

Boston College Center for Work & Family

E X E C U T I V E B R I E F I N G S E R I E S

# **Work-Life in China**

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# Why focus on work-life in China?

- China:
  - The economic force of the future
  - A significant factor in economic growth for many multinational organizations
- Success will depend on:
  - Having a workforce with the capacity to innovate and adapt to change
  - Understanding the economic, employment, social and cultural contexts of the country in order to meet the needs of the workforce

# The meaning of work-life in China

- Work-life is about integration and harmony
- Work should not destroy life
- Work-life demands depend on personal context, life-stage and social situation
- Meeting the combined responsibilities of work and family/life is not a major topic of discussion and does not feature strongly in analyses of recruitment and retention
- “Work-life balance” is a more salient issue at professional and managerial levels in multinational enterprises
- Need to be cautious about applying western models

# Employment in China

- SOEs – State Owned Enterprises
  - Historically the majority of companies, but declining in importance
  - In 1978, SOEs produced 77.6% of China's industrial output; in 2001 only 18%
  - SOEs traditionally provided lifetime employment as well as housing, child care, schooling, medical care, and retirement income
  - Government reforms are transforming SOEs to modern, market-oriented corporations, diminishing job security and social supports in the process
- MNEs – Multinational Enterprises
  - Less secure employment than SOEs, but with alternative benefits including higher salaries and significantly better opportunities for the learning and development necessary for career advancement

# Ideology of the Employment Relationship

- The Chinese employment relationship is strongly influenced both by employer-employee relationships and the view that the workplace is “like a family.”
- Chinese employees tend to form closer relationships with their immediate supervisors than is the case in western countries.
- This is based on an assumption of reciprocity: in return for their commitment to the organization, the employee expects that the organization will look after them and their well-being in relation to job, family, and personal life.

(Fernandez & Underwood, 2007; Chen, 2001)

# Trends in MNEs

- Relatively young workforces with high level of representation of women
- Work-life emphasis emerging, with strong influence from corporate headquarters
- Little emphasis on work and child care
- Responsiveness to extended family relationships
- Approaches to flexibility vary
- Consistent emphasis on addressing the health and social needs of employees

# Labor Laws (2008)

All permanent workers have the following entitlements:

- **Annual Leave:** 5 days in the first 10 years; 10 days in the next 11-20 years; 15 days when employed > 20 years
- **Public Holidays:** Total of 11 days annually
- **Marriage leave:** 3 days for men age 25 & under and women age 23 & under; above those ages, 10-15 days depending on local laws
- **Maternity & Nursing leave:** 90 days with full pay for normal delivery; differs by location if there are complications; total of 1 hour nursing breaks per day (in 1 or 2 breaks) for 12 months
- **Paternity Leave:** 3-7 days depending on local laws
- **Bereavement Leave:** 3 days for loss of spouse or child; 1 day for loss of parent or sibling
- **Home Leave:** 20-30 days annually (precluding annual leave when taken), depending on marital status and physical location of employee in relation to spouse and parents

# Retirement & Pensions

- Legal retirement age varies based on position held
- Retirement is expected by age 60 (men) and 55 (women) for “officials, engineers and professionals with special expertise.” For factory workers, retirement is expected by 55 (men) and 50 (women).
- In 2000, the average retirement age was reported to be 51.2 years.
- There is a mandatory pension system for certain enterprises, however only 4 in 10 workers are covered (Hu, 2006) and there is a high level of anxiety about the capacity of these programs to deliver the financial security expected (Frazer, 2006).

# Demographic Trends

- **China's one-child policy**, combined with the preference to have male children, has resulted in a problematic sex ratio equal to 116.9 males per 100 females. Some argue that the increasingly male-dominated labor pool will lead to employment discrimination against women.
- **Marriage:** Traditional laws say that men have to be over 22 and women over 20 to marry. The intention is to encourage people to have children when they are older.
- **Education:** A very high priority for both government and parents. Nine years of education is compulsory. There has been a significant increase in the number of people completing senior secondary school and college. Parents being able to provide for their children's education has become a salient work-life issue.

# Cultural Values

- **Confucianism and Daoism:** “Confucianism and Daoism belong together in Chinese culture as yin and yang, one representing the ritual order, society, planning and stability and the other nature, the individual, flexibility and non-intervention.” (de Man & Yang, 2005)
- **Guanxi:** A focus on social connections defined by reciprocity, mutual obligation, a sense of goodwill and personal affection.
- **Filial piety:** A love and respect for one’s parents and ancestors and a strong obligation to care for them.
- **Hukou:** A household registration system that categorizes citizens on the basis of their place of residence and eligibility for local socioeconomic benefits including employment, subsidized housing, free education, and medical care. Presents considerable challenges for a worker who moves to a location different from the one in which they are registered.
- **Gender equity:** Women’s equal status to men under law dates back to Mao Zedong and the People’s Republic of China. Most women are employed full-time and are seeking satisfaction both from paid work and from their marriages. 91% of businesses in China have a woman in senior management (Grant Thornton, 2007).

# Salient Work-Life Issues & Best Practices

## Flexibility

Many organizations are promoting flexibility in an informal way.

- At **Dow**, flexibility is widespread and work from home is possible.
- **Kraft** offers flexibility and empowers managers to be flexible.
- **Shell** promotes core work hours with flex on either end; telework is also available
- **IBM**'s approach includes: mobile, work at home, and regular part-time, among other options.
- At **Merck**, flex begin and end times can be requested and informal flex is available
- **Hewlett Packard** gives employees the option to work at home 1-2 days/week. 50% take advantage

# Salient Work-Life Issues & Best Practices

## Parenthood & Child Care

Juggling career aspirations and family life is a current and future issue for employees and for organizations. Child care (by nannies or centers) is readily available and affordable but there are concerns about quality.

- **Dow's** formal gender-based networking system focuses on career progression and how to balance work and family.
- At **Merck** and **IBM**, generous leave policies allow mothers up to 1 or 2 years off, respectively, to care for a child.
- **Shell** is very flexible about employees taking time off for short-term care responsibilities and for attending commitments for school-aged children, such as parent-teacher conferences.

# Salient Work-Life Issues & Best Practices

## Stress, Health and Wellness

Stress associated with hours worked and job demands is a common work-life issue. One view is that, because of rapid and dramatic changes in China's society, social factors – not work – are the main source of stress (Xie, 2006).

- **Shell** has an EAP, a company doctor and nurse, and provides a social club for employees.
- **State Street** has a recreational committee for social activities, a health club that is free to employees, and allows employees to allocate 10% of work time to self-development.
- **IBM** provides an EAP and well-being seminars, and has a company club that arranges sports days, outings, and interest classes.

# Salient Work-Life Issues & Best Practices

## Talent Management

Recruitment and retention of experienced workers, especially women, is a concern for organizations, some of which cite difficulties in attracting women to highly demanding jobs, and an increased willingness of women to take extended leaves of absence, even if it means returning to a different job. Employers indicate that it is more difficult than in the past to recruit women in the 40-45 age group because they are more willing to consider life and personal factors.

- **Kraft** makes retention a high priority and tracks the number of women in management.
- **Dow** puts strong emphasis on career progression within the organization and heavily publicizes job openings internally.

# Salient Work-Life Issues & Best Practices

## Relocation/Separation Issues

It is very common for nuclear families to be separated by work, or to have to relocate, which creates complications in terms of *hukou* registration and social benefits. In particular, education for children can be very expensive without local *hukou*. It is also common for families and singles to live far apart from their extended families/parents. Nevertheless, filial piety dictates that it is the younger generation's responsibility to care for the older.

- **Shell** provides support for school fees for employees who are required to relocate for business reasons.
- A number of organizations provide paid leave and/or financial assistance for travel to enable employees to visit parents/extended family in other regions.

# Progression of work-life in China

1. Planned economy and state and community controlled enterprises = Government and enterprise support for work and family needs
2. Planned market economy with private and public owned enterprises = Mixed support for work and family needs
3. Private sector emerging = Greater emphasis on work and life
4. The future = Increased demand for work-life support

# Trends that will have an impact on work-life demand in China

- Work and life is gaining in priority, especially in relation to recruitment and retention
- Demographic changes (young workforce “bulge” and elder care) will require creative responses --
  - and this potentially provides some certainty in relation to workforce planning
- Difficulties with relocation of skilled employees
- Increased competition for employees from SOEs (especially as SOEs become more international)
- Knowledge base on work-life in China will grow rapidly

# Recommendations for work-life initiatives

- Enable employees (both in terms of providing leave and contributing to travel expenses) to care for and maintain contact with extended family members, e.g. older parents
- Assist with educational costs for children, especially for employees who work at a location that is different from where their household is registered.
- Provide flexibility in when and where work is conducted, as well as flexibility in leave policies.
- Contribute to the health and well-being of employees, both in terms of physical (personal health) and social well-being (social clubs, sporting activities)
- Ensure more financial security through supplemental retirement benefits
- Define clearly the development and promotional opportunities available
- Continue to provide work-life policies and programs equally to men and women

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