

SYMPOSIUM

Party Management of Talent: Building a Party-led, Merit-based Talent Market in China

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This study examines major policy measures that the Chinese Communist Party (CCP) leaders have adopted to establish a party-led, merit-based talent management system to cope with a talent deficit in the reform era. It also assesses the effectiveness of these measures at both national and local levels. This study argues that although merit principles are never entirely missing from China's cadre personnel management, they have been given increasing priority in managing the cadre corps and recruiting global experts to China during the past three decades. This study shows that the CCP personnel management policies are in substantial and adaptive evolution, which is important for understanding the nature of human resource management in post-Mao China.

Key words: *party management of cadres, party management of experts, meritocracy, talent management, human resource management, China*

Since the opening up of China to the West in 1978, Chinese leaders have striven to develop

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a talent market that places more emphasis on merit, rather than relying primarily on political loyalty. Merit – as determined by one's qualifications, work ability, and job performance – has become an important additional credential in Chinese cadre personnel management. In China's social institutes and private sector, merit has become one of the most important criteria in human resource management (HRM) – a major shift from policy under Mao.

In the past two decades, Chinese Communist Party (CCP) leaders have made concerted

efforts to incorporate the merit principle in managing party and state organizations, hoping to attract members of the intellectual and technical elite, especially those trained in Western countries. To achieve this end, they have implemented policies that have significantly shifted the course of HRM in China. Against this backdrop, this study attempts to address the following questions: What has driven Chinese leaders to initiate and advocate these policy changes? What measures do they use? How effective are the measures in addressing the talent problems Chinese leaders face? What lessons can Western readers learn from China's experience of talent management?

This study argues that CCP leaders were driven to establish a merit-based talent market to compensate for the deficiencies caused by allocating talent solely by market forces on the one hand and to draw chiefly foreign-educated Chinese intellectual and technical elites into the party on the other. China's transition to a market economy and its integration into the global economic system have presented Chinese leaders with a talent deficit: the cadre corps – most of whom take leadership, management, and administrative positions in party-state organizations and perform duties much more extensive than the civil service in Western countries – need to be more professionalized to respond to the rising force of an open Chinese market. In addition, China is in short supply of high-end intellectual and technical talent because in a free market outflow of that talent to other countries has become more severe. To cope with its talent deficit, the CCP has worked to build a party-led, merit-based talent market in China.

This study describes how the CCP has built up a talent market. In party-state organizations, merit-based principles have recently been introduced into certain essential aspects of personnel management, including cadre selection, management, appointment, and promotion. In social institutes and enterprises, selected overseas intellectual and technical elites are given preference and priority for jobs. By comparison, political loyalty, formerly a prime criterion in managing human resources in China, has increasingly been played down, though it is inconceivable to imagine a complete rejection of

political loyalty as a criterion in a single-party regime. This study shows that the CCP's personnel management policies are in substantial and adaptive evolution, which is important for understanding the nature of HRM in post-Mao China.

This study illuminates the CCP's talent management framework and examines how merit principles have been introduced in cadre personnel management reforms. It then examines a particular party policy – the 'Recruitment of Global Experts Program' (in China, it is commonly known as the 'National 1000 Talents Program') to illustrate how the party attracts and incorporates talented members of the intellectual and technical elite who are returning from overseas. The effectiveness of this program and its policy implications are also assessed. We conclude by discussing what lessons can be drawn from China's experiences in implementing a merit-based talent program.

From Cadre to Talent: The Evolving Scope of Talent Management in China

The concept and scope of talent are evolving alongside China's transformation from a planned economy to a market-oriented one. In Mao's China, the private sector barely existed and most people worked for the public sector (urban and rural residents worked for organizations that were either state or collective owned). Therefore, the public sector was enormous, and the party-state was all encompassing. *Cadre* was used as a general term to refer to personnel in public-sector organizations, including party and state organizations, social service institutes, enterprises, and mass organizations. The premier of the State Council, a lowly section clerk in a state-owned enterprise, and a lecturer in a university were all cadres. The term *cadre* distinguishes people with leadership, management, and administrative responsibilities from workers, peasants, and ordinary people (Lam and Chan 1996). Hence, it can be said that, before 1978, cadres constituted China's largest (if not sole) talent pool.

The CCP adopted a unified system to manage cadre personnel, generally referred to as the system of 'Party Management of Cadres'.

This management system permeates the party's entire organization and is embodied in the *nomenklatura* – job title lists of cadres managed by party committees at corresponding levels. These lists contained 'those leading officials directly appointed by the CCP, as well as those officials about whom recommendations for appointment, release or retransfer may be made by other bodies, but which required the Party's approval' (Brødsgaard 2012: 75). To be more specific, the *nomenklatura* system delineates the most important positions that are managed by the CCP – it does not indicate any specific names or requirements about skills or qualifications. The party's organization departments at various levels make all placement decisions in these positions. With this system in place, the CCP monopolized the power to select, appoint, promote, dismiss, and manage cadres at practically all ranks and levels, but especially those holding leadership positions (Burns 1987; Chan and Li 2007; Harding 1981; Manion 1985; for concrete examples of the *nomenklatura*, see Burns 1987 and Chan 2004).

The market reform that began in the late 1970s has substantially reshaped state-market relations in China. One manifestation is the rapid expansion of the private sector, especially after paramount leader Deng Xiaoping's much-heralded 'southern tour' in 1992. The latest available information indicates that the number of individually owned businesses and private enterprises in China reached 40.6 million at the end of January 2013 and had reported ¥2 trillion (about US\$ 321 billion) in capital (The BRICS Post 2013). The number of workers and staff working in private enterprises (both urban and rural) was over 112 million in 2012 (National Bureau of Statistics of China 2013). This does not include the self-employed or those working in limited liability companies, shareholding corporations, and jointly owned companies, suggesting that the total now working in the private sector is approaching 300 million out of a workforce of nearly 800 million. Because the traditional *nomenklatura* did not extend to the workforce in the private sector, the party had a pressing need to adjust its governance mechanism in view of the sector's rapid

expansion, especially if the party intended to attract and manage talent in that sector.

Since China opened its doors, a growing number of talented young Chinese have gone overseas to pursue a higher degree. Many of them are self-funded. Only a small portion of these young people eventually returns to China. From 1978 to 2004, about 815000 Chinese nationals pursued education abroad, a great majority of them in the United States. By the end of 2004, some 198000 foreign-educated Chinese students and scholars had returned to China, whereas about 617000 remained abroad (Li 2007: 493–494). This overseas talent constitutes an enormous potential source of talent and human capital for China.

The cadre corps itself, meanwhile, did not shrink with the reform. On the contrary, the party-state bureaucracy has ballooned compared with its size in Mao's era. By 1998, the total number of cadres was 40.49 million (Ang 2012; Central Organization Department et al. 2000). If we add the number of employees who worked in the public sector but did not have an officially allocated establishment (the so-called *chaobian* phenomenon), the total number of employees of China's public sector exceeded 60 million, which was almost double the number of cadres one decade earlier (Ang 2012). These burgeoning numbers have also made HRM reform – in the face of the challenges posed by the opening up of the Chinese market – more urgent (see Chan and Li 2007).

Well aware of the problem, CCP leaders began to consider defining talent more broadly. In September 1995, CCP leaders stated that China's economic development required two 'fundamental shifts': a shift from a planned economy to a socialist market economy, and a shift from extensive economic growth to intensive economic growth, and they began to reform the personnel management system in line with this new thinking (State Council of the People's Republic of China 1995). In hindsight, it is evident that the new thinking inspired a means of extending the reach of the party without shattering the momentum of China's market reforms.

In 2002, the Central Party Committee and the State Council jointly promulgated a milestone

document, which signalled the official launch of a national talent strategy. Chinese leaders diagnosed China's talent crisis as a lack of human resources, improper structure of the talent teams, an urgent need to enhance the nation's innovation capacity, and a mismatch between the market-oriented economic system and the HRM system (Central Party Committee of the Chinese Communist Party and State Council of the People's Republic of China 2002; Li 2008). It recommended that HRM shift its focus from the traditional cadre personnel management to a more macroscopic strategy of talent capital management.

Simply put, talent is categorized into two groups: *cadre talent* (in Chinese terminology, talent within the system, or those who are managed according to the traditional *nomenklatura*) and *non-cadre talent* (talent outside the system). With the introduction of these categories, in parallel with the system of 'Party Management of Cadres', a new system began to take shape in the early 2000s: the system of 'Party Management of Experts'. The two systems differ with regard to the role of the party's organization departments and the ways in which they manage talent. But one thing they share is an increasing emphasis on the use of merit-based approaches in managing the two groups of talent.

Party Management of Cadres: Growing Importance of Meritocracy

The merit principle was never completely rejected in cadre personnel management (Lam and Chan 1995: 1315). Management of China's cadre personnel has always emphasized a combination of cadres' political credentials (virtue, or redness) and technical know-how (ability, or expertise). But in the past, technical ability was regarded as of secondary importance compared to one's political credentials – as determined by one's party membership, family background, dedication to the party's cause, political loyalty, commitment to the CCP, and the like. This formula has been the key principle guiding China's cadre and personnel policies since the foundation of the PRC (Lam and Chan 1995: 1316).

With the opening of China's markets to the world, the merit principle has been given increasing priority in cadre personnel management, as long as that prioritization remained at a politically acceptable level. That is, any reform measure that helped improve cadres' professional competence, specialized knowledge and skills, and job performance has been embraced in post-Mao cadre personnel management. However, reform measures that have been perceived as undermining the CCP's control of cadres (particularly core cadres – the backbone cadres who are members of party core groups or party committees in the first tier of the party or government units, or who are members of party committees of first-tier local organizations) have been outright rejected. The CCP has made it crystal clear that any measures that appeared to instil political neutrality into the HRM system would not be accepted. The CCP has been determined to maintain its power over core cadres. With growing importance of meritocracy in cadre personnel management, Chinese leaders seem to support the idea that the higher the professional competencies of the core cadres, the better they help the CCP to govern the country. And this new line of thought seems to suggest that there is a move away from China's transitional HRM stance that the more senior the cadre, the less important job competence is and the more important political loyalty is.

Retirement

Against this backdrop, this study provides a snapshot of some essential aspects of cadre personnel management to illuminate the transition to a more merit-based bureaucracy. The first reform, which occurred in the early 1980s, was the elimination of lifelong tenure of leadership cadres through the establishment of a stratified retirement system (Manion 1992). The policy allowed the oldest cadres to retire without sacrificing their political careers and gave special political treatment to the top echelons of the CCP. Two outcomes emerged alongside the implementation of this policy. 'On the one hand, more than 1.6 million revolutionary cadres and three million post-revolutionary cadres had

fully retired from office by 1988. On the other hand, although there were some prominent exits from office at the very top during 1978–1988, the word “retirement” was not used and leaders who stepped down or resigned often turned up in other positions, not simply staying on positions in advisory commissions’ (Mansion 1992: 25). This reform has been instrumental in making way for young and high-performing cadres to climb up the bureaucratic ladder.

Selection and Promotion

A civil service system was established in 1993. Chinese leaders attempted to embrace the merit principle in reforming many aspects of cadre selection and promotion (Lam and Chan 1995). At the entry level, the CCP introduced the first annual nationwide competitive civil service examination in 1993. Undergraduates, postgraduates, and ‘members of the society’ could apply for a specific post (typically the bottom rung) within the civil service. Those who met the minimum qualifications (i.e. age, educational level, gender, and party membership in some cases) could sit for the examination (Burns and Wang 2010).

The civil service examination is composed of three parts. First, there is a written test on administrative capacity (*xingzheng nengli ceyan*), which assesses the applicants’ potential to take administrative work in party and state organizations. It has over a hundred questions that examine the applicants’ common knowledge and skills such as critical thinking, decision making, and logical reasoning. Second, applicants are required to write short argumentative essays (*shenlun*) to analyze one or several social phenomena. The purpose is to examine the applicants’ abilities to comprehend and analyze reading materials, propose arguments, and use Chinese language skilfully.

Third, candidates who successfully pass the two written tests are further screened and invited by the employing agencies’ personnel units for an interview with the CCP department at the level that was overseeing the hiring process. The interview is used to assess the applicants’ oral expression, the ability to

cope with challenges, and their image and behaviour as civil servants. To achieve these purposes, structured interviews are used together with group discussion, situational simulations, presentations, and the like.

In recent years, the competition in the civil service examination has become more and more fierce. In 2013, more than 1.38 million people competed for 20879 posts, with the enrolment ratio as low as 1.51%. For the most popular position – a section member position at the Investigation Team of the State Bureau of Statistics – it was reported that a total of 9411 people applied for one post. By comparison, no one applied for some 140 positions that either required very specific qualifications or relocation to remote or poor regions (Oriental Morning Post 2013).

The civil service reforms seem to have encouraged highly skilled applicants to apply for leadership positions. In the late 1990s, two other changes to the civil service system were also rolled out nationwide, namely internal competition for posts and open recruitment (Chan 2003: 408–410). Internal competition for posts, which has been used mainly for internal selection and promotion within the same agency, covers positions of senior middle management within the administrative bureaus of party and state department offices. According to one account, in 1999, a total of 15776 cadres in state organizations competed for internal positions, which represented 5.95% of the entire cadre workforce (265024 people) who received promotion in that year. This ratio surged to 59.8% in 2002. The latest available information indicates that from 1999 to 2002, more than 353000 people were promoted to leadership posts through internal competition (Zhongguowang 2003).

Open recruitment aims to recruit ‘new blood’ into the relevant employing agencies. Candidates are either cadres from public sector organizations other than the employing agencies, or members of the elite from the wider society. In 2003, most of these new hires held positions at or below the rank of bureau chief in central party and state departments and offices and deputy positions in administrative bureaus, state departments, and offices at the

provincial, city, and county levels (Chan 2003: 410). Candidates normally went through a selection process that included a screening, written examination (including tests of English, in some cases), interview, and political integrity investigation. The party organization committee at the appropriate level closely monitored each step of recruitment. For political integrity investigation, the party organization committee adopts a combination of methods such as having private talks with the candidate; collecting the general opinion of the candidate by surveying his or her colleagues; examining the candidate's dossiers, reports, and publications (if any); and conducting special investigations on any relevant matters.

Compared to internal competition for posts, open recruitment appears to provide more mobility and opportunities for cadres within the civil service system and for members of the social elite wishing to join the civil service. From 1995 to 2000, about 700 positions at or below bureau chief ranks, 7500 at or below division chief, and 120000 at or below section chief were filled through open recruitment (Chan 2003: 409). In Jiangsu province in 2011, a total of 12339 leadership cadres were promoted through competitive selection. Among these, 2030 cadres were selected by open recruitment, a roughly 48% increase over the number in 2010 (Yu 2012).

The implementation of competition for internal posts and open recruitment increases the vitality of the civil service and fosters a more performance-based culture in civil servant management. At the very least, it gives talented individuals who have outstanding job performance yet weak political connections a chance to stand out from their peers. It also sends a clear message to civil servants as well as Chinese society that opportunities are wide open to good performers (*nengshang nengxia, nengjin nengchu*).

It goes without saying that leadership selection and promotion in China nowadays are less unified and monolithic than they were before the opening up of China to the world. Some leadership positions are elected by the people's congresses, some are directly appointed by the party, some are filled through open re-

cruitment, some are selected through internal competition, and some are hired on a contract basis. An overwhelmingly high proportion of these leadership cadres go through some form of merit-based selection. Put in this light, merit – good job performance – has undoubtedly become one way in which recruits can help themselves attain leadership positions.

Job Performance

A striking feature of cadre personnel management in post-Mao China is that decisions on appointment, promotion, transfer, and removal of leadership cadres are increasingly based on their qualifications and job performance, alongside other criteria such as political origin, age, academic credentials, family, and faction background. Since 1979, the CCP has developed various ways to assess the job performance of both ordinary and leadership cadres. These methods include performance appraisal of ordinary cadres; political screening and investigation of those cadres eligible for selection, promotion, and transfer; and assessment of the work accomplished by members of the leadership corps (Manion 1985: 226–230).

The most noteworthy new method of evaluation is the target-based performance measurement system. The system was implemented nationwide at and below the city government level in the mid-1990s and extended to governments above the city level in the mid-2000s. Under this system, the local leadership corps is held responsible for their organization's accomplishment of a variety of performance targets that are allocated by their superiors in the governmental hierarchy. These targets include not only targets for public-service delivery and administrative efficiency but also targets for local economic growth, social development, party building, people's livelihood, environmental protection, and the like. Over time, a growing number of targets have come to be assessed by precise, quantified, and result-oriented criteria (Gao 2009).

Unlike most of its Western counterparts, China's target-based performance measurement system closely connects local leaders' performance on target fulfilment with their

career prospects, and thus has created a high-powered 'carrot and stick' incentive for local leaders to accomplish the required targets. In each and every locality, the most important performance targets are endowed with 'veto power'. Veto power means that failure to accomplish the targets negates successful performance in all other aspects and is very likely to cause a bonus reduction, demotion, transfer, and even, in some extreme cases, dismissal. By comparison, satisfactory performance on target fulfilment, especially tangible performance such as economic growth, brings attractive bonuses and reputational awards and increases the chances of promotion.

Cases in which local officials were penalized for their unsatisfactory performance abound in the past two decades. For example, from 2008 to 2012, a total of 18476 local government and enterprise leaders were held responsible and received punishments for work safety accidents, including senior provincial-level cadres (Zou 2012). In Chongqing, from 2000 to 2008, more than 40 government officials were held responsible for work safety accidents. Some were removed from their positions, expelled from the party, or charged with criminal offenses (Huang 2008).

Meanwhile, a recent study shows that between 1993 and 2009, the central leaders took provincial GDP growth seriously in important promotion decisions for provincial leaders. They compared the incumbents' performance to the performance of their predecessors. Statistics show an interesting correlation: for every 1% increase in a leader's (rolling average) GDP growth rate above that of his predecessor, the chance that he will be promoted goes up by 13.9% (Hsu and Shao 2014: 116).

Party Management of Experts: Less Politics, More Merit

There are two major reasons why CCP leaders in the reform era reached out to the non-cadre talent who for various reasons chose to leave China. First, as mentioned previously, China's development and transformation urgently needed (and still needs) their expertise

in various socioeconomic spheres. Currently, China suffers a shortage of entrepreneurs, engineers, people well educated in other technical fields, and other professionals. These people serve, though not directly, in the party and state organizations, play a critical role in China's rapid rise and its competition in the global system. However, the traditional cadre personnel management system is not designed to nurture the development of these non-cadre personnel.

Second, the distribution of high-potential individuals in the global market shows that they prefer to work in developed countries where their abilities can find full expression. Hence, talent is constantly flowing from developing countries to developed regions. One way to deal with this problem is for developing countries to use less market-based, more policy-driven measures, such as flexible immigration policies, to attract talent. In China, the CCP undertook this task by launching its system of 'Party Management of Experts'.

CCP leaders have promulgated a variety of policies in connection with Party Management of Experts. The system requires the CCP to work on four areas of talent management: macroscopic management, policies, coordination, and services (Central Party Committee of the Chinese Communist Party and State Council of the People's Republic of China 2003). The party's organization department is responsible for implementation. Under Party Management of Experts, organization departments at all levels take the lead in developing and implementing local talent policies. Other relevant party and state organizations at the same level are instructed to work closely with the organization departments in mobilizing society to attract global experts to China.

In 2010, Chinese leaders promulgated a document that specified categories of desirable talent (State Council of the People's Republic of China 2010). According to this document, talent is generally defined as those who are 'usable and can make significant contributions to China's socioeconomic development'. The talent pool is composed of six types of personnel: party and state talent (cadres), enterprise managers and entrepreneurs, specialized technical talent, high-level professional talent,

rural-work talent, and social-work talent. The document emphasizes the importance of establishing virtue-, ability-, and performance-oriented talent evaluation and identification systems. Merit basically refers to work accomplishments and practical contributions, as opposed to academic credentials and publications.

The National Program for the Recruitment of Global Experts

Among various talent management policies, the most noteworthy is the National Program for the Recruitment of Global Experts (*qian-ren jihua*, hereafter referred to as the NPRGE). The Central Organization Department and the various local organization departments directly manage the national and local programs, respectively. Initiated in 2008, the chief objective of the NPRGE is to attract overseas talent to China. Specifically, it aims to recruit around 2000 high-end experts in 5–10 years to break through China's key technological barriers, develop high-level and new industries, and lead the development of new scientific disciplines.

Economic reward has been used as the major motivator. Employing agencies are required to provide attractive remuneration packages and to offer desirable working conditions to the recruited experts. In addition, the party-state provides each selectee with a lump-sum award of ¥1 million. In parallel, since 2010, the Central Organization Department has also implemented the National Program for the Recruitment of Global Young Experts (henceforth, the Young Experts program). This program is designed to attract 400 outstanding young people on an annual basis from 2011 to 2015. In addition to other perks provided by the employing agencies, these young experts receive a lump-sum award of ¥500,000. For both programs, local party organization departments are required to shoulder a major role in assisting the central party in developing national-level and local-level talent recruitment plans, as well as supporting policies to help the new recruits work and settle down in each locality.

Selection and recruitment of these experts explicitly emphasize the principle of 'more merit, less politics'. For example, under the

NPRGE, eligible candidates are required to be 55 years old or younger, to have received a PhD at an overseas institution, and to work in China for no less than 6 months. In addition to these basic requirements, candidates must have one of the following four qualifications: (1) they must have the title of professor or equivalent at a prestigious university or research institution overseas; (2) they must be special technical professionals and managers in senior positions in well-known international enterprises or financial institutions; (3) they must be entrepreneurs who hold the copyright to their intellectual property, or grasp a certain core technology, or have started their own business overseas, and be familiar with international rules and regulations in the relevant industrial area; or (4) they must be some other high-end innovative, entrepreneurial experts of the sort urgently needed in China.

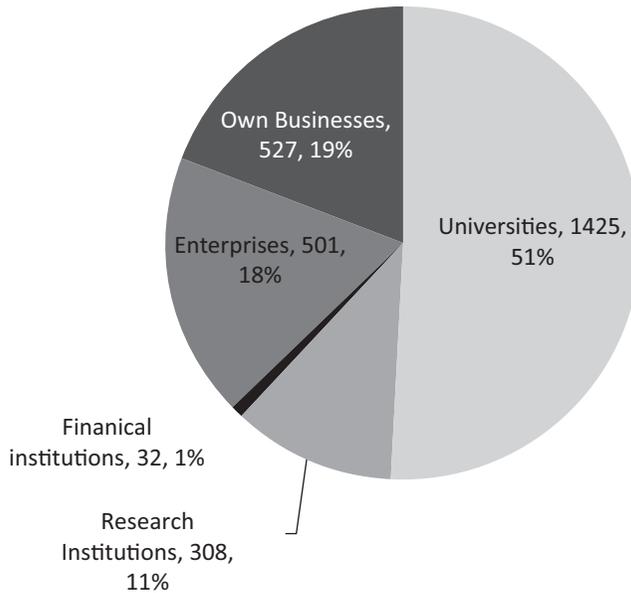
Political credentials, such as party membership, are not among the requirements for an appointment under either the national or local programs. In addition, those without Chinese citizenship are also eligible if they satisfy the other criteria.

Implementation of the Expert Programs

Because statistics on the talent recruited through the NPRGE are not publicly available, we are not able to offer a national-level analysis of the program. Nevertheless, with the data collected on our field trips in Zhejiang province and the information publicized by the central government in recent years, we attempt to present a snapshot of the national and local programs in terms of the distribution, expertise, academic background, and the current status quo of the recruited overseas talent.

From 2009 to 2012, a total of 4183 overseas experts were recruited through the NPRGE in 10 batches. Beijing, Shanghai, Jiangsu, Zhejiang, and Hubei were the top-five recruiting provinces. According to one account that examines the distribution of 2793 of these talents, the distribution of the recruits shows that a majority of them were recruited to serve in universities and research institutions of the government and enterprises (Figure 1). Their

Figure 1. Distribution of Talent Recruited through NPRGE, 2009–2012
Source: Communication on Talents Work, 110.



expertise is concentrated mostly in areas that are core to China's economic development, such as biomedical industry, automobile production, information technology, finance, economics, and the like.

A total of 581 experts were recruited during 2012–2013 under the Young Experts program. Table 1 shows the distribution of the country or region affiliations of these experts before they came to China. An overwhelming majority (over 80%) of them were Chinese nationals or of Chinese origin, returning from

developed countries. About 71% were returning to China from the United States. Table 2 shows the positions or titles held by these young experts before they were recruited to China. Most had first-rate educational backgrounds and had work experience in overseas universities and research and medical institutions.

Local talent-recruitment plans have also fared well. From 2009 to 2013, Zhejiang province, a wealthy region in southern China, recruited a total of 939 experts, 333 of whom were recruited through the NPRGE. As Figure 2

Table 1. Countries or regions where the 581 recruits served before coming to China

Country/region	Number	Percentage	Country/region	Number	Percentage
United States	410	70.57	Switzerland	4	0.69
Germany	33	5.68	Sweden	3	0.52
United Kingdom	28	4.82	Spain	2	0.34
Singapore	24	4.13	Belgium	2	0.34
Japan	20	3.45	Macau	1	0.17
Canada	14	2.40	Iceland	1	0.17
Hong Kong	13	2.24	Italy	1	0.17
Australia	11	1.90	Austria	1	0.17
France	7	1.21	Israel	1	0.17
Denmark	5	0.86	Total	581	100

Source: The website of the Program for the Recruitment of Global Experts, Central Organization Department. Available at <http://www.1000plan.org>.

Table 2. Positions/titles of young recruits before coming to China, 2012–2013

Position/title	Number	Percentage
Professor (including research professor, adjunct professor)	8	1.38
Associate professor	13	2.24
Assistant professor	63	10.84
Lecturer and instructor	13	2.24
Researcher and investigator	61	10.5
Post-doctoral fellow and research fellow	121	20.83
Research associate (including post-doctoral associate, R&D associate)	127	21.86
Senior engineer (including research engineer, software engineer, design engineer)	18	3.10
Assistant engineer	1	0.17
Scientist and chemist	77	13.25
Post-doctoral scholar, research scholar, and visiting scholar	16	2.75
Post-doctoral graduate	63	10.85
Total	581	100

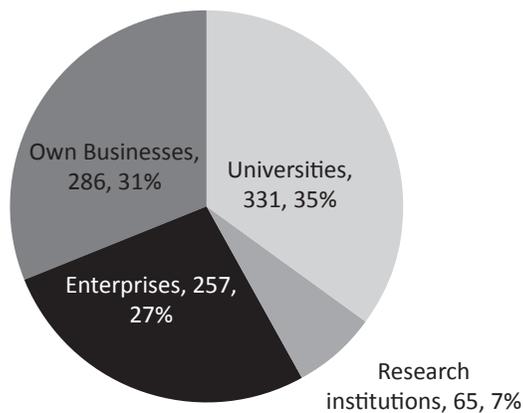
Source: The website of the Program for the Recruitment of Global Experts, Central Organization Department. Available at <http://www.1000plan.org>.

shows, among them, 543 (57.8%) now work in enterprises, 331 (35.3%) work in universities, and 65 (6.9%) work in research institutions. Around 88% of them (847 of 939) received a PhD from an overseas institution. Their expertise is concentrated in areas such as alternative energy, new materials, environmental protection, logistics, and high-level manufacture, and hence seems to fit well with the development strategies and needs of Zhejiang province (Organization Department of Zhejiang Province 2014).

To attract global experts and to induce them to stay in the locality, Zhejiang province in-

troduced a variety of preferential policies. The monetary awards mentioned previously aside, recruited experts were given housing benefits and other special arrangements in personal loan financing, immigration, children's education, and the like. More than 30 sites were established in which to settle these recruits, with eye-catching names such as 'Scientific City', 'Zhejiang Silicon Valley', and 'Future Technology'. It is important to note that the Provincial Organization Department took its program very seriously. Every year, the department assembled a group of leaders that drew from local backbone enterprises, universities,

Figure 2. Distribution of Talent Recruited by Zhejiang Province, 2009–2014 (September)
Source: Organization Department of Zhejiang Province (2014).



and scientific institutions to meet with overseas experts in countries in North America, Europe, East Asia, and so on. To date, Zhejiang province has established more than 140 overseas contacts with whom it is in frequent communication regarding potential eligible candidates (Organization Department of Zhejiang Province 2014).

Outcome of the Talent Plans

Official statistics show that the implementation of the NPRGE and its local plans has made significant progress. Experts who mainly focus on research and innovation have made substantial contributions to breaking through key technological barriers and building a knowledge economy in China. From 2009 to 2011, experts recruited under the NPRGE published a total of 4416 articles, white papers, and so on, based on their research. Fifty articles appeared in top-ranked international journals such as *Nature* and *Science*. Recruited experts carried out 2886 research projects at both national and local levels, drawing on more than ¥1.52 billion in research funding that they received from different sources. These experts also registered a total of 746 key patents: 86 in 2009, 255 in 2010, and 405 in 2011 (Ren 2012).

Experts who were given financial support to develop their own businesses seem to have contributed significantly to China's economic transformation, including the rise of new industries, such as biomedical technology, information technology, and the like. According to one official account, the profit generated from the businesses started by about 400 experts who were recruited under the NPRGE is ¥12.71 billion, and these entrepreneurs have paid ¥9.86 billion in taxes (Ren 2012).

In Zhejiang province, recruited entrepreneurs invested about ¥8.58 billion and started a total of 325 enterprises over the past 5 years. About 77 enterprises have been or will be listed on stock markets. The government of Zhejiang has provided a total of ¥1.24 billion to fund the research and development activities of these enterprises and has invested an additional ¥3.04 billion in 50 other enterprises. Products of these enterprises won 120 awards from both national

and provincial governments and were popular in domestic markets. The accomplishments of research experts located in Zhejiang province are also impressive. The experts published a total of 2539 articles in journals indexed by SCI, EI, and ISTP. Altogether, they received 511 grants from the central government, amounting to ¥1.09 billion, and 225 grants from the provincial government, amounting to ¥250 million. Furthermore, these experts registered 647 patents and won numerous awards from the central and provincial governments (Organization Department of Zhejiang Province 2014).

Conclusion

This study examines how the Chinese leaders established a party-led, merit-based talent management system chiefly to deal with the talent deficit in China's socioeconomic transformation. It also assesses the effectiveness of these measures at both national and local levels.

The study shows that HRM in post-Mao China differs from what came before. The new framework has embraced a broader scope of talent and puts greater emphasis on merit. As shown in this study, the CCP has developed various policy measures to introduce the merit principle and to increase the professionalization of the entire cadre corps. The CCP has substantially revamped the traditional, somewhat inflexible, cadre personnel management system by embracing the merit principle as long as the changes do not trample on the CCP's political boundaries and do not strike at the foundation of the one-party state.

A comparison of the new and the traditional HRM frameworks shows that the CCP does not use political credentials as the main currency in the recruitment of global experts (though political credentials are still important in the management of these talents especially when they hold key leadership positions in party and state organizations, as the following section explains in more detail). Instead, the abilities and contributions of these experts to China's economic transformation and the potential to upgrade key industries and build up a knowledge economy have been given full attention. Our study also shows that the program's

implementation at both the national and local levels has been an impressive success.

Some lessons can be drawn from China's experience incorporating the merit principle into its cadre personnel management system. First, contexts matter. Each country must find its own path and use its own strengths to manage human resources. In some developing countries – such as China – the state can be a valuable 'visible hand' assisting with and correcting the deficiencies of the invisible hand of the market so as to make the best use of human resources. Our study shows that Chinese leaders have combined the newly developed HRM framework with the traditional *nomenklatura* to develop a talent market capable of adapting to all the challenges posed by the opening up of the Chinese market. The party-state bureaucracy has successfully pooled resources from the central government and local governments to attract talent to China. China's central and local political and economic agencies have formed a comprehensive network for talent recruitment and management consistent with party interests, demonstrating the party-state's mobilization skills as well as its tight personnel management control.

Second, China's talent management system reform once again illustrates that the CCP leaders are practical reformers who are determined to enhance China's competitiveness in the international talent market. The CCP leadership as a whole is forward looking, with a strong problem-solving orientation and willingness to innovate its management system. Chinese leaders have modified the CCP's own ideology to find practical solutions that will move China forward. The prodigious resources and power available to the party-state have enabled CCP leaders to effectively tackle the talent problem, and the result – national and local programs for the recruitment of global experts – has proven to be an expedient and fast method of handling China's talent deficit.

Third, it is clear that for this new HRM innovation to be effective, it needs to be politically reliable and must be seen as strengthening the existing political system. One can wonder whether the recruitment of global experts who have received a Western education

will eventually pose a threat to the Communist regime because of Western education's emphasis on apparently non-political management values (Hood 1991; Rosenbloom 1983). To address this concern, one must take a closer look at both Party Management of Cadres and Party Management of Experts. Under Party Management of Experts, what the CCP actually focuses on is recruitment of talent, leaving the management of other standard HRM practices of the recruits to the employing agencies at the relevant level of government. By contrast, the system of Party Management of Cadres covers the whole range of personnel activities: recruitment, selection, placement, appraisal, discipline, reward, and through to retirement or resignation.

The design of the Party Management of Experts system is highly appealing to Chinese leaders. Once the recruits have arrived, they join a work unit, which normally falls within the reach of the party. The elite members among the recruits – those who might be promoted to leadership positions – will naturally be placed under the party's *nomenklatura*. As for those who start their own businesses, the CCP opened its membership to private entrepreneurs in 2002 to bring them into the fold. In addition, many private entrepreneurs have joined the people's political consultative conferences or people's congresses at various levels, these being two institutions working closely with the party in policy making (Yan 2012). In this regard, the Party Management of Talent system is an important first step in drawing these promising individuals into the party *nomenklatura*.

Lastly, it is misleading to say that in a one-party system with a highly politicized public-service workforce, meritocracy is more a myth than reality. As we have shown in this study, new challenges notwithstanding, China's HRM reforms do not represent a fundamental break with the system in place in Mao's era. As a policy tool, the current HRM system has been used to introduce different sets of values, though these values have been applied unevenly (Chan and Gao 2013). Different types and combinations of values are given different prominence in different periods. In Mao's era, values that kept talent loyal and obedient to the party-state

took the centre stage in HRM, whereas values that emphasized professional competence and work ability were given lower status. In the reform era, priorities have changed. The system of Party Management of Experts is a response to the push for more market-oriented reform with party-state at the forefront. In closing, we wish to stress that the merit principle has never been missing in China's HRM, and what we see now is its increasing importance for the foreseeable future.

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