

Systems Thinking on the Demand and Training for International Business Talents

Haiyan Yan

International Business School, Shanghai Institute of Foreign Trade
Rm B214, School Building, No.1900, Wenxiang Road, Songjiang District, Shanghai,
201600, P.R. China
86-21-67703360
yanhelen@163.com

Bo Xu

International Business School, Shanghai Institute of Foreign Trade
Rm B204, School Building, No.1900, Wenxiang Road, Songjiang District, Shanghai,
201600, P.R. China
86-21-67703234
brianxu@sohu.com

***Abstract-**China's entrance into WTO has further integrated its economy into the whole world. Economic globalization has not only generated excellent opportunities for China's economic development, but also created a vast demand for international business talents. However, in reality, the training of this kind of talents is far from satisfying the huge demand gap. What even worse is that talents requirement and training have gotten into a shortsighted and utilitarian condition. This paper uses systems thinking and systems archetypes theory (including the "shift the burden to the intervenor" archetype and the "eroding goals" archetype) to identify this phenomena and disclose the potential complex social factors. It provides the foundation of scientific methodology in understanding and dealing with these issues. Additionally, it offers a new standpoint of international talents demand and training based upon a strategic perspective.*

Key words: International Business Talents Systems Thinking Systems Archetypes

1.Introduction

China's entrance into WTO has further integrated its economy into the world. Economic globalization certainly requires the internationalization of talents. The economic and business field characterize the extent of internationalization, as a result, contemporary business can no longer exist without the general environment and background of the international world. While large number of enterprises have already set out overseas, engaging in investing factories or cross-border M&A, what they lack most tends to be international talents rather than capital, technology or market. According to a track-down research of 100 key enterprises by relevant departments from 1999 to 2000, among the difficulties and problems confronting

China's cross-border operations, the shortage of business talents ranks second. Without doubt, the under-supply of international business talents is becoming an obstacle for Chinese enterprises to achieve international strategy.

Chinese enterprises need a press of talents who are familiar with international practices, possess cross-cultural communication ability and strategic thinking with global view. Besides, such talents should boast international sense and ideology, spirit of innovation and are able to create values for the enterprises. Nevertheless, this objective, as the standard for international business talents, is hard to be implemented in reality. As Chinese enterprises are only at the initial stage of international operations, they are lacking in experience of the nurturing and training of such talents. As a result, more and more enterprises have imported a large number of talents overseas to fast meet this gap, hoping for a quick and effective solution. The systematic nurturing mode for international business talents is neglected. In addition, some higher institutions have also set onto a wrong way. Many students hold the view that only foreign languages and other certificates can demonstrate their value as international business talents. The practice of utilitarian learning is not uncommon. The flooding of such phenomena has forced us to think whether the enterprises and higher institutes have lowered their expectations of international business talents under the pressure and what consequences will be brought about.

The systems thinking method provides us a new perspective. The talent system itself is a sub-system in the general social and economic system, subjected to and affected by the related actions. The essence of systems thinking is that structure affects behavior. Therefore, only through learning to figure out the operating structure can we get rid of the previous invisible forces, and thus acquire the capability of applying and changing them adeptly.

2. Brief introduction on systems thinking

With respect to systems thinking, we should first mention system dynamics. System Dynamics(SD in short) first initiated by Professor Forrester from MIT, is a subject with "system" as the main characteristics. It is a set of modeling and analytical method which is used to investigate the objective world, using the principle of systematic methodology. In early 1990s, Dr. Peter M. Senge, Forrester's student, published "The Fifth Discipline----the Artistry and Practice of Learning Organizations" which is based on the ideology of enterprise design. In his book, Senge put forward that the artistry and skill with systems thinking as the core is the foundation of building a learning organization. Systems thinking is a conceptual framework which analyzes and synthesizes the feedback information from the interior or exterior system. It is characterized by non-linearity and time delay effect. It can assist decision makers and decision group in getting a "big picture" of the relationship between the system and environment, the general dynamic structure of the system and its principle behavior, as well as the formation of rational strategies, guidelines and policies. It provides a full - scale research method for us to identify the dynamic

systems.

The most important and useful insight of systems thinking is that it builds to learning to recognize types of "structures" that recur again and again. It looks at systems in terms of particular types of cycles (archetypes); and it includes explicit system modeling of complex issues. System archetype uses some basic diagrams and symbols to demonstrate the interrelationships and patterns of change. It simplifies life by helping us to see the deeper patterns lying behind the events and the details. As Senge said, all the archetypes are composed of "Reinforcing Loop", "Balancing Loop" and "Time Delays".

The objective of system archetypes is to readjust our cognition, so as to simplify life by helping us to see the universality and regularity patterns lying behind the events and learning to understand the leverage point lying behind the structure. Thus achieving the goal of "See through the appearance to perceive the essence.", reducing the blindness of "An ad hoc approach", and avoiding the vicious cycle of the react-to-event mode. By using this method, the internal operations mechanism of the dynamic system can be revealed, as a result, the defects can be detected from "system structure", revised at a much lower cost, and improved in the longterm. Senge referred this as "Leveragy Solution", or "Identifying the patterns that control events".

3. Systems thinking of the demand for international business talents

In the following part, we will use two systems archetypes to analyze the demand for international business talents.

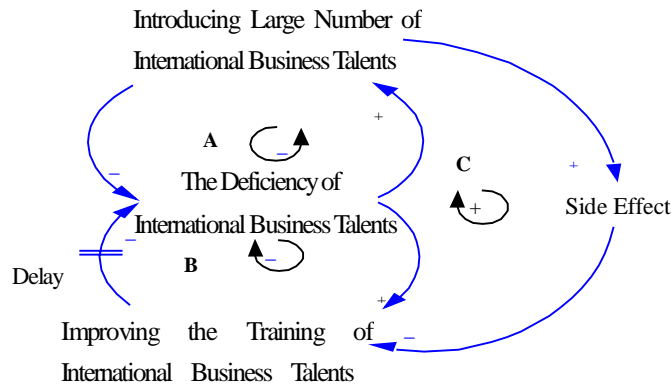


Figure 1. The "shift the burden to the intervenor" archetype I

Figure 1 captures a situation that the actions taken to address problem symptoms actually making it more difficult to implement more fundamental solutions. Then additional consequences that systematically erode the capability to implement a fundamental solution. Here the problem symptom is the shortage of international business talents. The balancing loop A represents the quick and effective "Symptomatic solution", that is, the enterprises introduce a large quantity of overseas talents to make up for the deficiency of international business talents. As a result, the

so-called “haigui” who boast overseas educational background or working experience become the favorite of various enterprises, especially the benchmarking enterprises which take the greater steps in the process of going global. Actually, this is a kind of opportunity-oriented action which appears to address problem symptoms quickly: these introduced talents with overseas educational background and working experience can contribute their ideas and suggestions for the international operations of the enterprises, or create values directly in the process of cross-border operations.

The balancing loop B contains a time delay, that is, through reinforcing the systematic talents nurturing, the enterprises can solve the problem fundamentally. Or an endotrophic objective is initiated, and a systematic structure for nurturing talents is developed, the enterprises can train the talents for going global from a strategic perspective. Of course, the fundamental solution will address the problem long term. However, there is a delay before a positive change starts to take place. As we know, only by upgrading the quality of the talents in an all-round way and generating the synergistic effect can the problem be solved in a fundamental way. In reality, such phenomena that the overseas talents became unaccustomed resulted from culture conflicts are not rare. The key lies in how to design a structure where technology, administrative and culture can be intergrated.

The reinforcing loop C presents a side effect produced by the symptomatic solution, which siphons off resources that could be used to implement the fundamental solution. This side effect---the formation of such views that overseas experience assesses the competitive edge of a person--- eliminates the fundamental solution----the nurturing of international business talents. Thus the existing talents contingent tend to be unstable, and the introduced talents are even hardar to be integrated into the organization. In the long run, enterprises will focus less on the nurturing of talents:employees enthusiasm jolted: the side effect reflected in the society is advocating overseas education and a high fever of foreign diplomats, at the same time, transforming some foreign colleges with low entry requirements that may not possess very high quality into a springboard for those who seek to find a shortcut. How can we believe that these so-called talents can create value for the enterprises in a true way? The recruitments of international talents which frequently appear on the newspaper puffs have further intensified the pursue of these talents by enterprises and the society. It seems that the more talents with the title of international an enterprise has, the higher the status it will enjoy.

The most serious consequence of “shift the burden to the intervenor” will be “eroding goals”. As long as there is a gap between the goal and the current condition, two kinds of pressures will arise: actions to improve conditions or pressures to adjust goals. Figure 2 shows an eroding goals systems archetype with two balancing loops.

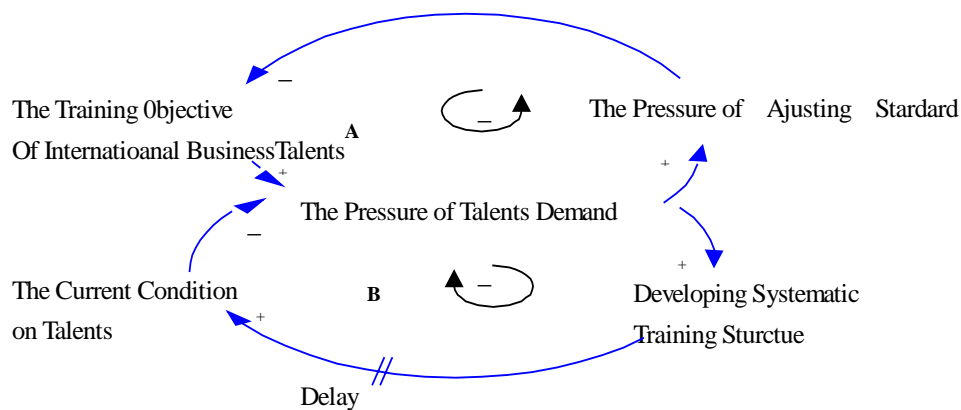


Figure 2. The “eroding goals” archtype

The balancing loop A shows the pressure of lowering talents selection standards facing the huge demand gap. The balancing loop B represents actions to improve condition by developing a systematic platform for the nurturing of international business talents and enhancing their qualities. As we know, Chinese enterprises are confronted with a huge pressure for talents when operating internationally, thus, they have to lower the selection standards for talents to minimize the effect of such pressure. For instance, regarding it as the primary standard that talents with international background will be considered international business talents. This seems to be a simple and effective method to the enterprises, but in the long term, it will engender the goal erosion in the organization or the whole society. In order to solve the problem, the only way would be sticking to the talent objective and standard with strategic orientation, and striving to improve the talent nurturing and assessment mechanism. The enterprises must considering both the problems of subsistence and development. If the opportunity-oriented talent strategy is aimed at subsistence, then the strategy-oriented talent strategy is focused on development.

From the perspective of enterprises, the strategic planning of human resources should be a long-term and forward-looking consideration. However, it turns out to be short-term and reactive. The majority of the managements acknowledge that their strategic planning tends to solve the current problems rather than to create more opportunities for the future when confronting huge pressure. Strategic-oriented planning requires the establishment of international talents mining and innovative mechanism. What an international business talent contributes to the enterprise should be the continuous innovative capability in the international market. Only by constructing the talents nurturing and employing mechanism, can they fully demonstrate their potential, and a high-quality and high-efficiency talent contingent established.

4. Systems thinking of the training of international business talents

Taking into account of the source of talents, higher institutes remain to be the major channel. It is partly due to the deficiency of international talents in both quality and quantity that the enterprises have turned to the opportunity-oriented strategy. The existing gap in reality impose a higher requirement of the education of business majors in higher institutes.

Looking at the arrangement of china's current majors, the practice of international economic and trade gave birth to the major of international business. With the rapid development of world economy, international business is beyond the previous simple goods trade and develops into service trade, technology trade and international economic cooperation. The scope of international business talents has also extended widely. There are not only linguistic talents at the basic level, the operating talents who are familiar with the overseas market operations and regulations, but also strategic talents endowed with international sense and are able to create value for the enterprises. But in reality, the gap existing in cross-border M&A lies in the last level.

In 2004, a national wide research was conducted by the higher education department on the social demand and training of talents with Bachelor's degree majoring in business or around. The final report pointes out that most colleges and universities regard education for talents' all-around development and applied talents as the training goals of these majors. This proves that universities attach importance to talents applicability for the society. However, the majority of the enterprises take for that the principal problem lying in the education of these majors is the lack of necessary communication with practical world. This further shows that there still need improvement in the contact between the educational field and the real society. The questionnaire on teachers indicates that innovative capability and practical ability are the most deficient aspect in these students. Similarly, the worst evaluation in the degree of satisfaction to these graduates given by enterprises is also the creativity and initiative.

As for the possible reasons engendered, curriculum in universities influenced by the utilitarian learning of students might be one of them. Figure 3 demonstrates another "shift the burden to the intervenor" archetype. Too many curriculum on common trade, administration and language class are mounted in business related majors while lack of courses on business moral, cross-culture etc. In order to enhance their competitiveness when applying for a job, students tend to master practical knowledge. That's why they are not intrested in such courses as management enviroment, culture difference and so on. These courses are regarded as inanition and containing very little solid content.

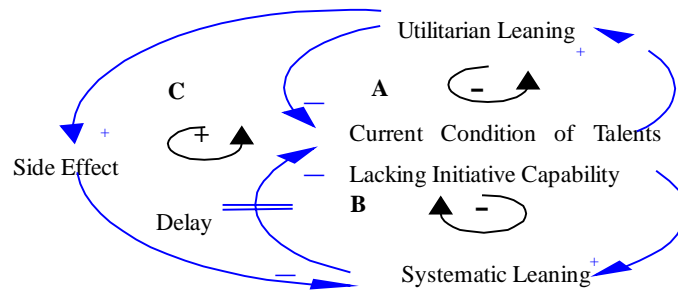


Figure 3. The “shift the burden to the intervenor” archetype II

In a sense, the motive of utilitarian learning is a kind of opportunity-oriented learning. The side effect produced by this symptomatic solution is the puffery on variety of certificates and examination training which indicate certificates, not critical thinking or problem solving skills, tend to assess their knowledge and capability. That’s why great deal of time and effort focus on practical subjects and test preparations. The enthusiasm for systematic learning wanes accordingly. It’s how symptomatic solution leads to abandoning the fundamental solution before positive change starts. Such talents may just show their quick adaptability but without persistent competitiveness after they step into the world. The formation of exam-oriented talents deviates the aim of quality education. Because these talents could not be evolved into strategic training candidates, the assessment of graduates is lowered by enterprises which works like a vicious circle. It seems universities depress the training objective for international business talents to general operational talents. The main reason for the deficiency of advanced international talents lies here.

5. Conclusion

Linear thinking can only contribute to the low-level situation, the solution of the partial problem is only “an ad hoc approach”. While systems thinking provides the foundation of scientific methodology in understanding and dealing with the actual problem of international business talents. The method instructs us to address problems in a more complete way which focuses on the fundamental objective and overall interests of the system, as well as taking into consideration both short-term and long-term interests. The training of international business talents is a systematic project which requires all the relevant parties endeavor their initiatives.

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