

## ▶ Recruitment at China Sunwah Bank: Guanxi Versus Talent

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*Dr. Stephen Grainger wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.*

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China Sunwah Bank deputy manager, Chun Zhao, and Li Zhang, head of human resources (HR), had closed their office to go home for the weekend after lengthy deliberations concerning the new appointments to their 28 branches in Dalian. It was doubtful they would rest easy over the weekend as all of their contacts knew their cellphone numbers and most knew that the deadline for the final decision was fast approaching. The final list of candidates recommended for appointment had to be sent to the head office in Beijing at 9 a.m. on Tuesday. There had been more than 4,000 applications received via their website and mail for only 12 advertised positions. Chun, Li, and their team had already spent hours reading applications and conducting interviews, as well as receiving specific endorsements for applicants from government officials, friends, former school teachers, and other bank managers in Dalian, Kunming, and Qingdao. They faced the challenge of making the final 12 appointments, keeping in mind they had to try to respect and satisfy the requests for favours they had received from important stakeholders. They were under pressure as these appointments had to be balanced with the China Sunwah Bank's need to hire the most talented new recruits to meet the drive to create wealth under the Chinese market economy conditions. Li and Chun knew that this would be a tricky process that required sensitivity and skill.

### The Application Process

Four weeks earlier, China Sunwah Bank had listed a job advertisement (known in China as a recruitment note) for 12 positions on their website and in the national newspaper outlining the requirements for the positions so applicants could access and complete the application form, attach their resumé and submit their applications. Following the closing deadline, the first stage of the elimination process began with the China Sunwah Bank central HR team in Dalian reading all applications and reducing the list to 200. The senior HR staff then examined the remaining candidates with a detailed assessment procedure to eliminate those who did not satisfy the criteria, and finally presented Chun and Li with a prospective list of the top 48 candidates for final consideration and interview. The list contained each applicant's name, sex, degree, university and "just a few pieces of information for the committee to examine easily." From this list Chun, Li and the committee would decide the final 12 candidates who were to be recommended