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# What Fortune 500 Companies Want: Recruiting in China

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## Abstract

The growth of Fortune 500 companies in China has its complementary challenge in managing human resources. In this study, we describe the skill sets, language fluency, educational credentials, job experience, and other key job qualifications that are solicited on Fortune 500 Companies' LinkedIn advertisements in China. The characteristics that were most represented in the job advertisements in our sample of 111 US Fortune 500 companies in China were from companies ranked 201-500 (39.6%), in secondary sectors (57.7%), in Tier 1 cities (91.9%) offering lower management positions (47.8%) requiring a bachelor's degree (55.9%) and English fluency (55.0%) with 6-10 years of work experience (43.2%). In addition, we examine the relationship between these qualifications and the types of enterprises represented in our sample. Using chi-square analysis, we found statistically significant ( $p < .05$ ) relationships between company ranking and leadership skills, job title and years of experience, job title and English language skills, job title and level of education, industry sector and level of education, and city tier and level of education. This study contributes to the existing knowledge on the human resources and recruitment of Fortune 500 companies in China, demonstrating the variability in HR practices across institutional maturity, region, and business focus.

**Keywords:** international HRM, recruitment, talent, soft skills

## Introduction

The topic of employment is an important one that touches on issues of broad economic health, the value of educational systems, and individuals' skills and experiences. China as a country has only in recent history developed a strong presence in the global economy. However, since the country opened its doors to foreign entities in 1979, international business has expanded at an unprecedented pace. China, with a population of over one billion people, has reached unparalleled growth in its economy, establishing homegrown corporations competing with foreign companies in the global marketplace as well as attracting large numbers of foreign businesses for investment and partnership opportunities.

Over the past few decades, business in China has grown at an unprecedented pace. Since opening its doors, China has maintained an average annual GDP growth rate of 10% for 30 years (Milosan, 2013) and in 2009 surpassed Germany to become the world's largest exporter (Gaulier, Jarreau, Lemoine, Poncet, & Unal, 2010). According to Milosan (2013), the country's rapid expansion followed a conventional path, including "increase of production, exports, life standards and high increase in literacy" (p. 34). However, looking to the future, Kennedy and Johnson (2016) had

interpreted China's newest Five Year Plan as turning away from the prior growth model following the conventional path in order to find an economic equilibrium that is not as reliant on investment but instead stresses a more efficient economy with a "heavy emphasis on streamlining manufacturing, promoting innovation, and encouraging the development of more advanced technologies" (p. VIII). To succeed with this plan, the country will require greater numbers of skillful and educated workers.

Tangential to this rapid and immense economic growth is a population that puts significant emphasis on education. Students face tremendous pressure to perform well in school, achieve on exams, and secure jobs with a good salary. Yet, foreign companies engaged in business with China and researchers in tune with the country have often found that the educational system, is misaligned and *not effective enough to develop global competence* (Hilton, 2016), not producing graduates possessing the skill sets modern businesses seek in new employees.

The purpose of this study is to investigate the specific skill sets, education qualifications, and experiences that multinational corporations operating in China seek when filling vacancies in their workforce. As a means to uncover this information, LinkedIn, the professional networking platform, has been utilized to gather critical data. In order to narrow and define the scope of this research, U.S. Fortune 500 companies have been chosen as the focus of this study. For the purposes of this study, *China* is defined as Mainland China only. Data from Hong Kong, Taiwan, or other special territories have been excluded.

Because Fortune 500 companies from the U.S. have set a worldwide standard for success in business, the requirements to work for these companies have much to show about how individual employment can have an impact on overall company achievement and profitability. According to Fortune.com, "In total, Fortune 500 companies represent two-thirds of the U.S. GDP with \$12 trillion in revenues, \$840 billion in profits, \$17 trillion in market value, and employ 27.9 million people worldwide" (Fortune 500 List, 2015, para. 1). As such, these companies represent a valid sample for this study. In addition, most of these Fortune 500 companies now have bases of operations in China whose influence far outstrips its history of presence there. For the 2017-18 fiscal year, the top 20 US companies in China generated over \$158 billion (Van Doorn, 2018). Other sources claim that the economic interest for U.S. companies in China is much higher, representing a \$600 billion market for the American economy (Shane, 2018). Though the threat of a trade war with China portends challenges for U.S. companies in China, business opportunities continue to grow for those whose relationships and business practices align with this foreign context. For this study, we ask what types of applicants are U.S. companies operating in China seeking and what qualifications do these applicants possess?

Our study seeks to answer these primary research questions:

1. What job skills, experience levels, languages, education, and other qualifications are required by US Fortune 500 companies hiring in China?
2. How do company or position characteristics influence the range of qualifications being sought after by US Fortune 500 companies hiring in China?

## **Theoretical Developments**

This research is justified by human resource theory that posits an employment system based not merely on human capital models of hard and technical skills (Gibbons & Waldman, 2004) but on

the broader vision of human potential which also includes concepts such as emotional intelligence (Goleman, 1998) and soft skills (Cassel, 1998). Recent human resource theory tears down the dividing wall between hard and soft skills (Truss, Gratton, Hope-Hailey, McGovern, & Stiles 1997), demonstrating also the divergences between company rhetoric and employee reality. Goleman's (1998) Harvard Business Review publication on emotional intelligence and its prevalence amongst the most effective business leaders, created the basis for the development of theories that shifted away from the long-entrenched primacy of technical, analytic, objective skills. The concepts of self-awareness, self-regulation, motivation, empathy and social skills were introduced by Goleman as key components of emotional intelligence, but their translation into actualized business practice would take many more years to realize.

At first, they were called personality characteristics, emotional intelligence or subjective traits. They are now ubiquitously referred to as soft skills which were once *nice to have* but are now *need to have* competencies (Hilton, 2017). Paranto and Kelkar conducted a study in 1999 that found “personality characteristics are perceived to be significantly more important than any other type of skill...specific skills came out to be the least important of all” (p. 83). Cassel (1998) and Alexander (2014) have examined HR practices of Fortune 500 companies over the past decades and have come to similar conclusions, that soft skills such as communication and personality are challenging hard skills as the currency of employability.

Starting from Cassel's (1998) soft skills construct, there are 13 that describe the preponderance of job descriptions and recruiting advertisements alike: teamwork, problem solving, interpersonal skills, oral communication, listening, personal career development, creative thinking, leadership, goal setting/motivation, writing, organizational effectiveness, computation, and reading. The U.S. Department of Labor and The Conference Board of Canada corroborate the importance of soft skills such as working with others, positive attitudes, and communication (Cassel, 1998). Box, Converso, and Osayamwen (2015) added cultural diversity to the list, claiming that the number of American Fortune 500 companies hiring foreign employees has been significantly on the rise. Regardless of how many soft skills we include or the terms we use to define them, there is strong and consistent evidence to support the claim that soft skills are an important factor in international talent recruitment (Alexander, 2014; Box et al., 2015; DuPre & Williams, 2011; Hodge & Lear, 2011; Lee & Han, 2008; Paranto & Kelkar, 1999).

## **Literature Review**

The combination of a rise in higher education enrollment (and therefore increasing numbers of college graduates) along with the lack of preparation to work in global companies (such as US Fortune 500 companies) largely due to a skills-based, high-stakes education system, the competition for jobs in China is on the rise. Meanwhile, human resource managers must tackle the equally complex and challenging task of determining the costs and benefits of hiring local and foreign workers, and adapting their recruitment strategies to the China context on HR platforms such as LinkedIn.

### ***Skills-Based Education***

The most pervasive trend when it comes to modern employment seems to be the increasing atmosphere of competitiveness (Andrews & Higson, 2008; DuPre & Williams, 2011; Hodge & Lear, 2011). Andrews and Higson's study (2008) on graduate employability across Europe found that “employers expected university graduates to be ‘employment-ready’”, having already

obtained the skills and competencies required to work with little supervision. The researchers suggested that business schools “develop programmes in which undergraduates are actively encouraged to acquire and hone *softer* communication skills” (Andrews & Higson 2008, p. 419), suggesting that higher education has been under-preparing graduates for the real world (Andrews & Higson 2008; Hodge & Lear 2011; Paranto & Kelkar 1999). The conclusion is that “higher education cannot afford to ignore the issue of career preparation” (DuPre & Williams, 2011, p. 15). In fact, popular business authors such as Patrick Bet-David and Thomas Ellsworth (2017) even suggest that real education happens in the workplace through experience, not in universities.

Powell (2008) interviewed the chief China economist at the Asia Development Bank, Tang Min, who said, “China lacks the educational infrastructure to keep pace with the frantic demand for education” (p. 1). Indeed, there is much demand for higher education in China, but there are many problems with the current system. Many of the existing issues in Chinese education stem from the overhaul that came with the Communist Party’s soviet-style system. Cai (2004) offers this synopsis: “By 1953, all Chinese universities and colleges were changed into public institutions within a central planning system. The major mechanisms included: governments allocating higher education resources, appointing university leaders, assigning graduates jobs and deciding enrolment[sic] numbers for individual institutions” (p. 158). During the Cultural Revolution in the 1960s and 70s, the education system was further damaged when schools were closed and educators were persecuted and sent to work on farms. In many ways, the Chinese education system is still recovering from this time in its history. As late as 2004, Cai described that “despite efforts by the Chinese government to implement programs that would promote increased creativity and competition among students, lingering attitudes resulting from the centrally planned system mitigated the effects” (p. 167).

### ***Competitive Job Markets***

Historically, it was not uncommon for people to have a single employer throughout their career. New graduates would be hired as eager young people and work their way up in a company as their career advanced. Today, this pattern is rare, and people find themselves looking for new jobs frequently throughout their lives. According to Downing, Rouleau, and Stuber (2008), the average employee turnover rate in China has been growing steadily. Chen and Hoskin (2007) found that “turnover has become a way of life in China”, citing that 73% of Chinese employees had quit their jobs over the previous 12 to 18 months (p. 1). This creates a situation where Chinese workers must frequently showcase their skills as they hunt for a new position.

Technical skills and hard knowledge have always been important in getting and keeping a job. In a study by Andrews and Higson (2008), they found that employers preferred to hire those with business degrees because these graduates tended to have business acumen and the ability to apply knowledge and think critically. As businesses become more competitive, they have increased expectations from their employees, requiring a broader range of skills and knowledge to meet the organization’s goals (Hodge & Lear, 2011). Work experience has also been highly valued by employers, as part-time work or internships can provide critical on-the-job training for students to apply learned hard skills (Andrews & Higson, 2008; DuPre & Williams, 2011; Gault, Leach, & Duey, 2010). Even internship experience can have a big impact on companies looking to hire new graduates (Andrews & Higson, 2008; DuPre & Williams, 2011).

Increasingly, however, hard knowledge and skills often need to be complemented by the addition of soft skills as interpersonal behaviors become more important to employers. This trend has

continued and even with a distinctively technical job field such as Information Systems, Lee and Han (2008) found that entry-level programming positions have been requiring candidates to have “behavioral skills...on top of their technical skills” (p. 18). Alexander (2014) interviewed Kerry Preston, who summed up the importance of interpersonal skills today, saying, “You don’t have the luxury to not be a people person to reach that next level of your career” (p.1).

### ***Human Resources in China***

This situation of a rapidly expanding massive-scale economy combined with an inadequate educational system and vastly different cultural attitudes has created a challenging situation for human resource departments within MNCs operating in China. The human resources industry in China has burgeoned to 2 trillion RMB, over \$300 billion (Xinhua, 2017). Scarcity and equilibrium models dictate that increasing competition and reducing monopolies is based on increasing the talent pool (Song, Wang & Ye, 2018). The designs of foreign multinational companies central headquarters for a Western-style human resources approach is inadequate, and those that have adapted successfully have realized the need to not only accommodate but learn from different models of recruiting, training and retaining talent (Zhu, 2017). The growing talent pool, diversifying human resource industries, and the necessity of a culturally-adaptive approach, makes indispensable the production of human resources research and theory specific to China and relevant to the rest of the world.

As mentioned previously, a large number of graduates lack the soft skills and experience that employers expect, few Chinese workers stay loyal to one company, and most English education has not offered cultural training. This situation has created a very limited pool of qualified local talent for the increasing number of MNCs based in or operating in mainland China. Even though productivity of Chinese workers overall had increased dramatically since the Cultural Revolution, at an average rate of 8.9% (Kennedy & Johnson, 2016), “individuals with solid managerial and people skills, as well as experience working in a global environment, are rare” (Chen & Hoskin, 2007, p. 3). In 2005, Farrell and Grant (2005) confirmed this assertion, saying, “fewer than 10 percent of Chinese job candidates, on average, would be suitable for work in a foreign company” (p. 72). In Chen and Hoskin’s 2007 article, Hoskin, who was the Senior HR Manager for Microsoft China, described the situation, “Creating talent pipelines is really quite a challenge. Change is occurring faster in China than in other parts of the world, and consequently, HR must be able to provide opportunities that will satisfy people quickly” (p. 2).

As a result of the limited qualified local talent available in China, multinational companies have been turning to another source of job candidates, expatriates. For middle-management positions, a popular choice has been expats from Hong Kong, Singapore, and Taiwan, who have often had the necessary skills and experience, but came at a less expensive price than Westerners (Farrell & Grant 2005). For many upper-level management positions, though, the top choice as often been expats from Western countries. However, Sorock (2013), founder of a recruiting firm that connect companies in China to foreign talent, has found that standards for hiring expats have increased; foreign candidates must bring Western business acumen, Mandarin language fluency, technical expertise, and global experience to the table.

A major downside for companies hiring expatriates to work in China has been the expense. Downing et al. (2008) found that savvy candidates have been well aware of the shortage of suitable talent available in China and have used this knowledge to their advantage, compelling companies to offer increasingly larger packages in order to attract good candidates to high-level positions.

There have also been downsides for expat workers, as Naithani and Jha (2009) pointed out, “Expatriates face a wide gamut of challenges and problems which influence their work and personal life [including]: ...work, career, social and cultural, individual psychographic, demographic, family and other factors” (p. 1). Downing et al. (2008) pointed out that about half of expats only last a year in China because of their inability to deal with Chinese culture. Therefore, hiring expats has been no guarantee of loyalty either.

Rather than rely on the education system in China to fully prepare local workers, many MNCs in China have set up their own training programs in-house (Chen & Hoskin, 2007; Farrell & Grant, 2005). Even worldwide, the inclination towards in-house training is growing (Abrams, 2013; Fayad, 2016). Microsoft seems to have led this trend in China. Farrell and Grant (2005) described that Microsoft outsourced some technical support to a Shanghai company, but first invested heavily in hiring English teachers to bring the support staff up to speed on U.S. writing style and language skills. Chen and Hoskin (2007) explained how Microsoft, “creates special training for program managers who require technical depth as well as communication and program management skills. To make up for the difference in available talent, Microsoft brings employees from its U.S. headquarters to transfer knowledge and technology to new employees in China” (p. 3). As of 2007, Microsoft China had about one hundred such training programs running at its research and development center (Chen & Hoskin, 2007).

### ***LinkedIn***

LinkedIn has been a widely used platform for networking and job search. The National Association of Colleges and Employers [NACE] Job Outlook 2015 (2014) reported that an increasing number of companies have looked to using social networking and technology as top recruitment tools. According to Brand and Arasteh (2013), 89% of human resource professionals have used LinkedIn to hire a new employee. Basu (2015) brought up the point that not all human resource activities that companies or recruiters engage in on social media has been aimed purely at people searching for employment; rather, many people using professional networking sites already had a job and could be considered *passive jobseekers*. DeKay (2009) gives further explanation, “Many human resource professionals maintain that passive jobseekers are especially desirable because they represent an untapped pool of potential candidates” (p. 102). Active companies on LinkedIn have been required to pay a fee in order to post job ads and often search for qualified candidates through the service (Brand & Arasteh, 2013). As far as talent identification goes, some say that professional social networks have replaced the traditional resume (Winsborough & Chamorro-Premuzic, 2016). Human resource professionals have been known to invest much more time and effort into LinkedIn than other platforms such as Facebook or Twitter according to Greene (2015), yet the author went on to state that because it has been difficult to moderate and fact check, HR might not be ready to use LinkedIn as a primary employee pool. As cited by Peterson and Dover (2014), there were over 225 million LinkedIn users in 200 countries around the world. Brand and Arasteh (2013) stressed the importance of having an online presence for networking purposes and made the following recommendation, “if you have to choose only one, LinkedIn would be the best for job search and career management” (p. 33).

Through lengthy negotiations with Beijing, LinkedIn officially entered the Chinese market in 2014, creating a Chinese Language website with the hopes of reaching 140 million professional Chinese workers in the Mainland (Matacic, 2014). After ten months in the market, LinkedIn China users reached five million, and within 18 months in the market, LinkedIn China users exceeded ten million; however, the global LinkedIn website in English had four million Chinese users as of

mid-2015 (Global Times, 2014; Maticic, 2014). The CEO of LinkedIn China was quoted by Soo (2015), “LinkedIn naturally attracts people with an overseas background who work at multinational corporations, because these people need to be connected with the world” (para. 3).

## **Methods**

A content analysis of LinkedIn job advertisements was conducted in order to address the primary research questions:

1. What job skills, experience levels, languages, education, and other qualifications are required by US Fortune 500 companies hiring in China?
2. How do company or position characteristics influence the range of qualifications being sought after by US Fortune 500 companies hiring in China?

## ***Approach***

We aggregated data from US Fortune 500 companies advertising jobs in China on LinkedIn because of its accessibility to US researchers (as opposed to Chinese HR sites). From December 5, 2015 to January 28, 2016, searches were conducted using the *advanced* search function within LinkedIn’s webpage. In China, this is the prime time for job searches because Spring Festival, the longest paid holiday that can range from one to six weeks, typically falls at the end of January or beginning of February each year. It is common for employees or recent graduates to begin their job search during this period every year. Similarly, it is around the Spring Festival that the greatest number of resignations are submitted, many simply not showing up for work on the first day after the holidays. Each of the US Fortune 500 companies were searched individually within China only. All full-time job ads posted in English were recorded in number. As the ads were in English, a natural self-selection process of positions that targeted both expats and locals with global competencies (particularly, but not limited to English language fluency) was inherent to the data collected. The data was examined by both authors, and a consistent rating system was established in collaboration to ensure reliability.

For each of the individual company advertisement searches, the date of the search and the number of job ad results were recorded. For each company with search results matching the requirements, a representative job ad was chosen and the following information was recorded: title of the position, posting date, experience required, languages mentioned, education required, and a *soft skills* category. This last category was coded separately using an adapted form of the list of top 13 job skill requirements of Fortune 500 companies listed by Cassel (1998). The list was narrowed down to five soft skill categories: Leadership, Teamwork, Communication, Work Ethic/Motivation, and Thinking.

## ***Sampling***

In choosing the representative recruitment ad, several criteria were used. First, recent postings were favored over older job ads. Second, business and leadership positions were favored over technical positions. Mid-level positions were favored over executive- or entry-level positions. When recording the skills mentioned, the author excluded skills that were overly technical or job-specific in favor of more general skills and characteristics. There were no sampling exclusions at the company level.



## Sample

The sample ( $N = 500$ ) was composed entirely of the top 500 firms in the 2015 US Fortune 500 list. From this sample, 22% ( $n = 111$ ) were advertising job openings in Mainland China at the time of data collection as shown in Appendix 1. As seen in Table 1, the most common characteristics of Fortune 500 companies in our sample include those that have a Fortune 500 ranking of #201-500 (39.6%) and were from a secondary (or manufacturing) industry (57.7%), this despite the shifting global labor market away from an increasingly costly Chinese work-force to alternative manufacturing regions such as Thailand, Cambodia and the Philippines. Thus it can be assumed that many of these jobs, though they may have some relationship to manufacturing, are in head offices or regional centers.

**Table 1.** Demographics of Fortune 500 Companies

Variable	Levels	Count	Percent
COMPANY RANK	#1-50	25	22.52%
	#51-100	17	15.32%
	#101-200	25	22.52%
	#201-500	44	39.64%
INDUSTRY	Primary	2	1.80%
	Secondary	64	57.66%
	Tertiary	15	13.51%
	Quaternary	30	27.03%
CITY TIER	Tier 1	102	91.89%
	Tier 2	7	6.31%
	Tier 3	2	1.80%

Note. ( $n = 111$ ).

The advertised Fortune 500 jobs were overwhelmingly located in Tier 1 cities. In China, cities are ranked according to tier; the most well-known mega cities of Beijing, Shanghai, Shenzhen and Guangzhou are in Tier 1. Factors such as population size, economic output, infrastructure, and government classifications are usually taken into consideration for tier divisions. However, as a result of the country's rapid development, there is no single definition for the tiers (China City Tier System, 2013; Cheng, 2016). Examples of Tier 2 cities are Hangzhou, Kunming, Harbin, and Ningbo (China City Tier System, 2013). Tier 3 cities include Guilin, Shaoxing, Wenzhou, and Yinchuan (China City Tier System, 2013). Table 2 illustrates the division of the sample ( $n = 111$ ) according to the variables measured in the study.

**Table 2.** Demographics of LinkedIn Recruitment Ads

Variable	Levels	Count	Percent
JOB TITLE	Upper Management	22	19.82%
	Lower Management	53	47.75%
	Technical	18	16.22%
	Other	18	16.22%
EDUCATION	None	25	22.52%
	High School	2	1.80%
	Bachelors	62	55.86%
	Masters	21	18.92%
LANGUAGE FLUENCY	Doctorate	1	0.90%
	English	61	54.95%
	Chinese	28	25.23%
	Other	2	1.80%
EXPERIENCE	None	15	13.51%
	1-5 years	32	28.83%
	6-10 years	48	43.24%
	11-15 years	11	9.91%
	16-20 years	5	4.50%

Note. ( $n = 111$ ).

Candidates had the greatest choice of Fortune 500 jobs that were advertised as lower management positions (47.8%) in Tier 1 cities (91.2%), sought a bachelor’s degree or higher (55.9%), required English fluency (55.0%) but no Chinese fluency (74.8%), and desired 6-10 years of work experience (43.2%).

**Findings**

The independent variables of company ranking, industry sector, job title category, and city tier were analyzed against each dependent variable: level of education, languages, years of experience, and the soft skill categories of leadership, teamwork, communication, motivation, and thinking skills. An alpha level of .05 was maintained in all statistical tests. Significant relationships were found among six of the variable combinations.

**Soft Skill Frequency**

Table 3 shows the five soft skills with the frequency of their associated responses. Each soft skill (leadership, teamwork, communication, motivation, and thinking) was observed independently, so each variable was recorded separately for each advertisement in the sample. Data coded as communication was advertised most frequently (63.1% of all ads), with examples such as *clear communication; effective communicator; strong communication skills; ability to understand, actively listen, and relate information.*

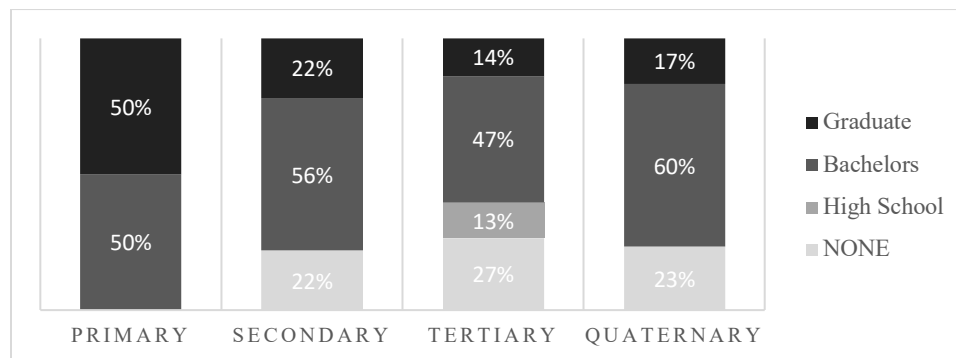
**Table 3.** Frequencies of Soft Skills Mentioned in Job Ads

Variable	Count	Percentage
Leadership	25	22.5%
Teamwork	52	46.8%
Communication	70	63.1%
Motivation	34	30.6%
Thinking	42	37.8%

Note. (n = 111).

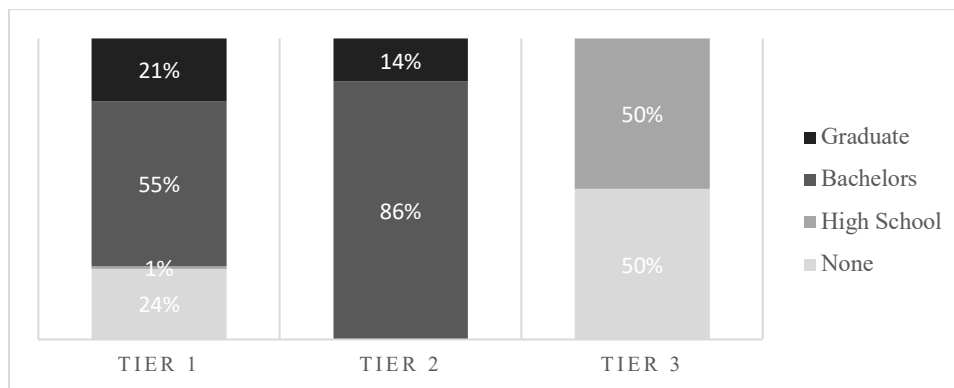
**Chi Square Analysis of Company Characteristics and Job Qualifications**

Based on chi-square analysis, company characteristics were associated with the job qualifications of candidates they were seeking to for open positions. Compared to companies of lower ranking, those ranked by Fortune magazine in the top 50 were most likely (44%) to require leadership skills,  $X^2(3, n = 111) = 9.85, p = .02$ . The ads of companies were not differentiated by the remaining soft skills (teamwork, communication, motivation and thinking), as there seemed to be an even distribution of each across companies of all rankings.



**Figure 1.** Educational qualifications by company’s industry sector.

The Fortune 500 company's industry sector and the level of education required for the position were associated,  $X^2(12, n=111) = 22.71, p = .03$ . Kenessey (1987, p. 363) describes the four main sectors of the economy as, "sufficiently different from each other to permit their separation and comparative analysis", confirming the differences in educational degrees required of positions advertised broken down by industry sector as seen in Figure 1. The primary sector ( $n = 2$ ), which includes agriculture, forestry, fishing, and mining, advertised positions requiring bachelor's and graduate degrees. The secondary sector ( $n = 64$ ), including construction and manufacturing, sought equal number of candidates with a high school diploma and graduate degrees, but most of these positions were for those with bachelor's degrees. The advertised positions in the tertiary sector ( $n = 15$ ), which includes transportation, utilities, wholesale and retail trade, had the greatest range of diversity, with the largest number of ads requiring a bachelor's degree. The quaternary sector ( $n = 30$ ), which includes finance, insurance, real estate, public administration, and other services, sought candidates with mostly bachelor's and graduate degrees, but 27% of the ads were intended for candidates with high school degrees.



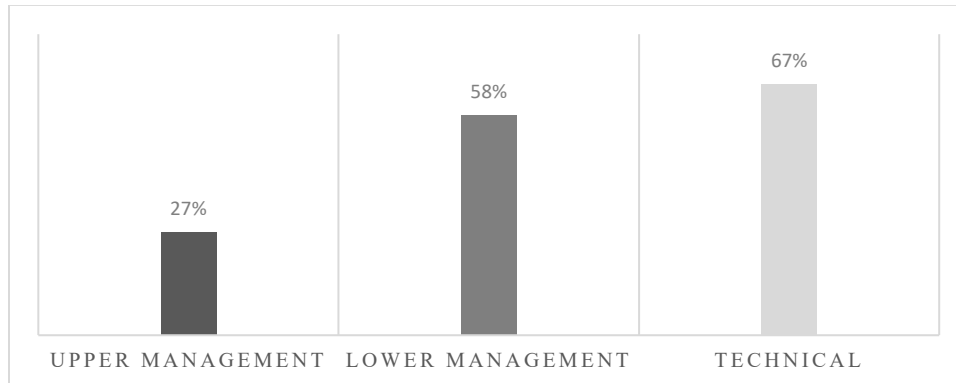
**Figure 2.** Educational qualifications by company's city tier in China.

China's cities have been developed in stages by region. There are stark contrasts in economic, social, and educational characteristics between Tier 1, Tier 2 and Tier 3 cities. Consequently, we expected variance in the levels of education required for positions in cities belonging to different tiers. There was a statistically significant relationship between city tier and the level of education required,  $X^2(8, n=111) = 31.41, p = .0001$ . The majority of Tier 1 city companies (55%) and Tier 2 city companies (86%) advertised positions that required bachelor's degrees. A master's degree was required for only 20% of Tier 1 city positions and 14% of Tier 2 city position. Not surprisingly, 50% of Tier 3 city positions required no degree and the remaining 50% required only a high school diploma. As seen in Figure 1, though more MA and PhD degrees were required of positions in Tier 1 cities, overall, all positions in Tier 2 cities required a bachelor's degree or above, while 24% of positions in Tier 1 cities required no education at all.

### **Chi Square Analysis of Position Characteristics and Job Qualifications**

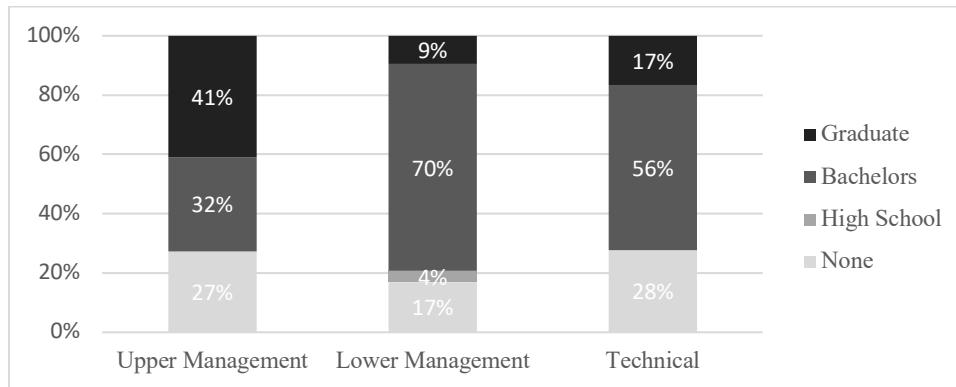
A statistically significant association between these job title and years of experience was found,  $X^2(12, n=111) = 25.43, p = .01$ . Similarly, job title and English language skills were related,  $X^2(3, n=111) = 9.07, p = .03$ , but the relationship reversed the expected trend of higher position and higher English fluency. As seen in Figure 3, upper level management positions (27%) were less likely to require English language skills, while lower-level management (58%) and technical positions (67%) were more likely to require English language skills. This finding is consistent with

the trend of localization of executives that is ongoing in China and other nations (Rajagorpal & Rangan, 2011; Zheng, 2015).



**Figure 3.** English fluency as a job requirement according to position type ( $n = 111$ ).

Similarly, there is a relationship between job title and education degree required,  $X^2(12, n = 111) = 22.75, p = .03$ . As presented in Figure 4, the educational profiles of applicants to upper management, lower management and technical positions varied greatly, though not according to any systematic trend. Positions for upper management required more graduate degrees (41%) than those for lower management (9%) and technical positions (7%), but more than twice as many positions for lower management (70%) required college degrees compared to positions for upper management (32%). Meanwhile, a quarter of the positions for both upper management and technical jobs required no educational degrees.



**Figure 4.** Education level as a function of position type ( $n = 111$ ).

## Discussion

Our study sought to answer these primary research questions:

1. What job skills, experience levels, languages, education, and other qualifications are required by US Fortune 500 companies hiring in China?
2. How do company or position characteristics influence the range of qualifications being sought after by US Fortune 500 companies hiring in China?

### ***Job Skills***

Over 63% of job advertisements required communication skills, more than any other soft skill. This included any mention of written or verbal communication skills, along with presentation or speaking skills. The 2010 Job Outlook “list[s] communication skills as the most sought skill in employees, while at the same time list[s] communication skills as the most lacking skill found in new graduates” (DuPre and Williams, 2011, p. 9). Though this may be true, the strong bias for communication skills may be equally influenced in our results by the nature of international postings and working with local staff in local contexts. Teamwork is another commonly advertised qualification, present in over 46% of Fortune 500 job postings. Hodge and Lear (2011) reported three different studies that all listed teamwork/collaboration as the second most-important skill, matching our results. The NACE Job Outlook 2015 (2014) was updated in 2014 and the “ability to work in a team structure” (p. 34) has consequently moved up to the most highly rated skill by employers. The least frequently advertised soft skill was leadership. However, chi-square analysis confirmed that the top 50 Fortune 500 companies advertised leadership skills more frequently than their lower ranked peers. Leadership may not be a requirement for every job, but top-ranking companies consistently recruit for this soft skill.

### ***Experience Levels***

The connection between job title and experience required is also a rational one. According to our results, the highest positions required the most years of experience. The NACE Job Outlook 2015 (2014) reports that over 70% of employers prefer to hire candidates with relevant experience.

### ***Languages***

Contrary to our initial expectations, there was an inverse relationship between position type and English fluency, with positions in upper management requiring less English fluency compared to both lower management and technical positions. Ironically, according to the literature, the Chinese people view English as “a means to work or job promotion, to going abroad and to engaging in a wide range of entrepreneur activities” (Li & Moreira, 2009, p. 182). The localization of executive level hiring in China is a reasonable explanation for this finding. Another possible cause is the assumption that upper management positions in China require less English than lower management and technical positions. The exact nature of this result cannot be determined from the data, and further study is warranted.

### ***Education***

The level of education required of candidates was related to several factors, including the position level, company city tier, and industry sector. These findings did not fit a common pattern or trend, but as a profile, the highest levels of education were required of those seeking upper management positions in Tier 1 cities at primary industry sectors (raw materials). For positions that required a college degree or above, this profile would shift to lower management positions in Tier 2 cities in primary sectors. Companies hiring for upper management positions did not seem to be as concerned about the applicant’s educational background, valuing alternative characteristics instead.

### ***Company/Position Characteristics***

The characteristics that were most represented in the job advertisements of Fortune 500 companies in China were from companies ranked 201-500 (39.6%), in secondary sectors (57.7%), in Tier 1 cities (91.9%) offering lower management positions (47.8%) requiring a bachelor's degree (55.9%) and English fluency (55.0%) with 6-10 years of work experience (43.2%).

### **Conclusions**

Companies are looking for A-players (Hyman, 2017), the rock stars of every industry that can help to elevate their business to the next level. As complex as this is in the U.S., hiring qualified employees as guests on foreign soil makes this task that much more elusive. This study is not conclusive by any stretch of the word, but it does further the questions that we have asked of every endeavor that puts us out of our comfort zone and cultural backyard. We extrapolate key generalizations drawn from this sample of 111 Fortune 500 job advertisements, discuss theoretical and industry implications, and suggest areas of future research.

The greatest number of Fortune 500 jobs are in secondary sectors (manufacturing), at companies ranked #201-500, for lower management positions in Tier 1 cities. Fortune 500 Companies diverge on the type of employees they seek in China, cutting across both hard skills and soft skills. Company characteristics and position characteristics influence the types of hard skills they seek to find in job applicants, but the most competitive applicants will possess a bachelor's degree or higher, English fluency and 6-10 years of work experience. Communication is the most sought after soft job skill, but positions at top 50 Fortune 500 companies will likely require leadership skills.

### **Theoretical Implications**

The results of this study provide evidence that the soft skills/hard skills divide is present but in greater balance. The prevalence of soft skills across all demographic variables is an indication that these particular contributions to the human resource theory (Alexander, 2014; Cassel, 1998; Goleman, 1998) are not only justified, they accurately describe the job marketplace, at least as represented in this sample of Fortune 500 companies in China. This study borrowed heavily from Cassel's soft skills theory (1998) which proposes 13 constructs: team work, problem solving, interpersonal skills, oral communication, listening, personal career development, creative thinking, leadership, goal setting/motivation, writing, organizational effectiveness, computation, and reading. Based on a preliminary pilot analysis of advertisement content, we determined that the data coalesced into five major categories of soft skills: Leadership, teamwork, communication, work ethic/motivation, and thinking. Based on the results of our study, we believe this is a significant contribution (i.e., the reduction of 13 constructs to five categories) to the theoretical discussion of soft skills.

### **Practical Implications**

There are several interesting applications that arise from this both from a company and employee perspective. Lower ranked Fortune 500 companies that are in Tier 3 cities can benefit from examining HR practices of top ranked companies in Tier 1 cities as represented in their job advertising. For the prospective job applicant, the type of company and position should strongly influence the types of skills and characteristics they need to demonstrate and emphasize during

their application and interview process. In terms of soft skills, if you want to work for a Fortune 500 Company, make sure you are a communicator and team player, but in order to be marketable to the top 50 companies, your leadership skills will need to shine.

## Limitations & Future Research

Using the international LinkedIn site was intentional but limited in its scope and breadth. The sample was mostly manufacturing companies (57.7% of the sample) which may be representative of the types of companies currently operating in China or a result of a sampling error. On LinkedIn, only English ads were accessed which limits the population of interest to those whose English skills are advanced, most likely foreign candidates and highly educated Chinese candidates. Only one representative job advertisement per company was used for analysis. Broadening the job type and recruitment characteristics/qualifications selected for the sample may impact results and subsequent conclusions. On the other hand, further narrowing of the sample to a single job type and/or characteristic/qualification may have yielded valuable comparison data. The inclusion of additional data may alter the results of the study one way or the other.

Future research should include a wider variety of HR, recruitment and job board sites. In addition, every possible advertisement should be included in the study without exclusion. Beyond company rank, city tier and industry sector, additional company characteristics should be researched and included as independent variables. These may include, but are not limited to, company size, ownership structure, firm's age, and other factors (Tang, Chen, Jiang, Paille, & Jia, 2017). Additional research needs to examine the preparation of applicants through their undergraduate business and MBA programs, and whether or not the skills they develop in their students align with the those sought after by Fortune 500 companies.

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### Appendix 1. Fortune 500 Companies Listing Recruitment Ads on LinkedIn

1. Walmart	3. Chevron	5. Apple	6. General Motors	8. General Electric
9. Ford Motor	10. CVS Health	19. HP	21. JP Morgan Chase	23. Bank of America Corp.
24. IBM	26. Cardinal Health	27. Boeing	28. Citigroup	29. Amazon.com
30. Wells Fargo	31. Microsoft	32. Procter & Gamble	37. Johnson & Johnson	40. Google
44. PepsiCo	46. AIG	48. Dow Chemical	49. Aetna	50. Lowe's
52. Intel	54. Caterpillar	56. Pfizer	57. Disney	60. Cisco Systems
62. Ingram Micro	66. Johnson Controls	74. Honeywell International	76. Goldman Sachs Group	81. Oracle
82. Morgan Stanley	83. Tyson Foods	86. Deere	87. DuPont	88. American Express
91. Mondelez International	99. Sears Holdings	106. Nike	110. McDonald's	113. Qualcomm
114. International Paper	118. Gilead Sciences	119. Baker Hughes	120. Emerson Electric	121. EMC
134. Abbott Laboratories	143. Xerox	146. AbbVie	147. Danaher	151. Eli Lilly
166. Goodyear Tire & Rubber	172. eBay	174. Lear	181. Thermo Fisher Scientific	185. Baxter International
187. Starbucks	188. Gap	189. Bank of New York Mellon Corp.	190. Micron Technology	191. Jabil Circuit
195. Bristol-Myers Squibb	198. PPG Industries	205. Western Digital	213. Ecolab	219. Textron
221. Marriott International	229. Computer Sciences	233. Texas Instruments	235. Marsh & McLennan	238. Visa
251. Automatic Data Processing	259. Huntsman	267. BlackRock	278. State Street Corp.	284. Air Products & Chemicals
294. Advance Auto Parts	297. Corning	307. AutoZone	308. MasterCard	312. Autoliv
319. Applied Materials	340. Broadcom	343. AECOM	347. BorgWarner	374. Ralph Lauren
377. Terex	380. Allergan	395. Celanese	405. Symantec	408. SanDisk
412. NCR	427. Avery Dennison	439. Mattel	442. Starwood Hotels & Resorts	455. Newell Rubbermaid
458. Expedia	462. Ingredion	473. Advanced Micro Devices	476. Quintiles Transnational Holdings	478. Jones Lang LaSalle
480. CH2M Hill	486. Harman International Industries	492. ARRIS Group	494. Alliance Data Systems	498. Owens Corning
500. McGraw Hill Financial				

Note. (n = 111).