

Chapter 5 Case Study

Managing a globally diverse workforce in a leading Chinese IT firm

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Company background

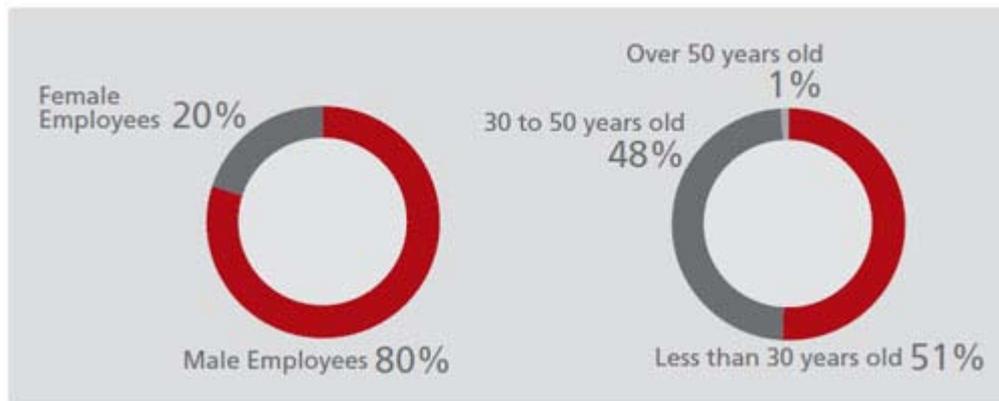
Huawei Technologies Ltd is a privately owned Chinese multinational firm in the IT/telecom industry. Set up in the mid-1980s initially as a trading company for electronic goods, Huawei has developed itself rapidly in recent years into a leading IT/telecom solution supplier with emerging global competitive strength. As of 2012, Huawei serves 45 of the world's top 50 telecom operators. Its products and solutions are deployed in over 140 countries, serving more than one third of the world's population.

According to its corporate website (<http://www.huawei.com/en/about-huawei/sustainability/win-win-development/c> accessed on 1 December 2013), Huawei employs over 140,000 employees worldwide. Their regional spread is indicated in the table. On average, over 70 per cent of the employees in Huawei's overseas subsidiaries are local.

China	79.81%
Other Asian Countries	7.56%
Oceania	0.21%
Africa	2.85%
Europe	4.92%
North America	1.72%
South America	2.93%

Source: <http://www.huawei.com/en/about-huawei/sustainability/win-win-development/c> accessed on 1 December 2013

The demographic statistics, as shown in the figure, suggest that Huawei has a relatively young and male dominant workforce.



Source: <http://www.huawei.com/en/about-huawei/sustainability/win-win-development/c> accessed on 1 December 2013

Equal opportunity and diversity management policy

Huawei has a number of corporate policies on equal opportunity (EO) and diversity management (DM) that are intended to have a global coverage. These include:

Non-discrimination

Huawei's policy of equal opportunity is reflected in its recruitment, promotion, compensation, and other aspects. Huawei stipulates that there should be no discrimination in terms of race, gender, region, nationality, age, pregnancy, or disability. In addition, it has established a policy for anti-discrimination and abides by the requirements of applicable laws in different locations.

Special Needs Employee Management Process

Huawei has established a Special Needs Employee Management Process which is used for managing female employees under 'four special periods' (menstruation, pregnancy, maternity, breast-feeding) and employees with certain physical disabilities. The management process is aimed at ensuring Huawei's compliance with applicable laws and regulations and protecting the health and rights and interests of employees in specific groups.

Managing overseas local employees

Huawei adopts the following strategy in managing the local employees in its overseas subsidiaries:

- Selecting, deploying, developing, and retaining excellent local managers and employees

- Deepening local employees' understanding of Huawei's core values, policies, processes, and systems

As the majority of Huawei's operations outside China are sales and retail-oriented activities, Huawei plans to implement a local hiring policy from 2012 that seeks to employ more local people in its overseas businesses who will be responsible for coordinating with local customers to ensure smooth communication and a thorough understanding of customer needs. Key (managerial and technical) employees are selected to attend training courses in Huawei University at the headquarters to help them understand and internalize the company's core values and culture.

Employee assistance programme

Being known and criticised for its long working hour culture in China, Huawei is taking steps to manage overtime working and employee stress. An overtime management and stress management policy has been developed. In addition, an Employee Assistance Program (EAP) initiative has been introduced which requires managers at all levels to focus on the mental health of their employees and take precautionary measures whenever they notice unusual behaviour. Huawei employed a well-known management consulting firm to conduct a series of EAP-related training programmes for its employees from March 2011 to March 2012. The EAP consists of four types of training:

- Identification of and assistance for psychological crises
- Fulfilling work – enhancing mental competencies
- Energy management – being efficient in work and life
- Management of generation Y employees

Questions

- 1 What are the unique characteristics of Huawei's EO and DM policy that can be attributed to being an MNC of Chinese origin?
- 2 What challenges do you think Huawei may encounter in implementing its corporate EO and DM policy in its subsidiaries in different parts of the world?

- 3 With a diversified and globalized workforce, how can Huawei ensure that maximum benefits are brought to both the business and the employees?
- 4 As the company continues to grow, what advice can you give to Huawei to develop a tailored employee career development plan by offering different paths for both international and local personnel to realize their own personal potential?
- 5 What more can Huawei do to enhance its EO and DM outcomes for employees and the company?
And what management skill implications this may have?

Source

This case study was compiled from information obtained from Huawei's corporate website:
<http://www.huawei.com/en/about-huawei/sustainability/win-win-development/c>

Accessed on 1 December 2013. Students are encouraged to visit Huawei's company website (both headquarters and subsidiaries) to find out more about the company and its business strategy and human resource management policy.