



How Does China Introduce Returned Overseas Students and Scholars to Start Their Own Business? Experiences, Challenges and Suggestions

EXPERIENCES, DEFIS ET SUGGESTIONS CONCERNANT COMMENT ATTIRER LES ETUDIANT AYANT ETUDIES A L'ETRANGER D'Y RETOURNER AU PAYS POUR LA CREATION DE LEURS ACTIVITES PROFESSIONNELLES?

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Abstract

Stating from the “Recruitment Program of Global Experts” announced by the central personnel work coordination group in December 2008, the talents introduction program of China has been carried out step by step across the country. This paper analyzes the challenges that China faces in the world talents competition by reviewing and summarizing the experiences and development history of returned students in starting their own businesses in China and also gives related suggestions at last.

Keywords: Returned students; Establish a business in China; China; Experience; Challenges; Suggestions

Résumé

Les personnels du Groupe de coordination du central a publié en symbole de la (« Plannification de mille personnes ») qui est la « Plannification d'exécution du retour des personnels de haut niveau ayant étudiés à l'étranger » en Décembre 2008, cette action a été menée à travers tout le pays. A la conclusion du présent texte, nous avons revu le parcours des expériences et le développement de travail de création de carrière menés par les étudiants ayant étudiés à l'étranger, il a analysé les challenges que les chinois doivent faire face devant la concurrence des talents internationaux, et a également formuler des suggestions pertinentes.

Mots clés: Etudiants à l'étranger; Retourner dans le pays à la création d'activité professionnelle; La Chine; L'expérience; Défi; Des suggestions

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Introducing returned students to serve their own country by various means is a real and effective method for countries all over the world, especially developing countries, to participate in the international talents competition. It is also a valuable experience for China when carrying out open talents policies to develop and make use of international resources of human talents. The “Compendium of Long-Term National Plan for Developing Talents (2010-2020)” promulgated in 2010 emphasizes that China will carry out more open policies for talents and introduce high-level overseas talents to start businesses in China.

1. ELEMENTARY EXPERIENCES

By reviewing and summarizing the development history of returned students establish their own businesses in China and combined with achievements of investigation and researches, we think that China has accumulated various valuable experiences during introducing and supporting students studying abroad going back to China. These experiences can be mainly summarized as follows:

1.1 The Government Plays Dominant Part and Pays High Attention

Since the reform and open-up, especially recent years, governments of all levels always emphasize that overseas talents mainly made up by students studying abroad are important and indispensable resources in Chinese modernization construction. We need to stick to the principles of studying abroad that “supporting talents study overseas, encouraging them returning home and they are also have their freedom in making decision on whether come back

or not” to treat the process of introducing and supporting talents studying abroad to serve China as the essential part of Chinese talents training work. In addition, it is also essential for us to draw up macroscopic development strategies, perfect policy system, complete the working coordinating mechanism, establish service system, carry out entrepreneur supporting plans and try our best to build good environment for returned students to start their own businesses in China.

1.2 Setting up Overall Plans and Stressing the Key Point

Combined with the development of Chinese economic society, especially the need of the economic structural adjustment, we need to make whole plans on using and developing internal and external talents resources. It is always essential for us to introduce high level international talents as the key point in the process of bringing in returned students to start their own businesses when we have been boosting the training of domestic talents. Through introducing high level returned students, we still have to strengthen the ability in self-dependent innovation, speed up the development of high and new tech enterprises and modern service industry, promote industries upgrading and transition of the economic development mode.

1.3 Respecting Personality and Strengthening Services

Returned students who start businesses in China have the advantage in grasping foreign advanced technologies and management experiences. They are familiar with international market regulations and have wide connections between overseas persons as well as great ability in comprehending cross-culture communications. In addition, they can get well understanding about domestic laws and regulations and market environment. They have the ability in resolving tough problems in social and cultural lives, children attending schools, settling family members, housing, leaving and coming back to the country and other difficulties etc.. Therefore, governments in all levels always treat complete and perfect entrepreneurship services construction as a very important task. They have to draw up special supporting policies according to the characteristics and real requirements of returned students, build high-tech business incubators for them, perfect entrepreneurship service functions and networks, solve properly real problems in returned students’ work and lives and so that to give powerful support for returned students to start businesses in China.

1.4 Guided by Leading Programs and Carry out Institutional Innovation

The General Office of the CPC Central Committee forwarded the “Opinions about Implementing the Plan of Introducing Overseas High-level Talents” in 2008 which represents the official start of the “Recruitment Program

of Global Experts” in the state level. After this, all districts and departments over the country have made their own plans on introducing overseas high-level talents according to their local economic society development and the need of industrial restructuring. At the same time, with the progressing of the “Recruitment Program of Global Experts” and various high-level talents introducing plans, reform of the working area of talents training and introducing has been going much deeper. Because many restrictions on developing talents and obstacles in the system have been removed step by step and some difficult and hot issues have been resolved gradually, the work of introducing talents and innovation of the system and mechanism can be guaranteed and promoted.

2. CHALLENGES

2.1 Severe Challenges from International Competition for Talents

Generally speaking, the United States of America, Germany, Japan and other developed countries have advantages in competing for talents. The mature market mechanisms, completed social security systems and good environment for innovation and entrepreneurship are all very attractive and appealing to talents around the world. In the meantime, those counties gather international talents widely and rapidly by offering them high salaries, adequate scientific research funds, convenience in getting visas, permanent resident cards and other means. Under this circumstance, other countries have been busy setting up and carrying out strategies to cope with the international competition for talents. On one hand, they make great efforts to introduce foreign high-level talents; on the other hand, they try their best to attract returned students to establish their own businesses so that to change the situation of talents loss in their own countries. For example, apart from implementing “Long-term plan of returning”, “Plan of contemporary return” and “G-7 high-tech research and development plan”, the Korean government has attracted students abroad to serve their own country by building research city, establishing overseas high-level talents net and hosting professional committees among scientists and engineers overseas. In order to change the situation of losing students studying abroad, which is called the “Dairy cow phenomenon”, India strongly promotes the returning of students studying abroad by admitting double nationalities, building up high-tech parks, establishing “overseas Indian day” and so on. Learn from other countries’ experiences and adopt more positive measures to attract students studying abroad to return and start their own businesses is an important content and real choice for China when competing in the international talents competition.

2.2 An Urgent Demand of Transforming the Economic Growth Pattern

To change the economic growth pattern and promote economic structural adjustment are significant strategies and plans made by the Party Central Committee and the State Council for achieving the final triumph in competing with the international financial crisis and realizing fast and well development of Chinese economics. The economic structural adjustment depends on the readjustment of talents structure and to change the economic growth pattern needs the ability of self-innovation and the construction of talents team. At this moment, the low level, irrational structure and lack of competence of Chinese industry are closely related to the overall backward of Chinese technology, shortage of talents and unreasonable talents structure. They are mainly reflected in: serious shortage of high-level innovative and skilled talents; lack of high-level, international, and versatile talents in developing strategic new industries, modern agriculture, advanced manufacturing industry, modern service industry, and implementing the "Go Out Policy" which has made we can hardly compete with other countries in the international competition for talents and attend the world economic division. Thus, it has important realistic significance in forming talents support for promoting economic structural adjustment by introducing more and more talents from abroad, encouraging and supporting returned students to start businesses in China as well as training more talents in domestic environment.

2.3 Explore More Open New Strategies on Introducing Talents

Intensify the opening of talents is a significant long-term strategy in China. The "Compendium of Long-Term National Plan for Developing Talents (2010-2020)" stipulates this in a comprehensive aspect. We think there are many difficult and important problems need to be resolved in the process of implementing the "Plan", for example, how to make use of the demonstration and radiation effect of certain essential talents introducing programs such as the "Recruitment Program of Global Experts" to form a new working pattern of introducing talents that powers are gathered, every level links and participated by various aspects? How to further improve the financing policies, tax policies, social security policies and finally create an innovative entrepreneurship environment which fits the standard internationally for returned students? How to perfect the entrepreneurship service system, promote the success ratio of companies started by returned students, and establish new mechanism that contains both introduction and services functions for returned students to start businesses in China? There is no ready-made experience for all those questions. We have to practice and make research from both theoretical and practical aspects.

2.4 Important Problems that Need to be Solved Urgently

Currently all levels of governments have made and imple-

mented a series of special policies and measures to build the entrepreneurship environment which has shown some effect, however, as study shows that returned students are not very satisfied with them. They are mainly: the inclination that the government pays much attention to the introduction process but ignore to provide services. There is a shortage of services about company development strategy, management consulting, public relations, legal affairs, tax, human resources, labor relations and other professional aspects. Requirements and scope for choosing talents are too wide and not closely connected with the economic society development plans. The number and quality of introduced talents need to be improved. Although there are many policies around returned students starting businesses in China, they lack of top level design and not correlative. Thus, those policies cannot be a unified power. Effective work mechanism is yet to be perfect. Poor management or co-operation of different branches of government and competition on related matters are not improved. There is still no breakthrough in resolving problems like financial support, tax preferences, and education of children. Some of these problems have become bottleneck of returned students in starting businesses in China. We must attach great importance to them and take effective measures.

3. COUNTERMEASURES AND SUGGESTIONS

In the next five years, the stable and rapid development of Chinese economics and obvious improvement of social construction work will help China take a more positive position in the international competition for talents. Perfecting the socialist market economic structure and fully promoting related reform in comprehensive employment system will provide favorable opportunities for resolving various levels of contradictions and problems when returned students start businesses. The transformation of economic development mode and upgrade of industrial transformation require more from the high-level talents who start their own businesses and also offer more chances for introducing talents overseas to China. Fully implementation of the "Compendium of Long-Term National Plan for Developing Talents (2010-2020)" and more open policies for talents will create better environment and social atmosphere for talents from abroad to establish businesses in China.

By summing up the research results and various suggestions, we suggest that in the current and future periods we need to start from building an innovative country and carrying out strategies that talents strengthen the country. After this, we have to open our minds further, improve the knowledge of the whole society about the importance and urgency of introducing students from abroad to establish businesses in China. We should follow the need of the development of economic society, pay great attention to

high-level innovative talents, strengthening the support from government, complete service system, and realize the transformation that entrepreneurs increasing in quality instead of quantity so that to give talents support for creating innovative country, promoting transforming of economic development mode and improving ability in competing with other countries in the international competition for talents. Therefore, we give the following 5 suggestions:

3.1 Open Our Minds Further and Improve Public's Knowledge about the Importance and Urgency of Introducing Students from Abroad to Establish Businesses in China

(1) Investigate and draw up development plans for returned students to start businesses in China. Clarify the target mission, objects, scope, key points of the industry of introducing talents from overseas to start businesses in China, uniform minds, make clear of the task, gather power, accelerate development and improve the position and function of introducing talents from overseas to establish businesses in China in implementing the strategy of strengthening our country by talents. We need to recognize that introducing talents from overseas to start businesses in China as an important measure in competing in the international competition for talents, strengthening construction of high-level innovative entrepreneurs team and improving transformation of economic development mode.

(2) Build up database for leading entrepreneurs studied abroad. Carefully sum up the successful cases of entrepreneurship of returned students, promote their experiences, and make the modeling and leading effect work among all companies. Strengthen publicity and recognition of excellent returned entrepreneurs.

(3) Strengthen popularization of the research of entrepreneurship discipline and knowledge. Entrepreneurship is a high-risk activity. Generally speaking, the highest survival rate of entrepreneurship is around 20%. Therefore, we need to take fully consideration about the "risk", "complexity", "dynamics", and "uncontinuity" of entrepreneurship when doing entrepreneurship design and creating entrepreneurship environment so that we can make a better social environment for encouraging entrepreneurship and accepting failure.

3.2 Follow the Need of the Development of Economic Society

(1) Adhere to industry-driven. Normally speaking, entrepreneurship is an economic activity. It involves distribution of local industry, match of human resources, and local culture and so on. Therefore, entrepreneurship policy is not independent from local industry policies and social cultural policies. Returned students have to insist on the national strategies, regional developments plans, regional entrepreneurship policies, local industry characteristics,

advantages of human resources, and culture characteristics and other elements when starting their own businesses in China. They have to form the "talents + program", "talents + industry", and the development mode that introducing talents brings the development of industries.

(2) Compile the "Industrial Direction Catalogue of Returned Students Starting Businesses in China".

3.3 Insist on Introducing High-Level Innovative Technological Entrepreneurs as the Key Point

(1) Make clear of the key point of introducing program. There is no policy without key point. We have to make use of both domestic and overseas resources. When making use of domestic talents, we should focus our talents introduction work on high-level technological innovative talents and talents that we currently lack so that to let high-level technological innovative talents play a role as a leader or an example.

(2) Follow the regular pattern of entrepreneurship. Change the assessment method for choosing candidates. Based on the evaluation of candidates' academic skills and assessment of the prospect of industry, we can use assessment and resume and other technologies to evaluate the ability of entrepreneurship.

(3) Broaden views on finding talents. We need to attach importance to bringing in talents in the area of new technological and strategic industries as well as talents for developing modern service industry. We have to introduce talents with scientific and engineering skills, economic, human sciences and management. In addition, we need pay attention to introducing talents from both Europe and the United States and other developed countries and also excellent talents from developing countries.

3.4 Provide More Support from Policies

(1) Strengthen systematic and top-level design of entrepreneurship policies. Draw up entrepreneurship policy system frame that has top-level systematic design as soon as possible by aiming at problems as "fragments" and "similarity" in the policy system of studying abroad.

(2) Take advantage of the basic function from market allocation of resources and resolve the difficulty of financing. Firstly, set up entrepreneurship funds for talents studying abroad by the government and offers more support for companies in the pioneer stage. Secondly, build up guarantee mechanism for entrepreneurship. Secondly, establish entrepreneurship guarantee mechanism. The government should invest the directing funds for companies started by returned students and provide credit guaranty for them to attract risk investment funds and bank loan. Thirdly, learn from the experiences of the Silicon Valley and establish technological banks in cities that gather returned entrepreneurs. Forth, perfect technology risks investment mechanism, release the standard of going public for small and medium-sized technology companies, and improves GEM market. Last, Speed up the property

right trading market construction and encourage mergers and takeovers of small and medium-sized hi-tech enterprises which involves risk investments.

(3) Learn from other countries' measures or standards to carry out reform or innovations in entering and leaving the border, taxes, social security and so on. Encourage and support areas where conditions permit to take transitional and compensatory methods. For example, Establish individual income tax compensation mechanism for returned entrepreneurs on the basis of completing preferential policies on enterprise income taxes, tariffs, business tax, value added tax and others. Besides support returned entrepreneurs buy social insurance according to law and regulations in China, we can also offer related foreign commercial insurances by giving them subsidy or deducting money from their salaries.

(4) Mobilize and organize all kinds of power to resolve the difficulty of children getting education in school. First, the government can sponsor certain schools around the area that returned students live together to start bilingual teaching for their children. Second, encourage and support well-known schools to establish international department. Last, encourage and support foreign or private companies to found international schools.

(5) Insist on combining guidance of the government and market-oriented operation to solve the problems of housing. First, carry out sponsoring plans for high-level talents. Provide a onetime subsidy for returned students who start businesses in China to buy house by government benefit and support of employers. Second, implement allocation plans for renting or buying departments for high-level talents. Build up talents departments for returned students in pioneer parks, Industry gathering area, high-tech Park, campus and other areas to provide departments for them to rent or buy.

(6) Establish and improve returned students entrepreneurial dynamic monitoring mechanism and mechanism of tracking and evaluating the program of introducing high-level technological innovative entrepreneurial talents.

3.5 Improving Service System

(1) Expand the field of management and service. By re-adjusting the functional localization of various kinds and levels of pioneer parks for returned students and service organizations, expanding the scope of businesses, and increasing input of human resources and costs and other measures, new management and service system can be built to help various kinds and levels of pioneer parks transform from purely providing shared facilities, housing and other basic services for companies to help them do market cultivation, technology research and development, human resources development, risk investment and financing, intangible assets cultivation and other high intellectual value-added services.

(2) Overall planning of pioneer parks for returned

students. Compared with regional economic society development plans and degree of industry agglomeration to cultivate professional pioneer parks for returned students so that their various and individual requirements can be met. As research from foreign country suggests, "business incubators" in Europe mostly focus on one or limited industries or departments. 59% of them provide new economic industry services (such as E-commerce and B2B services), 52% of them relate to researches and developments, 44% of them are finance-related, 12% of them relate to selling, marketing and logistics, and 10% relate to agriculture. We think that proving professional services for companies is the development direction and trend of Chinese pioneer parks.

(3) Complete and perfect service system. First, improve efficiency of both basic and professional services. It includes housing, work and living licenses, social security, and education of children and so on. Second, strengthen education and training which contains building up platform for entrepreneurship quality assessment, platform for upgrading entrepreneurship quality program, and platform for training and studying entrepreneurship cases. Third, speed up the construction of resource, information and common technologies support platform. It includes building up information platform of talents studying abroad and program, innovative experiment platform, public technology service platform, technological achievements display platform and technological property right transaction platform.

(4) Make use of "Expert database of directing entrepreneurship for returned students" and professional service organizations. Encourage and support law firms, accounting firms, tax agencies, patent agencies and high-level talents resource service industry by purchasing services or giving subsidies so that to provide management advisory services, public relations, legal affairs, tax services, human resources management, labor relations and other professional consulting and directions for entrepreneurs studying abroad.

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