

Peter Allan, International Business Partner of the Guangzhou based FESCO's business consulting arm, remarked on the investment drive of his foreign clients in the Pearl River Delta, "It is a cost competitive manufacturing, pragmatic business front, and a cash rich market with highest per capita consumer power in China. Following the World Trade Organization agreement, the Delta is a World Pearl to international investment."

### The Promise Land

With a population of about 40 million and total land area of around 9,000 square kilometers, the Pearl River Delta is the Southern gateway to China's vast domestic market.

For the past decade, the 8 mainland cities at the core of the "conventional" Pearl River Delta - Guangzhou, Shenzhen, Dongguan, Zhuhai, Huizhou, Foshan, Jiangmen and Zhongshan - have consistently accounted for about one-third of China's foreign direct investment and exports. Following the integration vision of the Chinese Central Government, the "contemporary" Pearl River Delta combines Hong Kong and Macao to form a powerful economic base in the world.

According to Benjamin Dablane, General Manager of the Guangzhou French Chamber of Commerce: "During the past few months, there has been significant increase of French small medium enterprise establishment in Guangzhou, and manufacturing plants in Shenzhen, Zhongshan and Dongguan. With its geographical location, cultural affinity and professional support with the international Hong Kong business facilities, the Pearl River Delta is an extended market led by Hong Kong and driven by the China market."

### The Delta Corporate Citizens

The rapid growth of the promise land calls for new breed of executives with more and more sophisticated management expertise, professional flexibility, industrial specialty, and management diversity - the Pearl River Delta corporate citizens.

Hong Kong management executives, Macao entertainers and gamblers, pragmatic Canton traders, and manufacturing labour mass from Dongguan, Zhongshan and Foshan - together with international expatriates and Asian executives - are blended in this big Delta

melting pot, and tuned into a critical mass of dynamic and flexible Delta corporate executives.

### Human Capital Needs

On moving into the Delta, on becoming a Delta citizen, one has to recognize the integration impacts on human capital needs. The Delta growth creates tremendous demand for management talents and industrial specialists - opening opportunities for geographical move, cross-functional shift, and skill-set transfer for the surplus executive pool in the region.

The relaxation of talent exchange barriers and regulations have facilitated the executive flow in and out of China. The brain drain of cost-competitive mainland Chinese to Hong Kong versus the migration of Hong Kong and international executives into China have been paralleled by the pressure for PRC Chinese localization. The result has been an increasing requirement for regionalization, nationalization, and internationalization of human talent.

The unique economic pattern of Pearl River Delta has given birth to a wide spectrum of human capital demand. Such a demand calls for electronic and light industries for Shenzhen, Dongguan and Foshan; garment manufacturing managers in Fumen; logistics executives in Guangzhou and Shenzhen; trading, IT and finance back-up services in Guangzhou, entertainment specialists in Macao, and financial and professional executives in Hong Kong. Of course, the evergreen industries during recession time - such as insurance - fuels the demand for executives all across the region.

With regard to the trend of international executive integration in China, Alain Somia of

ACES International in France remarked that, "now the Europeans, and the French in particular, recognise that Chinese Manufacturers deliver quality that matches their European and American competitors, but at a much lower cost. The Europeans are still ahead for the international marketing and general management expertise. Accordingly, the next challenge for both Continents lies in creating multicultural teams including Europeans within Chinese Firms wanting to become really multinational. We are assisting foreign and Chinese company to realize this multi-cultural teams in Europe and China."

### On The Move

According to senior executive search consultant, Priscilla Wong of EPC Consulting in China, these special human capital requirements are rapidly evolving.

"To support the business growth and economic integration of the Pearl River Delta, there has been an acceleration in the need to fill Asian and international expatriate positions. Despite our client preference for cost-competitive mainland Chinese executives, the reality is the management skill-set and industrial expertise requirements far exceed the local executive offering level. This has intentionally or unintentionally created considerable competition and package adjustment in the region." She remarked, "With the recent CEPA Closer Economic Partnership Arrangement, we see stronger integration of human resources within the region. Executives on the move, both local and expatriate, have to be prepared to accept a more realistic and value-for-money package."

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