 61 percent of these are at the manager level.

This rapid rise in the appeal of Chinese private-owned companies is due to increasing compensation and benefits packages, more training and learning opportunities, and the perceived "glass ceiling" favoring overseas employees at senior executive level over local talent within foreign companies. Skills shortages in China are most severe among senior managers, according to the *2010 Manpower Talent Shortage Survey.*

While 60 percent of human resources managers at foreign companies based in China are already feeling the effects of competition from Chinese private-owned enterprises, few companies are actually doing something to respond to that challenge.

Manpower advises multinationals to leverage human resources as strategic partners, aligning their workforce strategy with their business strategy to ensure they have the talent needed for business expansion. They must ensure local executives receive pay parity with their foreign counterparts, as inequalities have a serious negative impact on local employees' motivation to work for foreign-owned companies, especially as Chinese private-owned companies now offer more attractive remuneration packages.

While attractive compensation packages are important, managerial personnel often put an even higher premium on training and development opportunities. As Chinese-owned firms put more focus on career development, foreign companies must respond to this challenge by leveraging the advantages they have, such as offering high performers the chance to experience working in a different country, as well as committing to employee development.

"China has long been seen as a land of opportunity for foreign companies, but business leaders need to make sure that developing a workforce strategy that is agile enough to be future-proof and allows them to achieve their business objectives is at the top of their agendas," added Joerres. "Foreign-owned companies operating in China need to adapt their talent strategies to protect their employer brand and ensure a healthy talent pipeline to execute their business strategy."

Despite their progress, Chinese private-owned companies still face challenges to lure the best talent. They lag foreign-owned companies in terms of having a strong employer brand and compelling corporate culture. Management at Chinese companies has traditionally been extremely hierarchical and they also have difficulty retaining foreign talent. Targeted strategies for retaining non-native managers should take into account the importance of cultural fit.

As China continues to undergo rapid growth, both foreign and Chinese private-owned companies will need to adapt in order to stay ahead. Employers must be alert to the shifts in China's economy and understand the challenges as well as opportunities that this will bring, as the companies who implement the best talent strategies will differentiate themselves and gain a competitive advantage.

Note to Editors

In 2010, Manpower Inc. (NYSE: MAN) conducted a survey to gain insight into Chinese employees' job motivations and their employer preferences, as well as to find out what measures companies are taking to enhance their talent competitiveness. To carry out the survey, Manpower China polled 1,041 job seekers via telephone interviews, questionnaires and online surveys. Human resource professionals were also surveyed from 1,143 organizations.

About Manpower Inc.

Manpower Inc. (NYSE: MAN) is a world leader in innovative workforce solutions; creating and delivering services that enable its clients to win in the changing world of work. With over 60 years' experience, Manpower offers employers a range of services and solutions 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 nearly 4,000 offices in 82 countries and territories is the largest in the industry and 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 www.manpower.com.

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