Work and Life in China

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1 Introduction

1.1 The relevance of global perspectives

In the current global work environment there is intense competition for talented employees and for market share based on higher product quality and lower prices. Competition requires organizations to take into account the diversity of employees' needs and values, the cultural influences in the areas where the companies operate, as well as the diversity of working relationships (e.g., cross-national teams) in order to attract, retain, and fully engage their employees.

The experience in western countries indicates that responsiveness to the work and family/life needs of employees in the growing number of multinational enterprises (MNE) is likely to be a key factor in ensuring effective local and global business outcomes. Yet, as is pointed out by Bardoel & De Cieri (2006) there has been little serious analysis of work-life needs and approaches to policies/practices in the context of MNEs and a global workforce. This is despite the fact that others (e.g., Shapiro & Noble, 2001; cited in Bardoel & De Cieri, 2006) report that employees from different parts of the world identify three overriding barriers to work-life harmony/integration: a lack of workplace flexibility; access to and affordability of dependent care; and issues associated with work demands and long hours of work.

It is imperative therefore for organizations to understand the variations in work-life issues from one country or region to another and what the key drivers of these variations are.

1.2 The importance of focusing on work-life in China

China is a growing force because it is a significant:

- market for products and resources
- consumer of products and resources
- producer of goods (China contributes 12% of the world's manufacturing output – the comparable figure for the US is 21%)
- producer of services (trade in manufactured goods represents 63.8% of China's GDP – the comparable figure for the US is 21.2%)
- resource for labor (both in terms of availability and relatively low costs).

It is a rare commentator who does not argue that China is the economic force of the future, and as a result, an increasing number of multinationals have operations in China. For many MNEs, the organization's future growth is tied to success in China. Success though is dependent not only on the availability and cost of the workforce, but also on having a motivated and skilled workforce. Labor costs in China are likely to increase in the future, and basing competitiveness primarily on cost will become more challenging. Sustained success will depend on having a workforce that has the capacity to be innovative and is able to adapt to change. Further, given the state of the transition of the Chinese economy (from a planned to a market-driven economy), there is a shortage of experienced employees with the relevant skills needed both by MNEs, and by the increasing number of State Owned Enterprises (SOEs) which are becoming active in the global market place.

The experience in western countries indicates that an organization's responsiveness to the work and family/life needs of employees is likely to be a key factor in attracting, motivating and retaining the skilled employees in China's future workforce. The employer's responsive work-life approach, based on the principle of reciprocity, is assumed to increase employee commitment and willingness to be flexible to meet business needs. Thus, it is important for MNEs to understand work and family/life issues in China, and for human resources staff and managers to develop effective local policies to become employers of choice who attract and retain employees of choice. The accepted western responsiveness to work and family/life needs, however, may not in fact drive loyalty and commitment in China in the way it has come to be expected in other parts of the world.

"Thinking globally and acting locally," it could be argued, is even more relevant when considering work and family/life issues in China, especially given the size and diversity of the local workforce. The long-term success of a multinational organization in a particular product or workforce market will depend to a large degree on the extent to which policies, practices and marketing are sensitive to local issues. Understanding and responding to the work and family/life interface provides a way for an organization to also demonstrate corporate responsibility and community commitment within their operating environment in China, and thus increase the value of their employment and product brand.

1.3 The work-life analytic framework

In terms of work and family/life, China is complex and is in the midst of significant social and economic changes. Further, there has been little analysis of work-life issues in China; there is still less analysis using frameworks that are consistent with those used in western countries. The present summary therefore, can at best be described as exploratory and the beginning of a process of understanding work-life issues in China in the context of the operations of MNEs. This report is based on research and data published in and about China, in addition to the information gathered from a small number of interviews and focus groups obtained from MNEs and local organizations operating in China. Due to the paucity of data published about work-life in China, the analytic framework draws heavily on the experiences within other cultures, and with different economic and employment systems. With the advantage of additional analysis and data from China, this framework may need to be modified.

The framework employed here covers:

A. The economic, employment, social and cultural contexts of China and the impact that they have on work and family/life. Key factors identified in this analysis include:

   (1) China has a highly planned market-driven economy with increasing emphasis on private ownership and foreign investment.

   (2) China has strong labor laws based on mutual rights and obligations in relation to the principles of equality, voluntarism and negotiation. These are heavily influenced by the political system.

   (3) Labor laws mandate working arrangements such as hours of work, payment of overtime, leave arrangements (e.g., for annual leave and parental leave) and retirement.

(4) Worker migration (from one area of China to another) has become common in recent years resulting in many employees (especially those in the manufacturing and service industries) living apart from their families.

(5) China has an aging population (in 2030 it is expected that 22% of the population will be over 60 years of age), with limited provisions for support of income and health. At the same time, there is a cultural expectation that the younger generation will care for the older generation (the value of *filial piety*).

(6) China has a one-child policy which means that household size and child-dependency ratios are relatively low. At the same time, few parents experience difficulties in relation to the provision of child care (although concerns about the quality of this care are more widespread). Further, ensuring high quality education for children is a high priority for parents in China.

(7) Labor force participation rates for women are high in comparison to other countries. There are high expectations of gender equality in the workforce, and women place a high priority on their careers.

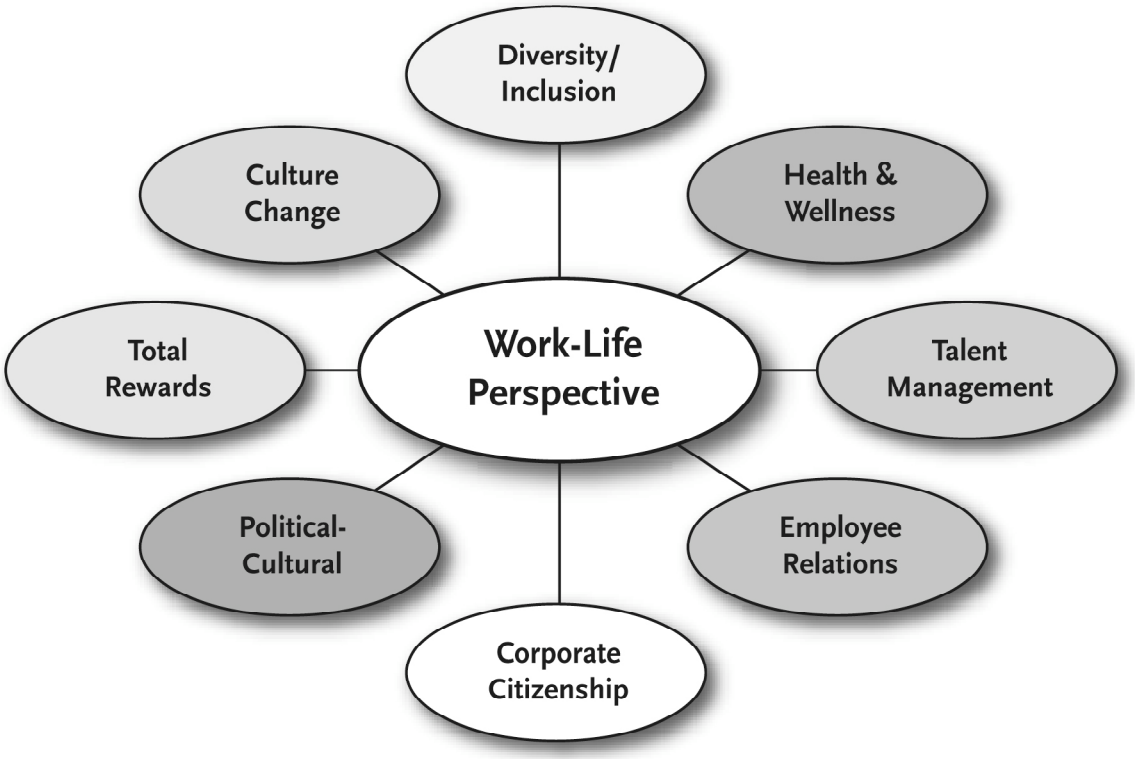
(8) There is an emerging, highly educated and motivated workforce (both female and male). This group has been extensively recruited by MNEs, and many MNEs now have workforces with equal numbers of males and females who are relatively young and without children.

(9) Family values and social laws have a major influence on lifestyles and decisions about work, family and life. *Confucianism* and *Daoism* continue to have a major influence (e.g., in the value placed on harmony between work and life), as do *guanxi* (social connections, family ties and mutual obligations), *filial piety* (strong sense of obligation to support their elders), and *hukou* (household registration and its accompanying benefits).

B. The work-life agenda

A beginning question in the research process focusing on MNEs was to ask "What does work-life mean in China?" A strong conclusion was that discussions about work-life in China are framed more in terms of harmony and integration, and that there is little evidence of "western" frameworks being used (apart from those imported by MNEs). Further, despite the past emphasis on state and community owned enterprises in providing economic and social support to families for child care, education of children, and for retirement, these are not currently a major focus of MNEs. Paradoxically, in the quest for greater economic efficiency and increased competitiveness, providing economic and social support for families has become less of a focus of State Owned Enterprises.

Despite this, MNEs operating in China now or in the future may find it useful to consider the work-life frameworks developed in other societies, e.g., in the United States by Harrington (2007). In his analysis of the evolution of work-life in the US, Harrington identifies seven work-life perspectives. For China, however, an additional dimension needs to be added – a Political-Cultural dimension. The perspectives are presented in the diagram below. The shading indicates the extent to which these are currently evident in the approach to work-life in China (thus the Political-Cultural perspective is the most evident and the Corporate Citizenship perspective is not evident at all).



(1) Diversity perspective

The focus of this perspective is on the alignment of work-life initiatives with diversity (having an inclusive workplace, emphasizing development opportunities for all employees). In China, there is evidence of this approach in the existence of women's networks and the focus on the particular work and life needs of female employees (e.g., nursing leave), however, it is not a dominant theme.

(2) Health and wellness perspective

This perspective demonstrated one of the strongest aspects of the work-life agenda in China. Similar to other countries, health and wellness includes programs such as Employee Assistance Programs and physical health and well-being initiatives. Companies in China also provide initiatives to enhance social relationships (social and sporting activities). Further, while stress (associated with hours of work and work demands) is a major concern, there is little evidence of the provision of stress-reduction programs.

(3) Talent management perspective

According to Harrington (2007) talent management includes a range of HR functions involved in finding, employing, developing and retaining the best talent (often based on a talent shortage in a particular employment market place). From a work-life perspective, Harrington argues that work-life becomes an important defining characteristic of an "employer of choice." There is limited evidence of this perspective having a major impact in China, apart from the issues associated with retaining and developing managers who are sometimes reluctant to relocate because of family fac-

tors (e.g., to relocate away from parents, or to relocate to a city where there might be issues associated with a child's education – either the cost or the quality).

(4) Employee relations perspective
The focus in this perspective is on creating a positive work environment through reward and recognition initiatives and programs which enable employees to resolve personal and work-related challenges (Harrington, 2007). The evidence for this approach in China comes from the provision of personal health and well-being programs (as mentioned above), flexible work arrangements and leave provisions.

(5) Corporate citizenship perspective
This perspective involves organizations providing opportunities for employees to give back to the community (e.g., mentoring in schools) through volunteer arrangements or flexible schedules. No evidence was found for this approach in the current analysis.

(6) Total rewards perspective
Harrington (2007) posits that total rewards incorporate work-life as a significant component of a "total rewards package" and is an explicit benefit in the recruitment of top quality talent. These benefits may include: flexible work arrangements, on-site childcare, and concierge services. Apart from offering standard medical and retirement benefits, there is little evidence of this approach in the analyses conducted as part of this project. There were a few situations where companies offer financial support for education and elder care to managers who are required to relocate.

(7) Cultural change perspective
Work-life initiatives are associated with a recognition that the workplace and workforce are changing and that organizations need to create a new culture and new ways to design work (Harrington, 2007). As is argued by Harrington (2007), in this context, the relevant work-life initiatives address: concerns for quality of work life, cultural change programs, flexible work arrangements, employee engagement, and reducing workload. Apart from two of the organizations included here, this is not a strong aspect of the approach to work-life in China. Flexible work arrangements, for example, are sometimes linked with a legal requirement to limit overtime. There is a concern about work demands.

(8) Political-cultural perspective
Government policies and regulations in China, especially in relation to employment laws have a significant impact on work-life. Government policies in China provide specific regulations on working hours, overtime, and paid parental leave provisions. These regulations are all designed with the intention of enabling the combination of work and caring responsibilities and ensuring that the impact of work demands on family and personal life are minimized.

C. Phases and stages of work-life development in China

It is important to examine the history of work and life in a society and to attempt to identify the key forces that have shaped the agenda in the past, and will shape it in the future. There are four phases that can be identified, including one phase that is likely to emerge in the near future.

Phase 1: Planned economy and state controlled enterprises: Government and enterprise support for work-life

During this phase, Enterprises (dominated by State Owned and Urban Collective Enterprises) guaranteed security of employment and provided support for child-care, schooling and elder care. Government policies also mandated parental and nursing leave. Health care was provided by the State, outside the realm of business.

Phase 2: Planned market economy with private and public owned enterprises: Mixed support for work-life needs

During this phase the drive for economic growth and efficiency in public sector enterprises, created job insecurity and fewer supports for family and personal needs. With an increasing number of private sector enterprises and especially with the introduction of MNEs, the overall landscape in relation to work and life changed. In this environment, there was much more emphasis on individual responsibility. As a result, MNEs became more attractive because they could provide higher salaries and greater career opportunities, thus providing more choices to take personal responsibility for work and family/life needs.

Phase 3: Private sector emerging: Greater emphasis on work-life

From the evidence collected as part of this project, it is clear that MNEs are currently in this phase and placing a greater emphasis on work-life issues. For many, this relates to greater attention to the health and well-being of their employees, to workplace flexibility (based more on limiting overtime), and to a process that involves "fitting in" policies and practices developed within another culture.

Phase 4: The future: Increasing demand for work-life support

As China moves from a "made in China" to "made by China" environment, there will be an increasing emphasis on innovation and a greater demand for work-life practices. Work-life enables cultural change (to find new ways of working) and can be an asset in the recruitment and retention of talent. From the evidence discussed below, there will be greater competition for talent between MNEs and State Owned Enterprises. It is also likely that as the single employees hired in recent years have children, more emphasis will need to be placed on work and life for this group (e.g., child care needs, needs for greater flexibility). Work-life issues will also become more dominant because of the aging population (with greater demands for employees to care for their elderly parents). Workplace flexibility is likely to become a key differentiator between organizations, and a potential source of competitive advantage for MNEs.

2 The economic, employment, demographic and cultural contexts of China

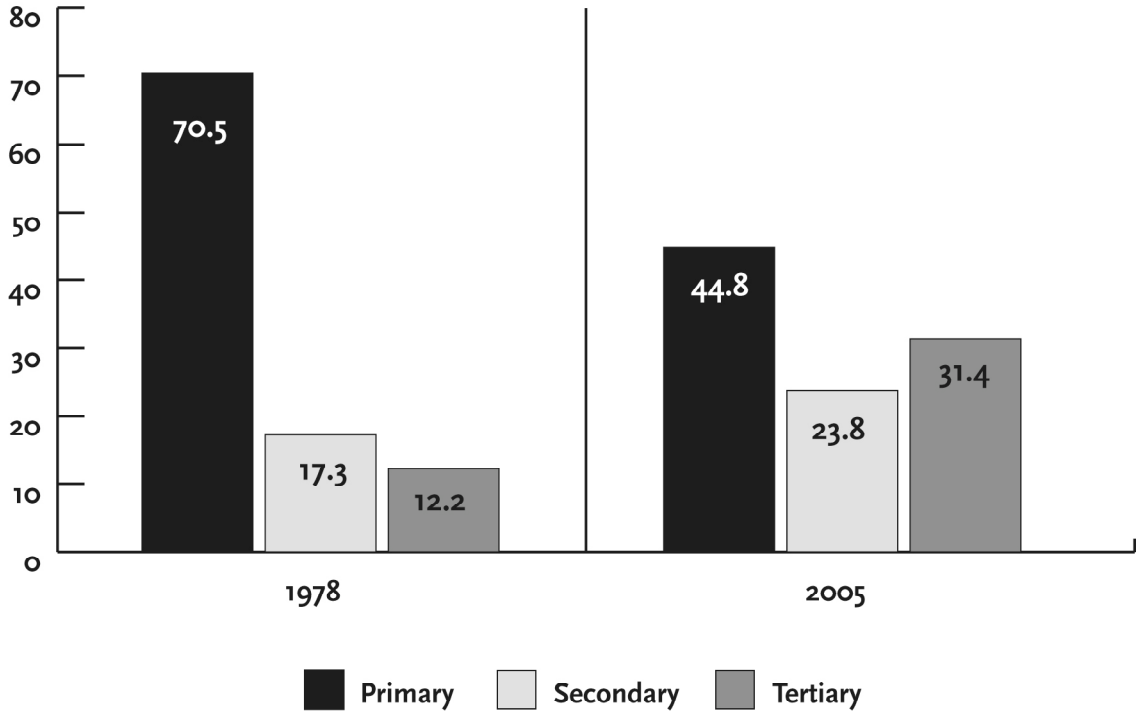
2.1 The economy

China's economy is in transition from:

1. a primary industry-based to a more mixed economy,
2. a highly planned to a market-driven economy with much more emphasis on private ownership;
3. rural to urban employment.

As can be seen from the graph below, the percentage of people employed in the primary (e.g., agriculture) sector has decreased from 70.5% in 1978 to 44.8% in 2005, and the percentages employed in the secondary (manufacturing) and tertiary (or service) sectors have increased significantly.

FIGURE 1: Percentage of People Employed in Different Industry Sectors



These changes have occurred within the context of a socialist political system and a single party government, and a society with strong links to the values and beliefs of Confucianism and Daoism (see below). It also builds on the four modernizations put in place during the Deng era: industry, agriculture, science and technology, and national defense.

The economic landscape has also changed as a consequence of the rapid expansion in the past 15 years of China's inward foreign direct investment (FDI) relative to GDP. China's FDI is now higher than that of Korea and Japan and comparable to Canada and the United Kingdom. Openness to international trade and FDI has allowed China to become a major export platform for multinational enterprises, in particular for manufactured goods. If current trends continue, China will become the world's largest exporter.

There is a strong emphasis on fast-paced economic growth. The Chinese economy has expanded by an average of 10% over the past 15 years, and China is now the fourth largest economy in the world, with one-fifth of the world's population (1.3 billion people). Despite this, China's GDP is relatively low in comparison with other economies although there has been a rapid growth in the past 20 years (with an average annual rate of increase of 10%). China's GDP (based on Purchasing Power Parity) per capita in 2005 was US$6,600 (this contrasts with the US where it was $42,100). The GDP per employed person in China in 1995 was US$5,100 whereas in 2004 it was US$8,200. The comparable figures for the US are: 1995: US$51,800; 2004: US$62,100.

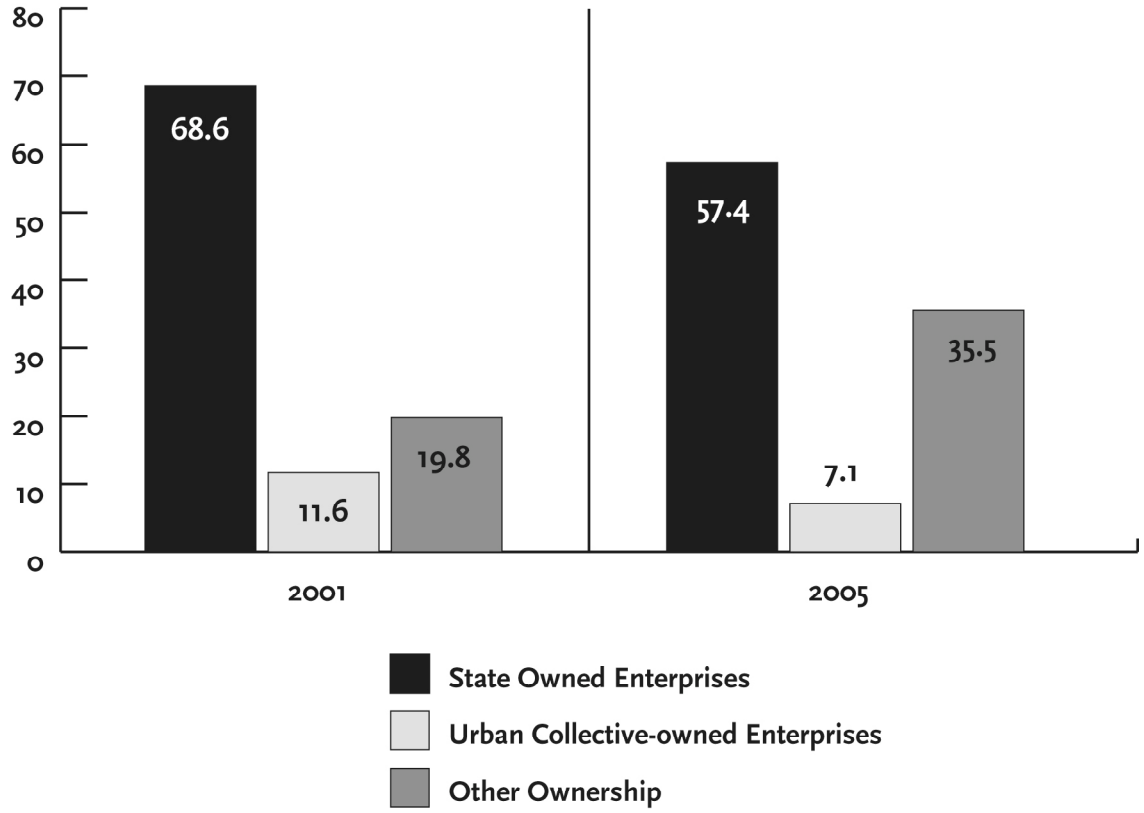
2.2 Employment in China

Role of SOEs

Previously, most companies in China were State Owned Enterprises (SOEs). A SOE is defined as "a non-corporation economic unit where the entire assets are owned by the state." In 1978, SOEs produced 77.6% of the gross value of China's industrial output, whereas in 2001 this figure dropped to 18%. There has also been a significant shift in the pattern of employment.

Figure 2 below shows the shift in employment for SOEs, Urban Collective-owned enterprises (defined as economic units where the assets are owned collectively), and all other enterprises (including Private Enterprises, Joint-venture enterprises with foreign investment, enterprises with exclusive foreign investment, etc.) from 2001 to 2005. It is the latter category that has shown the most dramatic increase.

FIGURE 2: Percentage of People Employed in Different Types of Enterprises



Traditionally SOEs provided lifetime employment as well as housing, child-care, schooling, medical care and retirement income. As described by one person: "You worked in one yard, walked 5 minutes to another yard where you lived, and your children went to school in another yard."

Government reforms have been directed at SOEs to enable their transformation to modern, market-oriented corporate entities. As part of the process of economic reform, very few SOEs currently provide these social support functions. Further, the reforms have resulted in an increase in unemployment and in job insecurity. These structural and cultural changes of the SOEs have forced employees to alter their expectations for the role of the employer. Many Chinese have recently been attracted to private sector organizations and MNEs where the employment contracts are perhaps no more stable, but these organizations provide alternative benefits.

Therefore, with the move to a more market-driven economy, there is also likely to be: (1) An increased demand for talent, especially in management positions; (2) a reduction in overall levels of job security (although recent changes to the Labor Laws could counteract this to a degree); (3) an increase in the attractiveness of employment in MNEs and private sector organizations in contrast to SOEs.

The ideology of the employment relationship

Fernandez & Underwood (2007) found that the Chinese employment relationship is strongly influenced both by the employer-employee relationship and the view that the workplace is "like a family" (see also Chen, 2001). They argue that Chinese employees tend to form closer relationships with their immediate supervisor than is the case in western countries. It is based on an assumption of reciprocity: "I am committed to the organization, and in turn I expect that the organization – and especially my immediate supervisor – will look after me." The assumption of reciprocity also implies that the organization (the supervisor) will care about the employees' well-being in relation to their job, their family, and their personal life. Fernandez & Underwood (2007) also argue that the workplace represents a social network – it is an important social unit where you build key relationships.

The employment relationship in China is also influenced by:

- the history of work (state controlled and a collective approach)
- past expectations of employers (e.g., providing for health and social needs)
- the current socio-economic context of China (e.g., the strong need for longer-term financial security, the lack of well-funded national systems of social security and welfare)
- the labor laws and requirements in relation to the employee-employer relationship
- Human Resource Management (HRM) systems introduced by MNEs
- the perceived opportunities of the emerging workforce (e.g., the value placed by university graduates on having a career in an MNE)

The importance of this mix of factors is very evident in the recent findings from a 2006 study conducted by Mercer. They surveyed 114 organizations in China and reported that:

- 54% had experienced an increase in turnover from professional staff in the past year
- The average tenure for 25-35 year olds (the group most commonly targeted by multinationals) fell from an average of 3 to 5 years in 2004 to 1 to 2 years in 2005.
- 83% of organizations offered healthcare and related insurance (reflecting the lack of national systems)
- 41% provided health and fitness plans
- 24% offered flexible working (relatively low in comparison to western organizations)

They also reported that the top five methods for attracting and retaining staff were:

- 23%: attractive salary and benefits packages
- 19%: opportunities for career development
- 7%: meaningful and creative work
- 7%: unique organizational culture
- 3%: company location

Salary and benefits, combined with opportunities for career development, appear to be the most salient factor to attract and retain the emerging workforce in China. These data are very consistent with those obtained from the interviews and focus groups conducted as part of this project. A strong

theme was evident in relation to the importance of learning and development and career progression ("employees will give up a day's pay to go on a training course"). Fernandez & Underwood (2007) also suggest that the career expectations are higher in China than in any other country. They go further to suggest that "in China (there is a) deeply ingrained culture of pursuing professional advancement and that this is fueled by the pressure from family and society."

An additional perspective is provided by the findings of a survey (of 215 human resources professionals and 862 employees in China) conducted by DDI (2007). They report that the top four reasons for turnover given by employees were: lack of growth and development opportunities with their current employer, the availability of better career opportunities elsewhere, insufficient compensation and uninteresting work. In contrast, very few employees mentioned a poor relationship with their manager as a reason for leaving. In terms of the major reasons why people stay with an organization, strong and effective leadership was rated most highly, whereas in conflict with previous findings, remuneration and benefits were less important – as were balance between work and personal life and flexible work conditions. Of interest too was that "a creative and fun workplace culture" and "a compatible work group/team" were rated highly. Another significant finding from this study was that, in contrast with usual findings in western cultures, leaders reported**lower** levels of loyalty to their organization and were less likely to indicate that they would continue working with their organization than were people who were not in leadership positions. Given the relative shortage of skilled managers in China, this is a particularly salient finding.

SOEs and MNEs

Consultations with HR professionals and focus groups conducted with employees in MNEs in China indicated that the labor markets and employment propositions for SOEs and MNEs are very different. Those who are attracted to SOEs tend to have a greater focus on security and the capacity to have harmony in work and family/life. SOEs provide more benefits (e.g., housing, medical care and financial support in retirement) and are perceived to have lower work demands (e.g., hours of work and expectations for relocation and travel) (Fernandez & Underwood, 2007). In contrast MNEs provide higher levels of remuneration, and therefore their employees have increased capacity to save for their retirement, and significantly higher learning and development opportunities (necessary for career development). For many Chinese, income is an indicator of success. Some companies reported that they experienced difficulties in recruiting people who prefer SOEs because of job security and other benefits, although there are no research data to support this.

It is also expected that competition between SOEs and MNEs for talent will increase in the future and be even more evident at management levels and in niche professional skills markets. This will be especially the case as more SOEs expand into international markets. It is not expected that this competition will be based on issues associated with job security. It is more likely that employment decisions will be based on remuneration and benefits (especially in relation to longer term expectations about having security of income in retirement), and career and learning and development opportunities. This long-term view is very consistent with that espoused by the US-China Business Council (2006). This group argues that the following factors are the most critical for Chinese employees in their decisions to either switch jobs or to stay with the current one: remuneration, career opportunities and work environment. Other factors that they recommend for retention include:

- offer job rotations
- link career and promotion (establishing a career development path that is integrated with a track

for merit-based promotion)

- be aware of difficulties associated with relocation
- plan social gatherings and sporting activities
- ensure that benefits reflect employee concerns (e.g., health care costs for aging parents, education opportunities and costs for children; and housing prices)
- supplement state health insurance

Migration

Reforms and efficiencies in the agricultural sector (and the implementation of the household responsibility system – where the household replaced the collective as the basic unit of production) have meant that over 100 million workers from rural areas have moved to cities seeking employment. The continuation of the Household Registration System (see below) however, means that many of these "floating workers" are discriminated against in terms of employment and accessing "free" local services (e.g., schools). For a migrant worker to continue to reside in an urban area, they are required to have three documents: an employment permit, a temporary residence certificate and proof of compliance with the family-planning policy. It is also the case that regulations and laws allow migrant workers to be charged fees to have their children attend local schools. This system makes it more difficult for local Chinese employees to relocate. Some MNEs have offered financial subsidies for the education of the children of employees in order to attract and retain them within the organization.

Labor Laws

Labor Laws in China require that workers and management sign a labor contract on their mutual rights and obligations in relation to the principles of equality, voluntarism and negotiation. Labor policies include employment and training, working conditions and occupational safety, and labor-management relationships. Overall, however, the role of the state in various aspects of labor relationships has been reduced. It is the market rather than the state that now has more influence over labor allocation, working conditions and remuneration.

Organizations are required to comply with labor laws in terms of recruitment, hours of work, and start and finish times (also related to punctuality and systems for monitoring and tracking personnel issues). The standard working hour arrangement is five by eight hour days. Overtime is required to be paid at 1.5 times the normal rate, double time on weekends and triple time on public holidays. Working hours can either be fixed (5 by 8 hours or unfixed, e.g., a total of 40 hours per week where and when this is worked is based on production requirements).

The current laws are strongly influenced by the political system and are based on a presumption that national interests come before labor interests. Further, all high-ranking work-based union leaders are Chinese Communist Party (CCP) members and must be approved by the CCP. Unions are currently very weak in MNEs, and governments are in the process of strengthening their role in these enterprises. Unions have been strengthened in the new labor contract laws (2008) and now have a more powerful position. The new Employment Contract Law (approved by the Standing Committee of the National People's Congress on June 29, 2007) effective in January 2008, requires that an employer has to negotiate company rules/codes of conduct/employee handbooks with a

union or an employee representative congress elected by all employees. A Workers' Congress operates at the level of the organization and is intended to meet every six months. It functions to ensure that employees have a process for the democratic participation in the organization's management and to protect employees' economic interests.

A view was expressed by MNEs consulted for this project that foreign companies will have to increasingly engage in dialogue with unions and workers' congresses, and that in the future, unions will have more of a focus on work-life issues on behalf of workers. It is expected that unions will increasingly represent employees' concerns in relation to stress, hours of work (and overtime), and work demands. In China the workplace is often considered more like a family, and unions being part of this family, are expected to support employee interests.

Other changes to the Labor Laws that will have an impact on MNEs include:

- Written employment contracts are required
- Long-term employment relationships are encouraged as a way of better protecting the rights and interests of employees
- Severance payments will be regulated
- Part-time employment is permitted with the conditions: remuneration is calculated on an hourly basis; the average working hours shall not exceed 4 hours per day and 24 hours per week; the maximum remuneration settlement and payment shall not exceed 15 days each; oral agreements are allowed with no probation period; both the employer and employee can terminate the employment relationship at any time and no severance pay is applicable.

In discussions held with HR personnel in MNEs as part of this project, there appears to be little current demand for part-time work. It may be that increased wages and greater dissatisfaction with the quality of child care (see below), will increase the demand for part-time work.

As specified by the Labor Laws effective January 2008, all permanent workers have the following entitlements.

- Annual leave: 12 days in first year; 15 days in second year and 18 days in third and subsequent years.
- Public holidays: Spring Festival Golden Week (7 days); National Day Golden Week (7 days).
- Marriage leave: late marriage over 25 = 10 days; "normal" marriage (men over 22 and women over 20) = 3 days.
- Maternity leave (90 days; if over 24, there is an extra 30 days; if there are difficulties with the birth , there are an extra 15 days; the maximum = 135 days). The law requires that you come back to the same job and level.
- Paternity leave: this varies between 3 and 7 days (depending on local laws).
- Nursing leave: 1 hour/day for 12 months, usually taken at either the beginning or the end of the day with the agreement of supervisor.
- Unpaid leave (varies with different companies) = 15 days per 12 months.

Retirement and Pensions

The current legal retirement age in China varies depending on the position held. Retirement is expected by the age of 60 for men and 55 for women for "officials, engineers and professionals with special expertise." For factory workers, men are expected to retired by 55 and women, by age 50. In some SOEs people are able to retire earlier (in their 40s and 50s) in order to provide employment for the younger generation. Indeed the average retirement age was reported to be 51.2 years in 2000.

While numerous reforms have occurred over the past 30 years in relation to pensions and medical insurance for retirees (e.g., to expand insurance schemes beyond State and Community Controlled Enterprises), there is currently a high level of concern about universal coverage being delivered (Frazer, 2006).

According to the National Bureau of Statistics (June 5, 2007), only 24% of those people participating in basic pension insurance plans were retired. Fewer than 26% of retirees have medical insurance. Coverage is much lower for those in rural areas (90% are not covered), and lower for those in urban areas who are employed part-time, those who are self-employed, or for rural migrants working in urban enterprises (Frazer, 2006). Those without pensions rely either on their own savings (a relatively low proportion of those currently retired) or on informal family support, especially in rural areas (Hu, 2006).

Despite the fact that there is now a mandatory pension system in place for urban enterprises (with employees contributing 8% of their wages and employers 3%), Hu (2006) reports that only 4 in 10 urban workers are covered. Frazer (2006) also reports that there is a high level of anxiety about the capacity of these schemes to deliver the financial security expected (over 90% of people surveyed believed receiving an adequate pension was their right). Further, confidence in the current scheme was not as high for those employed in non-State Owned Enterprises and for those less than 40 years in age.

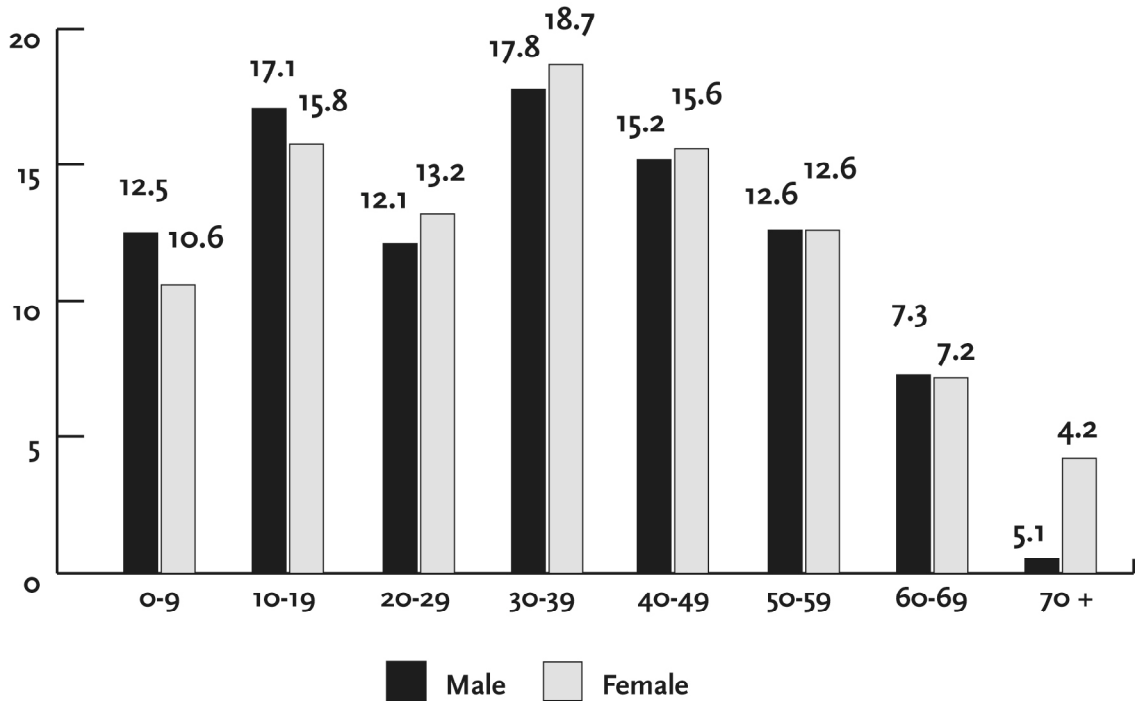
Given this situation, having a highly effective retirement and pension scheme is likely to be a source of competitive advantage for MNEs. The provision of medical insurance is also likely to influence the recruitment and retention of talent as a recent national survey of 101,000 households conducted by the National Bureau of Statistics (November 2007) revealed that the top concern of respondents was the cost of health care (reported by the Washington Post, January 10, 2008).

2.3 Demographic trends in China

Age patterns

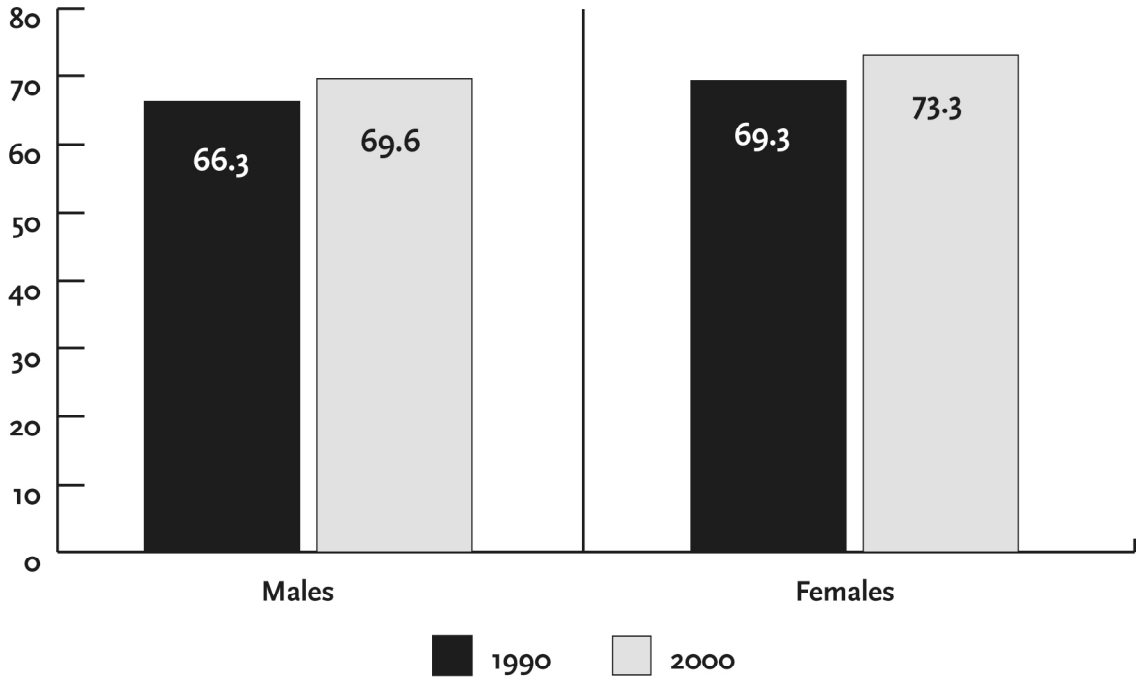
The complete age distribution for the Chinese population in 2005 is shown in the next graph, including the breakdown for males and females. The differences between males and females in the age brackets 0 to 9 and 10 to 19 are very evident and reflect the preference to have male children.

FIGURE 3: Age Distribution for Males and Females (2005)



Life expectancy has also increased significantly in the past 30 years and is likely to increase even further in the future. This will result in an even greater increase in the aging of the Chinese population.

FIGURE 4: Life Expectancy



In 2000 6% of the population was over 60; in 2030 it is expected that approximately 22% will be over 60.

As is noted in the OECD report, the aging of the population is expected to have a significant social and economic impact in China and will provide a challenge for employees in MNEs. This is likely to be a key driver for employees to focus on higher salaries and pensions, and job security to ensure that they are able to provide for themselves, their children, and their extended family in the future.

One-child policy

The one-child policy is a government family-planning policy aimed at reducing the number of children and the size of the overall population of China. The First National Family Planning Law (2002) focuses on individuals' legal obligations and outlines standards and measures to ensure the effective implementation of the national population and birth control policy. Families in urban areas are only able to have one child (although some allow two children if spaced more than five years apart) and those in rural areas may be able to have two children. Associated with family planning regulations, Chinese have facilitated access to abortion and the compulsory use of long-term birth control techniques. Not complying with these policies results in a fine and reduction in access to social benefits. Given the cultural pressure associated with having a son, there has been an increased abortion rate for females, resulting in a problematic sex ratio = 116.9 males per 100 females. There is also an argument that this situation will lead to even greater gender differences and to the discrimination of women, particularly in relation to employment. Such outcomes will occur because the available labor pool will be dominated by men and therefore employers will be less likely to employ women (especially given that women are more likely to take leave from their employment to have a child).

Marriage

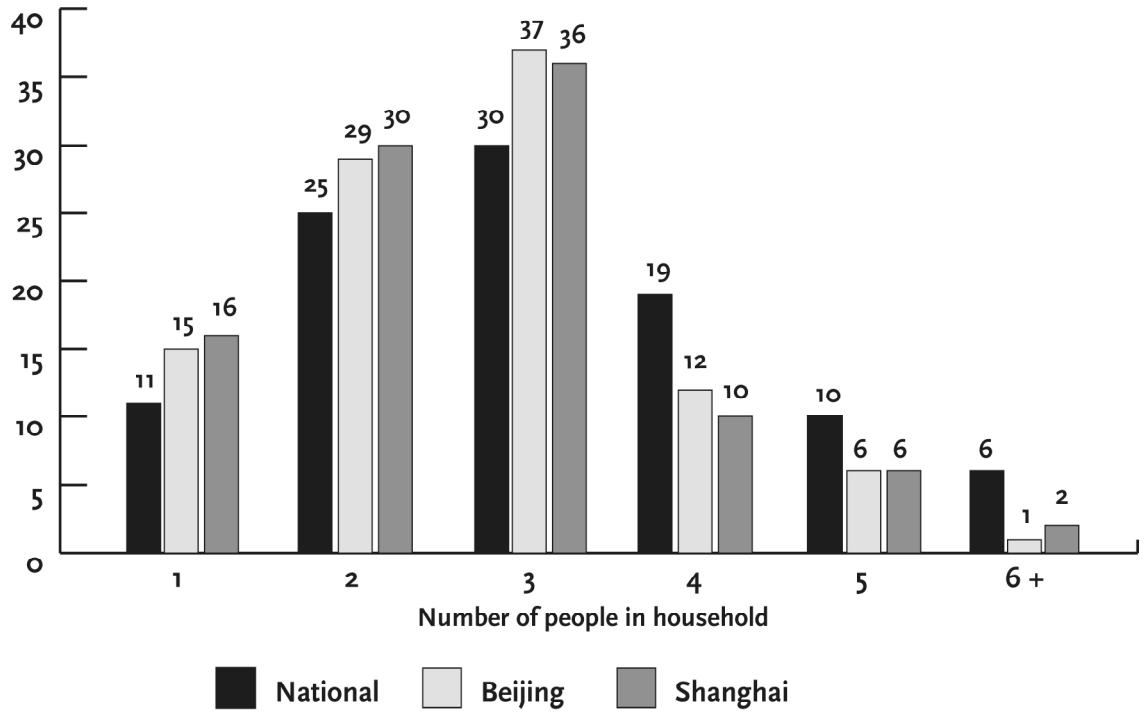
The laws about the age of marriage stipulate that men have to be over 22 and women have to be over 20. The intention is to encourage people to have children when they are older. In 2001, the average age of marriage for men was reported to be 23.8 years and for women, 22.1 years. The number of couples who had registered their marriage, however, has been declining. In 1989, 93.7 million couples registered their marriage, in 2004 it was 86.7 million and in 2005 it was 82.3 million. Of the total population (aged 15 years and over) in 2005, 73% of men and 75% of women were married.

Marriage practices have implications for the work-life approaches of organizations. In contrast to other countries, organizations in China could experience greater certainty about the demographics of their workforces and the work-life needs of their employees over their life-span.

Household composition

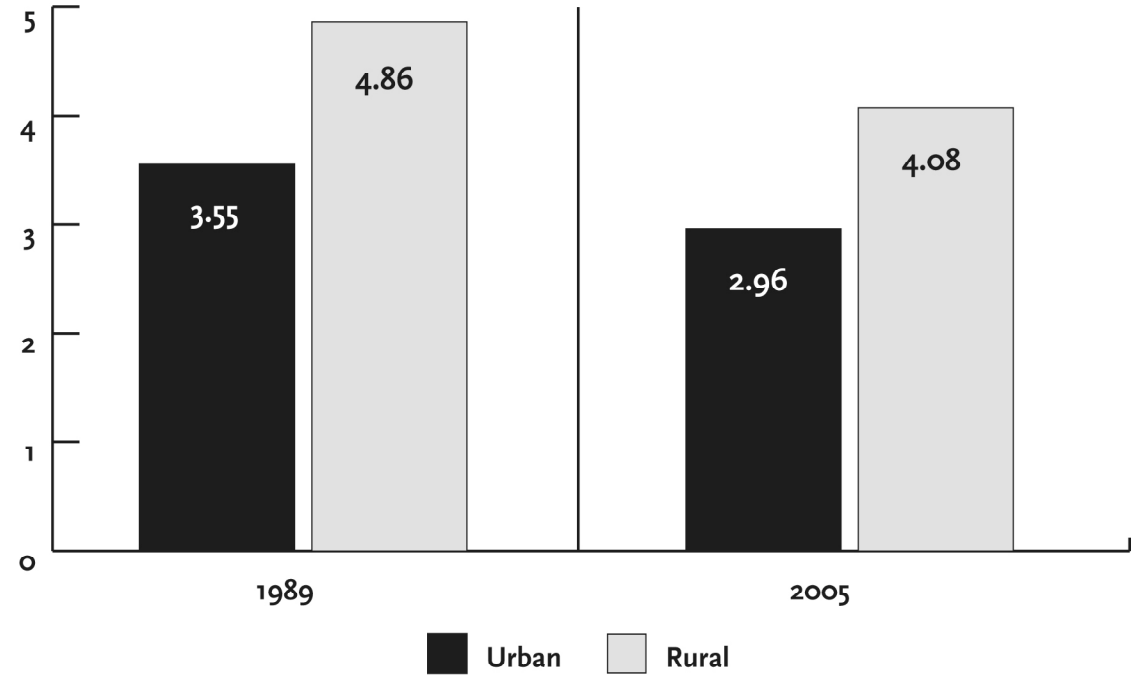
The overall household composition is shown in Figure 5 below. As can be seen, the most common households have between two and four people. This suggests that the frequency of multi-generational households is relatively small (and this is especially the case in urban areas – see below).

FIGURE 5: Percentage of Households with Different Numbers of Persons



The average household composition (persons/household) has reduced from 4.33 in 1953 to 3.44 in 2000. As can be seen from the graph below, this shift has occurred in both rural and urban areas.

FIGURE 6: Average Household Size



It is also of interest that household sizes are relatively smaller in Shanghai and Beijing (cities where a significant number of MNEs are located). In Beijing, 82% of households have three or fewer people (nationally the figure is 65%). This difference is in part due to the significant urban migration and to the one-child policy. Households are now more likely to be based on nuclear families with two adults and one child, and are less likely to include extended family members. There are also more families where adult children and their parents live considerable distances apart. The growing distance between parents and adult children presents a challenge for providing care and support for aging parents, and for current parents to receive support from their parents in caring for children.

Dependency ratios

The Dependency Ratio (DR) is the ratio of dependents (persons under age 15 or over age 64) to the working-age population (persons aged 15 to 64). This ratio provides an indication of the potential challenges of the productive component of the population available to support those who are not economically active (children and the elderly). As can be seen in Table 1 the DR is lower in China than in the US. This is associated with the one-child policy and the overall reduction in family size. The DR is also much lower in Beijing and Shanghai than for the entire Chinese population, again reflecting the demographic trends noted above.

Table 1: Dependency Ratios

	China	Beijing	Shanghai	US
2005	0.41	0.27	0.27	0.49
2025 (est.)	0.46			0.58

What is of more concern in China is the expected increase in the DR in the future. The aged dependency ratio for China has shifted from .08 in 1978 to .11 in 2005. This will be much higher in 2025 (it is expected to be approximately .25) when the full impact of the one-child policy is felt (in urban areas on average there will be one adult child to two aging parents). Issues associated with elder care therefore will become increasingly salient for the working age population, both in terms of providing for the financial and the physical care of non-working elders. The issues will be especially relevant given the strong cultural emphasis on children caring for their parents.

Labor force participation rates

Labor force participation rates in China in 2005 are shown below in comparison to the US. Participation rates in China are amongst the highest in the world. The overwhelming majority of workers are employed full-time, with very little demand for, or opportunity to be employed on a "part-time" basis.

Table 2: Labor Force Participation Rates (2005)

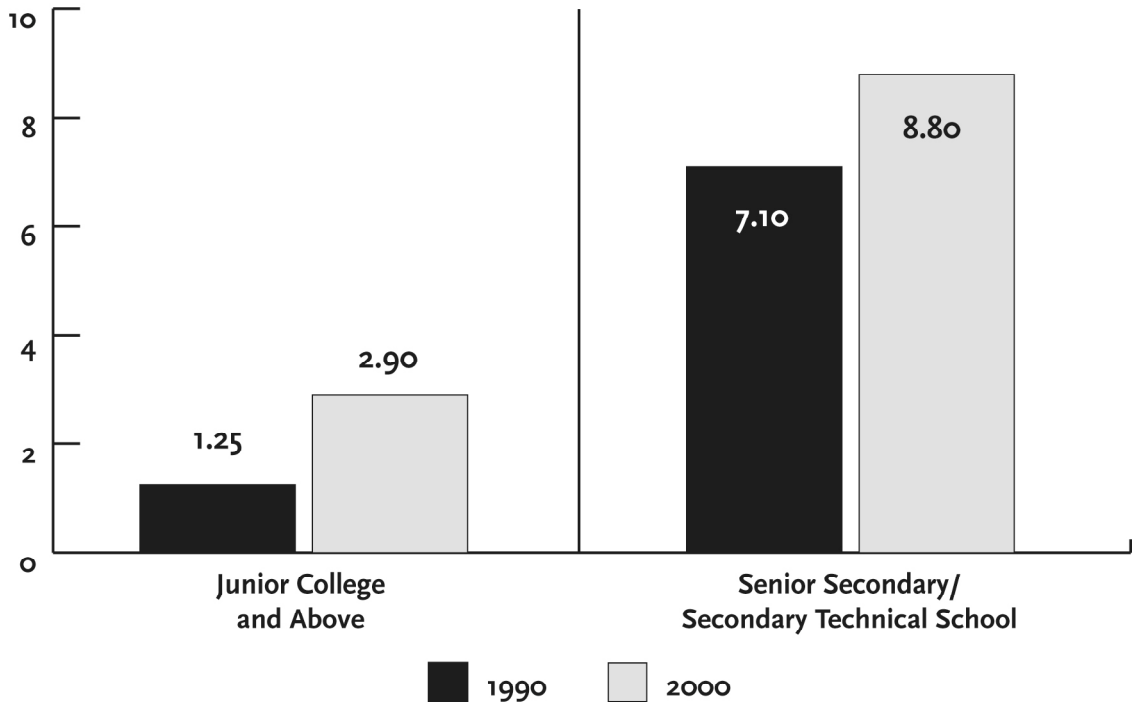
	China	US
Men	87.8	81.5
Women	75.8	70.1

Education

Significant shifts have occurred in the past 20 years in terms of education. Education is now an extremely high priority in China, both for the government and for parents. In addition to the nine years of compulsory education, there has also been a significant increase in the number of people completing senior secondary school and college education. Being able to provide for the education of your child, therefore, has become a salient work-life issue for parents and their lack of willingness to move for employment.

The school year in China begins on September 1 and ends in mid-July, and is divided into two semesters. For primary years there are 38 weeks of school and 13 weeks of holidays; for the junior secondary years school is in session for 39 weeks, with 12 weeks holidays; and for senior secondary years, school is in session for 40 weeks with 10 to 11 weeks of holidays. Secondary school hours are usually from 7:30 a.m. to 5 p.m. Primary school hours are commonly between 7:30 a.m. and 3:30 p.m. There has, however, been a shift in primary school hours in some areas. In Shanghai's Pudong area, primary school hours are now between 8:15 a.m. and 4:30 p.m. This shift was prompted by a shift in policies in relation to after-school care (which usually went until 4:30). When schools were not able to charge fees for after-school care, many cancelled this service. The lack of childcare resulted in increased difficulties for working parents – a problem that has now been solved by changing the overall hours for primary schools in this area.

Figure 7: Percentage of Population with Educational Qualifications



2.4 Cultural values in China

Confucianism and Daoism have a significant influence

The teachings of Confucius still have a major influence today, particularly in relation to an emphasis on virtue – loyalty to one's true nature, reciprocity in human relations, righteousness and filial piety (to parents and ancestors). The family metaphor is often applied to communities and to the workplace. The essence of Confucianism is harmony. Some argue that collectivism does not pervade all of Chinese society and behavior; rather that it is better viewed as in-group collectivism or family collectivism.

Daoism focuses on strategies and tactics for survival by cultivating vital powers in harmony with nature. It also focuses on the flexibility of the individual, non-interference in the "natural" course of things and strategic behavior (de Man & Yang, 2005). "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. The HRM literature, however, almost exclusively focuses on Confucianism" (de Man & Yang, 2005).

Guanxi

Guanxi is a defining characteristic in Chinese society that influences social relationships and approaches to work and family. Chen (2001) describes the essential components of *guanxi* as being: a focus on social connections defined by reciprocity, mutual obligation, a sense of goodwill and personal affection. *Guanxi* also emphasizes family ties and shared experiences. Chen goes on to point out:

> *"Since the Chinese in general prefer to do business with people they know, or friends of friends, they devote a substantial amount of time and energy to establishing relationships with people they find respectable. It is this commitment of time to building relationships with others that truly defines guanxi."*
>
> **(Chen, 2001)**

Filial piety

While China has always had a diversity of religious beliefs, filial piety, a love and respect for one's parents and ancestors and a responsibility to care for them, has been common to almost all of them. In Confucian thought, filial piety is one of the virtues to be cultivated. In a study (Fuligni & Zhang, 2004) conducted of 700 10th and 12th grade students in China, it was found that despite the social and economic transformation occurring, both urban and rural adolescents still espouse a "strong sense of obligation to support, assist and respect the authority of their families."

Hu (2006) also finds that the younger generation maintains a strong sense of moral obligation to care for their elderly parents, and that the current social system for caring for the aged is dependent on this. As Hu points out, the Family Support Law (1981) gives the younger generations the legal obligation to support their parents if their parents are not able to support themselves.

The hukou (household registration) system

This *hukou* categorizes Chinese citizens on the basis of their place of residence and eligibility for local socioeconomic benefits (e.g., employment opportunities, subsidized housing, free education, medical care, and retirement benefits). *Hukou* identification is obtained via a registration process administered by local authorities.

Gender and work-life

The goal of gender equity can be traced back to Mao Zedong and the establishment of the Peoples Republic of China (1949). Mao Zedong argued that "women hold up half of the sky" and that women can do the same as men. He introduced a legal framework for women to have equal status to men and rights in political, economic, cultural, social and family life. This approach has been affirmed in the more recent initiative: "Gender Equality and Women's Development in China" (2005).

Significant changes have occurred in the past 60 years, and the current role of women contrasts with the Confucian principles of women being seen as inferior to men. The principles in the current marriage law, for example, are based on gender equity (e.g., retaining names, equal access to employment, equal property rights etc). Nevertheless, it can still be argued that Confucian principles continue to have an impact. According to Confucian principles there are three authorities that women are expected to obey: (1) the father and the elder brothers when a woman is young; (2) the husband when a woman is married; and (3) the son when a woman is widowed.

The role of women and mothers changed after the family planning and economic reforms started in 1978. Most women are employed full-time, are much more independent than their mothers were, and are seeking satisfaction both from paid work and from their marriages (some argue that these changes in gender roles have lead to an increase in divorce rates particularly in urban areas). For professional women in urban areas, child care is readily available (either in centers or by employing nannies – who are usually migrant workers and live in), although not always to the quality that parents desire. In 2004 women comprised 43.6% of professionals and technicians in SOEs, 30.5% of those in senior positions in this group and 42% of those in intermediate levels within this group (Gender Equality and Women's Development in China, 2005).

There was also some evidence in employee focus groups conducted as part of this project that there has been a shift in gender balance in relation to employment and family life. Both men and women are expected to be employed full-time and men are expected to participate more actively in domestic life. It was also suggested that there is more evidence of gender equity in domestic life for younger couples living in Shanghai.

Despite these changes, the representation of women in all aspects of public life is still relatively low. Research conducted by Grant Thornton (2007) indicates that 91% of businesses in China have a woman in senior management. This is higher than the global average of 59% and higher than the US (69%). Further, 32% of senior managers in businesses in China are reported to be women, which again is higher than the global average of 22% and the figure for the US (23%).

Notwithstanding the significant participation of women in all levels of business, there is continuing evidence of discrimination against women in education, employment and income (Luo, 2005). Further, Luo (2005) argues that:

> *"Gender discrimination is widespread in the open market, where there are more migrant workers than jobs. Women have fallen victim to intense competition, and there are not enough laws and policies to protect their rights. Women often find themselves hired last and laid off first. Employers impose strict age limits on positions to be filled by female workers out of concern for maternity leave and other family duties that may lower a woman's productivity."*

Generational differences

There is a view that the younger generation in China is more "western," however some argue that this view has more to do with consumerism than a shift in values, and that Confucianism and Daoism still provide the guiding framework for values and behavior. It is also true though that the emerging workforce is seeking different things from the workplace, particularly in relation to careers and personal development, and opportunities to have a more balanced life. These new personal goals contrast with the previous generation who were primarily employed in SOEs with a high expectation that they were totally committed to their jobs. This commitment frequently involved sacrificing personal needs for the "good" of the community and of the family.

2.5 Conclusions

Considerable challenges have been and will continue to be experienced as part of the economic and social transitions taking place in China. These challenges are particularly critical for sustained economic growth, and have implications for the work-life agenda and employment, especially for MNEs. These challenges include:

- The demographic changes occurring, especially in relation to the aging population, and the limited capacity to save for retirement or to support the elderly. The OECD report suggests that: "China might be aging before getting rich."
- The export growth has been primarily dependent on manufacturing with low labor costs and a migrant workforce.
- The significant migration of people from rural to urban areas, resulting in considerable pressure on social services and housing.
- The impact that the *hukou* (household registration) system has on opportunities and access to services, particularly for migrant workers. This system also operates to reduce the attractiveness for professional workers to move from one location to another (e.g., from Shanghai to Beijing).

- The newly implemented labor laws, regulating workplace activities (e.g., employment laws, anti-discrimination laws, occupational health and safety laws)
- A shortage of highly skilled professional (or white collar) and management staff (Fernandez & Underwood, 2007), and the increased competition between a growing number of multinationals (large and medium-sized), based in and out of China, and local organizations (e.g., State Owned Enterprises).

> *"China has maintained very rapid economic growth and development over several decades, but it now faces the challenge of ensuring that further progress – economic, social and environmental – will be both sustainable and comprehensive. This will require fostering innovation, which can play a major role in achieving that goal."*
>
> **(OECD, 2007)**

The OECD (2007) report states that Chinese authorities are aware of these challenges and are in the process of addressing them, particularly by focusing on harmony (e.g., to achieve a more balanced pattern of development), on the development of human capital and by increased investment in science, technology and innovation.

3 Overview of the work-life agenda

3.1 Academic and business views

A review of the academic literature and of business writings (available in English), revealed that there is very little debate and discussion in China about the relationship between work and family/life as it has been conceptualized in western countries, and there is little evidence of the development of work-life policies and practices (again, as defined by western societies). Interestingly, other countries in the region such as Japan and Singapore, are strongly debating the relationship between work and family/life, especially in relation to concerns about falling fertility rates. A critical beginning phase of this analysis therefore was to consider the question of how work and life is defined – both through academic and business views and those who are employed in MNEs.

Academic views of work-life in China

There are academic publications based on western conceptual models of work-life that have included respondents from China (Chen, 2001; Spector and others, 2005; Siu, Lu and Spector, 2007; Siu, Spector, Cooper & Lu, 2005; Wang & Walumbwa, 2007). This also includes several ongoing multinational work and life research projects.

Chen (2001) states that "Chinese people view their lives holistically, and they strive to meet the expectations and obligations of all their roles." This approach to life emphasizes balance and integration. "The Chinese seek harmony and balance in all aspects of their lives" (Chen, 2001). A key component of their philosophy is the idea of interdependent opposites (rather than being mutually exclusive; thinking about and-and, rather than either-or) and the idea that a balance of opposites creates a new whole. For example, the Chinese characters for "inside" and "outside" together mean "everywhere" (Chen, 2001). The emphasis too is on taking the middle way and seeking harmony, a concept that derives both from Confucianism ("balanced harmony") and Daoism ("harmony is the product of yielding – which is more about "pensive yielding to, or living in harmony with, the natural flow of events") (Chen, 2001).

In evaluating its business, a Chinese company is likely to ask, "Is there harmony among employees? Is everyone growing and developing along with the business? Do the members of the company see rewards being shared equally?" (Chen, 2001)

The arguments of Chen in relation to harmony are also echoed in the comments made by Professor Chang-quin Lu (Psychology Department, Peking University, Beijing). He argues that work-life in China is more about harmony because harmony is an important Confucian value. He believes that life happiness is an outcome of work going well. Work is a part of life and is integrated with it. At the same time, he points out that work should not destroy life – work should enhance life.

Lu argued that for local organizations work-life is not a priority issue. However, MNEs are attending to the work-life balance issues because of the high levels of stress, particularly the stress created by the nature of a transition economy and the emphasis on economic growth. Such trends represent a different emphasis from the past where for many employees their work/family needs were addressed by SOEs, through the provision of child care and medical and retirement benefits. In the

corporate environment work-life can incorporate these perspectives in addition to issues related to career development, promotion, and training.

Views of Chinese staff employed in MNEs

Interviews and focus groups were held with a relatively small sample of employees in six MNEs in China as a way of helping to frame work-life issues. Ten interviews were conducted with staff from Human Resources, and focus groups were conducted in three different organizations. In total 41 employees from diverse professional positions in corporate offices (e.g., marketing, software development, brand manager, business development, workforce planning, and diversity and inclusion) participated in the focus groups.

Interviews and focus groups covered the following general issues:

1. How is the relationship between work and life defined and talked about in your organization? (if at all)
   a. What language and concepts are used?
   b. How is work-life interpreted and understood?
2. Which work and life issues are the most salient and/or of most concern?
3. Do you have work-life policies and practices in your organization?
4. What work-life policies and practices are seen as priorities in your organization?
5. What, if any, are your current issues in attracting and retaining employees?
6. What is the nature of the employment relationship and the psychological contract for employment?
7. Are work-life policies viewed as important attraction/retention tools?
8. Is there resistance to implementing work-life policies and practices?
9. What are the current and likely future demographic trends that do or will influence your work-life agenda?

The following themes emerged from responses to the general question about how (or indeed, whether) the relationship between work and life is discussed or talked about in China.

- Balancing or meeting the combined responsibilities of work and family/life is not a topic of general discussion in Chinese society.

  Work-life balance was reported to be a new term; to be a source of new discussion in China and in their organizations. For many, there was a view that it "shouldn't be" an issue for organizations, arguing that it would be their personal responsibility to balance their lives and that the organization is not responsible for this. This view contrasts with the previous emphasis in SOEs of providing security of employment, pensions, social support and child care. It appears that the emerging generation of employees has different expectations and indeed, different work-life demands.
- Work-life balance is becoming more of an issue of concern in MNEs, especially within the professional and managerial levels.

Work-life balance makes more sense now than 6 years ago. Working for a foreign company, it was reported, means working very hard and working overtime, at nights and on weekends. This level of commitment is reported to be in the process of changing, where more emphasis is being placed on work-life balance by country leadership teams and corporate headquarters (usually in the US). Work-life balance is also reported to have become a more popular topic of conversation between professionals. As one person said, it is now a topic of discussion "when I interact with other companies or talk to my MBA colleagues working in other international companies." It appears that this shift in acknowledging the need for the work-life agenda reflects the current difficulties in recruiting and retaining talented employees, and especially those with management skills. Work-life balance is seen as being both about time, and about balancing priorities in relation to career and family.

- Work-life is thought about and talked about more in an integrated way.

For many, the work-life domain is defined by the integration (and not the separation) of: Work, life, family, relationships, self and health (including a person's mental condition). These dimensions of life are considered to be all part of an integrated whole. Work and life, it was argued, should enhance each other. Work is about fun, enjoyment and a sense of accomplishment. People are happy when work is in synergy with your life. Careers are seen as providing meaning to life. Work and life are not seen to be in conflict with each other rather, they are seen as different layers of life.

> *"Work is life, life is work: if you enjoy your work and feel a sense of achievement. It becomes a problem if you can't arrange your life well."*

- The concept of work "not hurting or destroying" life is prevalent.

Not having life-long job security is a relatively new phenomenon in China and it is expected that compensation will be sought if an employer terminates their employment. The new employment laws place higher priority on the establishment of longer-term employment relationships and require higher levels of severance pay (again emphasizing the priority placed on security of employment).

> *"Work-life does become an issue when an employee is separating [being laid off]. They will... [argue] that they have sacrificed their life for the hours and job demands and now want to be compensated for this."*

- Work-life demands depend on one's particular context, life stage, and social situation

  Because many MNE employees in China are single (15% in Beijing and 16% in Shanghai), they stay later in the office in order to interact socially with colleagues. Recognizing this social element to work, strategic employers facilitate social interactions between employees outside of work. A person's focus changes after marriage when they are more likely to go home to spend time with a spouse.

  People with children reported experiencing tensions between time, emotion and guilt (not spending enough time with children). When employees have children they go home earlier (some work at home after their child goes to sleep). A view was expressed that in China work comes first. "We are always available and accessible, and we will call our boss after hours, despite our family commitments."

  > *"Work and life is about career and income, and it depends on your life stage – achieving harmony between work-life is more critical when you have children. Before you have a family you focus on your career. The new generation has more options after work (they are more into personal development and consumerism, etc). Younger people, it was reported, find it easier to have a mixture between work and life."*

  How you view work-life depends on your social background. In rural areas where there is unemployment, work is about survival and elder care (where also, elderly parents are more likely to live with their adult children). Living is the issue – people want the basic human rights and a job. Work-life (in a western sense of balance) was seen as more of an issue in city life.

Concluding comments

A key learning from the analysis presented above is that we need to be cautious in applying western-based models of work and life in China. The history of the development of work-life concepts, current thinking about them, and the social and economic context all contribute to a very different approach to work and life. Additional analyses are needed to explore these issues further and particularly to understand the interplay between the social and family context in China and the work-life agenda that is currently the focus of MNEs.

3.2 Salient work-life issues in China

Despite the finding that there is not an obvious public and organizational debate about the links between work and family/life, an analysis of the available data indicates that there are several current issues in China that could be included in a discussion about the salient work-life issues and that the topics may be of relevance in the near future. Further, these relevant work-life issues could constitute a viable business case for MNEs to adopt a work-life agenda in China. These issues are outlined below using the work-life analytic framework identified earlier.

Diversity perspective (with a focus on gender)

Expectations are high for women in China to have a career and the current culture supports gender equity. It is argued that women in China are more liberated today: in the past women did domestic work whereas now more men cook, share the care of children and do housework. Men and women share income and share more in the household. Some fathers are also becoming more involved in care giving to children. There are two senior women in one organization involved in this project who have husbands who are caring for children and working from home.

Still, the view prevails that men need not be as involved as women in bringing up young children. Fathers become more important when children are older – especially with their sons. However, there is consensus that fathers today spend more time with their children than their own fathers did with them. Change is perhaps due to the fact that there is only one child and today's fathers work fewer hours.

Overall, the male is still seen as being dominant in China, and there is an expectation that he should work hard to provide for the family. Different regions were also seen as having different values in relation to family life. In Shanghai, for example, a "good husband" is considered to be one who buys food and cooks.

The gender roles have important implications for approaches to work and life in organizations. Strategic MNEs can take advantage of the Chinese cultural value of equality to ensure that both male and female employees recognize the importance of work-life offerings for mutual benefit.

Health and wellness perspective

In terms of frequency, stress (associated with hours worked and job demands) was the most common work-life issue raised. Comments include:

- Work demands are different for different units in an organization. Generally the perception is that people work very hard; many employees are in the office until 7 or 8 at night, though approximately 80% leave the office at 6 or 7 pm. Working in a multinational in China is perceived to demand long hours, where working hours are already higher than in other countries.
- A common issue described was the pressure and stress associated with working in a global organization. Many employees reported participating in conference calls at night and having a "night shift." This schedule is not sustainable for personal well-being. Chinese employees working in MNEs see their colleagues in other countries with greater perceived control over their schedules; they make conference calls at home and they do not stay as late in the office. Local employees would like more recognition and respect for their high level of commitment for

working late and in different time zones. Some also reported that there is an assumption that Chinese employees have a higher level of preparedness to work hard/long hours than those from other countries who are employed by MNEs.

> *"For a lot of us, work is a major part of our lives. We have much more of a sense of delivering. Here we are in an emerging market with a lot of pressure to grow; to work smarter and longer hours. For many this pressure is seen as a personal choice and a drive to get on. We (Chinese) sacrifice ourselves for the betterment of our family and our team. Nevertheless, we would like more recognition for this commitment from our global colleagues and managers."*

- Emphasis should be on balancing productivity and personal health – both physical and emotional. The Government was perceived as urging and motivating employers to reduce work-life conflict, especially in relation to stress, and the new Labor Laws that come into operation in 2008 focus on issues associated with stress and overtime.
- There is an underlying social debate about work stress in China and about young entrepreneurs who have died prematurely: Guo Lao Si (death by work).
- There is a strong academic interest in work stress. Professor Lu (Peking University) has written several research papers on stress and the key role of self-efficacy in reducing the impact of stress.

In contrast to the above arguments, Xie (2006) who has conducted a three-year longitudinal study of 498 employees in China, reports that:

- The Chinese culture has characteristics which are not adequately captured by the western conceptualizations of cultural values.
- Unlike reports in the western literature where the job is the important source of stress, in China, because changes in the social environment have been rapid and dramatic, social factors are the most important source of stress.
- In China there are few gender differences in terms of exposure to social, organizational, and family stressors.
- Differing from North Americans, Chinese men and women share many of the same coping mechanisms.

Health and well-being has been identified as a key issue in several organizations involved in this analysis and many organizations have health and fitness programs in place to address various aspects of stress.

The talent management perspective

Organizations are finding it increasingly difficult to recruit and retain professional/educated/skilled employees and that the trend is for reduced tenure for younger people. Given the emphasis on MNE employees being competent in English, organizations are generally forced to recruit from a younger age group (Fernandez & Underwood 2007).

These comments are reinforced by the observations of other commentators on China. Fernandez & Underwood (2007) report that "retention of key personnel is the top concern faced by the 20 international managers (located in China) we interviewed." This is particularly the case for highly skilled Chinese executives. It is also argued that retention may be a short-term problem with the emergence of an abundance of university graduates and the growing number of recent graduates (20 to 35 year olds) who have the necessary experience (in a market economy) and motivation.

People come to a MNE because they want to develop their skills – they see this type of employment as a growth opportunity, and they are also looking for fast career advancement (see also Fernandez & Underwood, 2007). In terms of pay and incentives, people want a high salary and are sensitive to comparisons with other companies; stock options are not a viable benefit in China.

Recruitment and retention was also a dominant theme in the interviews conducted for this project. A focus on personal health and well-being, social activities, career development and the employment brand (the culture of the organization) were seen as high priorities in both recruitment and retention.

Recruitment and retention of experienced workers, and especially women was also identified as an issue in one organization. The view was that changes are occurring with more women over 40 being more laid back and not as strongly focused on long hours and career advancement. More women are now willing to take 6 months off and come back to a different job; a tactic previously seen as a negative strategy. The view was that it is harder now to attract women to high demand jobs as they are not as focused on money.

Overall, it was argued that there is a gap in talent in the 45-55 age group due to educational and experiential lapses caused by historical events. Moreover respondents indicated that it is harder to recruit women in the 40 to 45 age group, though they would be capable and desirable employees, because they are more willing to consider life and personal factors. It was also argued by one HR Manager that more men are also recognizing the importance of a balanced life, although they are more likely to be attracted by a 30 to 40% pay increase than women are.

There is very little evidence, however, that work-life policies are seen as important attraction and retention tools in China. They did not feature highly in the consultations conducted as part of this project and do not feature highly in associated commentaries and analyses. For example, work-life was not included in the top 5 attraction and retention issues in the Mercer study. Neither did they feature in the analysis of the US-China Business Council, nor any of the other written sources consulted for this project. At this point it seems the five greatest opportunities for MNEs to address in order to retain employees through work-life means include:

1. the reluctance of people to relocate because of family issues (both the location of extended family and schooling for their children);

2. being able to provide for the schooling needs of employees;
3. enabling people to stay connected to their families and fulfill family responsibilities linked with the value of filial piety;
4. enabling employees to address their longer term needs for medical insurance and retirement income; and
5. providing a work environment that addresses physical health and social well-being

The employee relations perspective

Many organizations have an interest in flexibility and are promoting the concepts in an informal way; however, relatively few have a sophisticated set policies at this stage (e.g., "It is a topic of interest for the women's network").

Flexibility was seen as being much more common in IT firms, where it is possible to vary start and end times within a range of core hours. Working from home is available in some IT firms, and it is possible to work extended hours to compensate for taking time off to care for a sick child or an elderly parent.

There is a strong emphasis on balancing careers and being a parent – especially for female employees. When a mother has a baby, it is accepted that she will have more focus on the family and not as much on her career. Juggling career aspirations and family life, however, is seen as being a current and likely future issue for women and for organizations.

The one-child policy means that young people have become more financially and socially independent, especially females. Further, it is argued that because of the one-child policy, Chinese parents place more value on children, and they delay having children so they can care for them and be responsible parents. Most consider that two incomes are needed to provide for the education of children and that even if there wasn't a one-child policy parents couldn't have more because they couldn't afford to.

Who cares for the one child when both parents are in the paid workforce? Care is provided in a range of ways: live-in nanny (availability, costs and quality varies from one area to another, although most argued nanny-care was highly affordable – ranging from 1000 to 2500 RMB – approximately US$140-350 per month), grandparents (for many, because of migration, they are not located nearby) and child care centers. For those employed in MNEs the most common form of child care is a nanny or a grandparent.

Tensions were identified with these arrangements. First, there was concern about the quality of care provided by nannies; some parents expressed concern about having their children cared for by nannies for long periods of time (e.g., after school and during school vacations). Second, concerns were expressed about having grandparents care for children. The concern here related more to the grandparents "spoiling" their grandchildren.

The total rewards perspective

Financial security and the capacity to provide for one's family in the future are key concerns of workers in China. Although there is greater pressure on men to be more actively involved in family life, it is still expected that men have the primary responsibility to provide for the family financially. Traditional values and expectations also require that it is the responsibility of the younger generation to care for their parents and grandparents. This responsibility particularly plays into financial and job security. Job security (both in terms of remuneration and tenure) is a major driver of behavior.

It is very common for families to be separated by work (where they live and work in different provinces). This separation can be about both the distance between a worker and his/her immediate family (e.g., male worker travels to another region for work and his spouse and child/ren remain at another location) or about families and singles moving away from their extended families/parents. Some organizations have recognized this issue and provided paid leave to visit parents. Some companies also provide financial assistance for travel to help in the visit.

It is still accepted that it is the younger generation's responsibility to take care of the older generation, both financially and physically. Elderly parents living with their adult children are much more common in rural areas than in urban areas, especially because, retirees in rural areas are much less likely to have personal financial support through pensions. In terms of MNEs, this family arrangement is especially likely to be an issue for migrant workers (more likely in manufacturing plants).

There is a strong focus on the education of children. Education is compulsory for nine years and it is free if you are living in your registered area (household registration system). There is a view that the better schools are run by the government.

It is sometimes difficult to relocate people to another area or city because of educational opportunities. For example, people in Shanghai are reluctant to move because they believe the free education system is better there. This is an important issue in terms of relocation and work/family. The US Congressional-Executive Commission on China (2005) reports that for those without local hukou, Government established fees that are charged for education can be several thousand yuan per semester. This Commission also reports that many public schools charge additional unauthorized fees (ranging up to several thousand yuan a year).

The cultural change perspective

An emphasis on work-life as a key component of cultural change is neither evident in the general discussion about work-life nor in the approaches adopted by organizations. Given the arguments about how China needs to place more emphasis on innovation in the future, the need for culture change might become more of a focus. Also, as is outlined below, two organizations involved in this project did provide evidence of work-life being integrated into broader culture change initiatives.

Corporate citizenship perspective

As stated earlier, there is very little evidence of demand for or corporate response to employee involvement in the community. Some organizations do provide funding for the education of children and support the local schools. These are mainly SOEs. By providing financial support for schools, companies demonstrate that they care and gain commitment from employees. In general, multinationals are not providing the money for education like local organizations.

Political-cultural perspective

Interview and focus group responses indicated that government policies and regulations have a significant impact on work-life in China, as do social values. This was especially evident in discussions in relation to employment laws and social planning. Government regulations on working hours, over-time and paid parental leave are strong indicators of this. It was argued that these are designed

either with the intention of enabling the combination of work and caring responsibilities and ensuring that the impact of work demands on family and personal life are given some priority. It is also the case that Government policies (e.g., one-child policy) also limit the need for organizations to develop work/life initiatives (e.g., to provide on-site child care). As was outlined above, social values (e.g., Confucianism and Daoism) also have a major impact on the conceptualization and experiences of work/life issues both from a social and a personal perspective.

3.3 Work-life priorities of MNEs in China

Following is a summary of the current approaches for six organizations interviewed as part of this project.

ORGANIZATION A

Workforce demographics: This organization's workforce is relatively young (average age is under 35) and it is female dominated (60% of workforce). 40% of the senior team is female.

(i) What are the dominant work-life perspectives?

Work and life integration is not a major priority in this organization, and there is very little evidence of this agenda being driven by the corporate office. There is evidence of a growing emphasis on work-life from a Health and Wellness, Talent Management and Employee Relations perspectives through the emphasis on work-life needs, well-being for people in management positions, and extended personal leave options.

(ii) What work-life policies and practices do they currently have?

Employee Relations

There is not a company-wide policy on flexible work options, although it is expected that the trend in the future will be to see more flexibility. Flexible beginning and ending hours can generally be requested from the immediate manager. Agreeing to the request depends on the job and the person's ability to meet outputs. There are three options for work schedules: 9 to 6, 8:30 to 5:30, or 8 to 5. Many employees, especially in Sales and Marketing, also have informal flexibility to enable them to meet customer needs. (It should also be noted that it is required by labor laws that overtime be offset by flexible start times, and/or financial payments – this situation is more relevant to the sales and marketing areas).

There are three additional leave provisions (beyond what is mandated): (a) Leave of absence without pay: This can be granted for one month per year and can be accumulated; (b) Leave of absence (e.g., to care for a child): This is possible for one year and the person will be re-employed; (c) Compassionate leave: The entitlement is 2 days/year and the reasons don't matter.

(iii) What are the likely future issues?

Children/child care: This is not currently an issue both because child care is seen as a private matter and there is little evidence of child care needs having a significant impact on organizational issues (e.g., a lack of child care impacting on recruitment and retention). It is also not expected that their organization will provide child-care in the future. It is expected, however, that because of the demographics of the current workforce (mainly younger people without children) that policies and procedures will need to be implemented to ensure coverage of employees while on leave. It was argued that the needs of future workers represent a significant workforce planning issue and will require creative approaches to staffing and resource models based on headcount.

Elder care: It is expected that this will become more of an issue in the future because it will be more difficult for full-time employees to provide the financial and physical care for their parents (and services are not currently available).

ORGANIZATION B

Workforce demographics: The majority of employees are under 35 and the gender split is fairly even. Recruitment is primarily from universities (top students from top universities) and schools. As with other organizations, it is very difficult to recruit experienced people from the employment market. For key employees, the retention strategy is based on financial incentives for them to stay longer (e.g., retention bonuses).

(i) What are the dominant work-life perspectives?

The dominant work-life perspectives in this organization are: Health and Well-being (with an emphasis on social activities) and Employee Relations (flexible work hours and personal development are seen as key differentiators in the employment market). The argument here is that "doing good" for their employees' health and enabling employees to relax after work results in a more energized workforce. Such practices are viewed as important retention strategies.

(ii) What work-life policies and practices do they currently have?

Health and Wellness

There is a recreational committee for social activities and a health club (community based) that is free to employees; team building is seen as a key focus in integrating work and life. Also, 10% of work time can be allocated to self-development.

Employee Relations

Flexible hours are possible for people in Technical Development roles; however, not for those in support functions (who work standard hours from 9 to 5). People in development roles have scheduled work and tasks and Key Performance Indicators that enable them to vary their hours and meet the requirements of their jobs. They also have notice of forward meetings (e.g., telephone meetings with the US). Most have conference calls twice a week either between 7 and 8 pm or between 8 and 10 pm. Note: this flexibility as well as some flexibility reported in other organizations could have more to do with complying with labor laws in relation to overtime/extended hours than to do with work-life concerns of the company.

(iii) What are the likely future issues?

Child care: It is expected that child care will become more of an issue in the future when a high percentage of their female employees have children. A common problem is after-school care, summer holiday care (2 months), and winter holiday care (2 weeks). School hours are normally 8 to 5 (kindergarten hours are 8 to 3:30). Finding qualified care for children is very difficult and it will become a common issue for all (the cost is 1000 RMB/month). For many, their parents are not located nearby, so if people cannot resolve this care issue, they often request leave. If a lot of people begin to request leave, it would have huge impact on the organization.

Elder care: Elder care is also likely to become an issue in the future as it is accepted as being your responsibility to care for your parents/for the older generation.

ORGANIZATION C

Workforce Demographics: 70% of their employees are between the ages of 25 and 35 and they are equally distributed between genders.

(i) What are the dominant work-life perspectives?

Six perspectives are evident in this organization: Diversity, Health and Wellness, Talent Management, Employee Relations, Total Rewards, and Cultural Change. The most dominant of these are Diversity and Culture Change and Employee Relations (with a strong emphasis on flexibility).

(ii) What work-life policies and practices do they currently have?

Diversity and Culture Change
The culture is about diversity and inclusion as well as values and respect for people. Formal gender-based networking systems focus on career progression and how to balance work and family.

Health and Wellness
There is a focus on personal health and social interaction by having a gym and sports days as well as an employee assistance program.

Talent Management
In terms of recruitment, emphasis is placed on the positive culture of the organization to attract people and to develop a competitive employment brand. There is a strong emphasis on career progression within the organization, so internal job advertisements are employed to focus on the internal development of talent. There is also a focus on enabling employees to manage their own careers and individual work-life issues.

Employee Relations
Flexible working hours are widespread. Working hours are from 9 to 5:30 with 10 to 2 being defined as core, so it is possible to vary two hours outside of 9 to 5:30. Working from home is also possible. Additionally there is flexibility in hours for sales people and financial compensation for working longer hours. However, there is not any flexibility in the manufacturing plants. It is critical to have well-designed jobs with clear deliverables, as well as capable and flexible supervisors (supervisors were seen as being highly flexible in relation to the operation of nursing leave) in order for flexibility to be effective. Flexibility is seen as a two-way street – based on give and take with mutual responsibility to make flexibility work.

Total rewards
Compensation benefits include: pensions, housing, medical insurance and Phantom Stock Purchasing.

(iii) What are the likely future issues?

Quality of work and life: Currently the quality of work-life is seen as a personal choice and not a high priority; however, this organization is now starting to think about it more, especially in relation to flexibility, with the fact that many people work long hours and have little work-life balance. Overwork and personal health are key issues for the future. Supervisors were seen as having a key responsibility to keep these issues in check.

Children and child care: Currently caring for children is seen as a challenge, especially when people have to be involved in conference calls at night. School holidays are also quite a challenge for many parents. Nannies are easy to get and not expensive, however, they do not always provide high quality care. Therefore, having a child staying at home with a nanny is not seen as a good option. It was argued that in the future, this organization could consider having a child care center.

ORGANIZATION D

Workforce Demographics: Average age in head office is 32 (most are 25 to 35), with 50% female (it is expected that 85% will have children). Sales and manufacturing are male dominated.

(i) What are the dominant work-life perspectives?

The dominant work-life perspectives in this organization are Health and Wellness, Talent Management, Employee Relations, and Culture Change, but they remain a low priority.

(ii) What work-life policies and practices do they currently have?

Health and Wellness
Sporting activities (e.g., swimming, badminton etc.) are arranged by an employee committee to indicate caring for employees.

Talent Management
Retention is a high priority in this company and they track the number of women in management, though these issues have not been explicitly linked to work-life issues.

Employee Relations
This organization does not have a formal flexibility policy. HR staff argued that they are flexible with working hours and empower and encourage managers in the corporate office to be flexible (this is not the case in their plants). Employees are encouraged to talk with their managers about these issues. Flexible arrangements have been made for some key staff to address dependent care responsibilities. It is possible to use annual leave and unpaid leave to meet dependent care responsibilities; however, this is restricted according to work demands. Additionally, with manager approval, people can take time off if they have worked late. Flexibility in start and end times for other reasons, however, is only available when there is an emergency (e.g., an ill child).

Culture Change
It was argued that people are expected to work at a higher pace and to be more highly committed to their work in foreign companies. At the same time, it is critical to have a strong focus on human resources and caring for people. People management skills are therefore emphasized in their training strategy as a way to develop a more positive culture.

(iii) What are the likely future issues?

Flexibility: There was a strong view expressed by the focus group that not only is flexibility desired by the employees but also that it could work in their organization. For flexibility to work, they have to have a culture that supports it, with open managers who pay attention to performance. Flexibility could result in saving time and utility costs. Working from home was desirable for some people in the focus group, yet it was not supported by the organization. Working from home was considered to be a lonely option. The company is seen more as a family and people want to come to work to socialize.

Dual careers and relocation: Most people are in dual career families. Movement of one partner has been found to be more difficult because the other person may not be able to get a job. Decisions about movement are more about whether your partner can get a job and whether your child can go to a local school of high quality.

Children and Child care: Vacation care is considered to an issue for employees in this organization and one that will need to be addressed in the future.

ORGANIZATION E

Workforce Demographics: Average age in the head office is 33 (most are 35 and under), with 40% female (it is expected that 85% will have children). The sales force consists primarily of men who are home-based while manufacturing is mixed in gender.

(i) What are the dominant work-life perspectives?

There is evidence of the following perspectives: Health and Wellness, Talent Management, Employee Relations, Total Rewards and Culture Change. This organization currently has a strong focus on work-life issues (with much of this energy coming from the corporate office). This focus is likely to be strengthened in the future.

(ii) What work-life policies and practices do they currently have?

Health and Wellness

The company has an Employee Assistance Program as well as a company doctor and nurse. Additionally, the company provides a social club for employees. In terms of weddings, they give the employee a cash token of 1000 RMB.

Talent Management

Retention is a high priority for this company, and the company is highly regarded in the marketplace for their focus on respect for people, learning and development opportunities, and work-life balance.

Employee Relations

There is flexibility in start and end times with core hours of 10 to 4:30. "Core hours" is not a hard rule and will vary from one team to another – the critical factors are that employees attend essential team meetings and meet their deadlines. Part-time work is available; however, at this stage no employees have utilized this option. Working from home and teleworking is also available (especially for sales staff); however, very few people have the necessary facilities at home for an office.

Child care responsibilities are primarily managed by employing a nanny or by grandparents. The company is very flexible (attendance is not measured) in relation to taking time off for short-term caring responsibilities and attending commitments for school-aged children (e.g., parent-teacher meetings).

Total Rewards

Support for school fees is provided for employees who are required to relocate for business reasons. Some categories of employees who have been relocated for business reasons are provided with travel tickets and allowed time to visit family in other regions.

Culture Change

Satisfaction with work-life balance is measured on a regular basis as part of a global survey. Satisfaction levels are reported to be lower in China than in other parts of the world. There were several explanations offered for this, including:

- Heightened business pressure to perform
- The need to travel
- Having to work with people both inside and outside the organization

- Having to work in different time zones and in virtual teams
- Strong competition at the high end of the talent market leading to demands for high levels of performance
- The need to increase personal income to ensure financial security in retirement (not currently covered by the government)

Work-life balance is seen as a personal responsibility and it is assumed that work-life balance is a personal choice. Nevertheless the view was expressed that work-life balance can be discussed and that extended family needs (e.g., in dual career families) are being considered when relocation is necessary.

(iii) What are the likely future issues?

Addressing the perceived barriers to a focus on work and life. These include:

- The increased frequency of virtual teams
- The need to communicate in different time zones
- A lack of understanding from US colleagues

Work and life will become more of an issue in the future. It is expected that work-life will become more of an issue in the future. Participants expressed the view that people born in the 60's and 70's are workaholics and were prepared to sacrifice their own needs for the good of the organization. In contrast, those born in the 80's and beyond have different life goals and will not be as prepared to sacrifice personal and family needs (they are also assumed to have less of a sense of financial insecurity than the previous generation).

ORGANIZATION F

(i) What are the dominant work-life perspectives?

The dominant perspectives for this organization are Health and Well-being and Culture Change, with a strong emphasis on the integration of a corporate approach to the local organization.

(ii) What work-life policies and practices do they currently have?

Health and Well-being

Well-being seminars are conducted by a company doctor and an EAP is provided (with a web portal providing information). There is a company club that arranges sports days, outings, and interest classes (e.g., cooking) as well as a global fund to support a summer camp for children to learn English in an immersion environment.

Employee Relations

Flexible start and finish times are available, and employees are able to work when the work needs to be done, based on the approval of their manager. Part-time work is available. Employees are able to use annual leave to address unexpected personal and family needs and a leave of absence is available to meet other family needs. Child care leave of absence is available for up to 2 years as is Educational Leave of Absence.

Flexibility Summary: There are 5 major components of the approach to flexibility:

1. Mobile: allows employees to spend the majority of their time away from the office. Tools are provided to enhance the effectiveness of this work pattern.
2. Work at home: provides a way for employees to work the major portion of their work at home.
3. Individualized work schedule: flexibility in daily work schedule.
4. Regular part-time: defined as working fewer than 40 hours per week.
5. Leave of absence: time off work without salary for an established period of time in order to manage a personal situation (e.g., child care, elder care, education, community service).

Although this organization does not have specific policies to address caring needs (e.g., child care centers), it does, however, espouse a broader concern that their employees are able to meet their work and caring responsibilities throughout the lifespan.

Culture Change

Work-life is a focus area in this organization in China. There is a focus on the new world of work concept where globally integrated enterprises such as theirs operates 24 by 7 by 365 days a year. Additionally this organization will focus on the transformation from a "Work-life Balance" to "Work-life Integration," which means discussing how to manage the new world of work and how to respond both to the needs of customers and colleagues as well as provide employees with the flexibility to achieve the demands of their own lives. It is expected that there will be a significant expansion of the number of employees who are mobile, work from customer locations, or work from home. This ongoing nontraditional work hours and workplace is expected to meet both the needs of the business and employees. This flexibility also matters to customers and is seen as a competitive differentiator for their organization.

(iii) What are the likely future issues?

Work-life is viewed as one of the top challenges that HR faces in China along with the implications of overtime and management, especially in relation to heightened workloads under the hyper-growth and Global Integrated Enterprise movement. Work-life has been developed as one of the HR strategies of promoting a positive working climate and improving employee morale.

3.4 Conclusions

A broader debate about work-life and particularly the family dimension of how an organization can support its employees has not really begun in China. Work-life is not seen as a critical issue in most Chinese organizations. However, there is an acceptance of the contribution an organization can make to individual well-being and to the quality of social relationships between employees. There is also an emerging acceptance of the value of flexible work options. Yet, many flexibility programs have simply been adapted from (or are the same as) those already implemented by the parent MNE. Further, these flexible options are not necessarily linked directly with work and family needs. Flexibility is more likely to be driven by corporate policies (ensuring there is equity in access to policies and practices in different parts of the world) and by issues associated with employees being available outside of accepted working hours to meet global business needs.

Through the interviews conducted as a part of this project, the following trends are evident in the MNEs sampled:

- All organizations have a relatively young workforce (in corporate, professional jobs) with a high level of representation of women.
- Work and life – especially when defined at the personal level with a focus on balance – is an emerging issue. A few (and this would be expected to increase in the future) are in the process of integrating their global approach (in terms of both measurement and policies and practices) into their operations in China.
- There is little emphasis on work and child care responsibilities, as few employees have children. Attention to childcare and education will most likely increase in the future as more employees have children.
- Responding to the needs of employees in relation to elder care (based on filial piety) is quite common.
- Approaches to flexibility in when and where work is conducted varies quite markedly between the different organizations. For some there is evidence of effective implementation (based both on policies and practices, e.g., negotiated with manager), whereas for others, there seems a reluctance to venture into this work-life initiative.
- There is a consistent emphasis on addressing the health and social needs of employees. Social activities are especially relevant given the demographics of the workforces (young and single).

4 Work-Life Implications for MNEs operating in China

4.1 Driving and restraining forces of work and family/life

Approaches to meeting the work and family/life needs of workers in China are currently being driven primarily by three forces:

1. Government policies
2. Workforce demographics and family values
3. Organizational expectations

Government support of the needs of workers in China is strong, as demonstrated by paid leave policies and practices: annual leave, public holidays, marriage leave, maternity leave, paternity leave and nursing leave. In addition, through the newly enacted Employment Contract Law, the government has further strengthened employee work-life balance and job security. In relation to workforce demographics and family values, the culture of China and the associated policies and practices support strong family ties and interactions, such as caring for elderly parents and providing assistance for education. Global work-life practices and recruitment and retention needs of organizations operating in China drive them to address the needs of their employees in relation to their life outside of work. MNEs, in particular, want to consistently implement policy, taking into account the political, economic, social, and cultural factors at play in the local context.

Consultations conducted as part of this analysis revealed some constant themes in relation to the factors that have either limited or restrained the development of work-life initiatives in MNEs in China. Interestingly though, when engaged in this conversation, the majority of the focus was on factors that limit either the demand for or the feasibility of implementing flexible work practices, one of the more frequent work-life programs implemented by MNEs in other regions of the world. The perceived limiting factors are:

1. The work environment: there is a perception that most customers want to have face-to-face rather than electronic contact with their manager, colleagues, or customers, thus limiting the demand for working from home.
2. Company policy: it is not currently part of company policy in China to provide flexibility and address the work/family needs of employees. Where this policy framework has developed, it has been driven more by the corporate approach of the MNE, rather than resulting from a local need.
3. Their competitors are not doing it: There is a perception that computer and high tech companies are providing flexibility, however, others are not. There is still a limited number of enterprises in China that have a strong focus on work and family/life and flexibility, although data are limited in this regard.
4. Organizational culture: Organizations do not have the capability to implement work-life policies, especially flexibility policies. There is a perception that managers and employees are not capable of working on a flexible basis. For example, if employees are working at home, they could feel lost, especially young people who need to learn, to share, and to collaborate with the

team. It should also be noted that local employees expressed the motivation to make flexibility work and were concerned that the managers were reluctant to implement change.

One manager reported that a work-life guide for employees was introduced into a management forum and received considerable resistance. A major concern was that in the Chinese employment environment people are not used to freedom and flexibility, and that employees might abuse it. It was assumed that employees would not have the self-discipline to work effectively in a flexible workplace. This manager also attempted to introduce a framework where meetings were only able to be held during a core window of 10 to 4. This proposal was rejected by an expatriate regional manager.

5. Government. Though some government policies are supportive of family needs, the government places some constraints on organizations' ability to address a variety of work-life programs. The Employment Contract Law limits implementation of part-time employment, flexible work arrangements, and standard working hours.

4.2 Conclusions: Striving for Work-life Best Practices in China

There is evidence that work-life is gaining in priority in the agendas of both local and global organizations. This prioritization comes at the higher or more senior levels in organizations where executives are now beginning to recognize the business imperative of supporting retention and for assisting their employees manage their health and productivity. Work-life priorities are also emerging as a result of the changing demographics of organizations – with the "bulge" of younger employees remaining at organizations longer. The bulge will soon result in a high number of employees both with children and with elder care responsibilities. The demographics of the workplace will require some creative responses from organizations.

Other trends that will have an impact on work-life demand in China are:

- Difficulties associated with relocation are likely to be more salient issues in the future especially given dual employment patterns, the family household registration system and the high value placed on education.
- As was discussed above, there will be increasing competition between SOEs and MNEs for talent in the future, especially at management levels and in niche professional skills markets. This competition will only increase as more SOEs expand into international economic markets.
- Academic interest in work-life is also expanding. There are at least two identified areas of "excellence" with the growing establishment of international collaboration. It is expected therefore that the knowledge base on work-life issues in China will expand rapidly. As knowledge grow, demand for work-life support is likely to follow.

Review approaches to work-life in China

It seems there is a greater need for MNEs to understand the local work-life issues and to question assumptions about the applicability of approaches adopted in other countries. This is especially critical given the demographic characteristics of the Chinese workforce and differences in family and social values (e.g., to give greater recognition and respect for the impact that work demands have on

family life, and the common view that family is being sacrificed for work). More emphasis also needs to be given to the diversity in the workforce in terms of the interaction between location, type of job and family needs (e.g., the needs of men in manufacturing jobs who are dislocated from their families).

Chinese employees in a global context

China has a very important role with regards to the global economy. There is an expectation that MNE employees in China be available to participate in international telephone calls at night. It was argued that people in other parts of the world present barriers to Chinese employees achieving work-life balance. This seems to imply a need for additional information from other areas of the world and for solutions that enable greater flexibility in where and when work is done.

Based on the current analysis, there are a number of work-life initiatives that MNEs might consider best practices in the Chinese context. The initiatives would indicate the MNEs' responsiveness to the special needs of the family/life responsibilities and culture of their Chinese employees. As recruitment and retention are major issues in China, strategic MNEs would become employers of choice in this competitive market if they considered programs which:

1. 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).
2. Assist with educational costs for children, especially for employees who work at a location that is different from where their household is registered.
3. Provide flexibility in when and where work is conducted, as well as flexibility in leave policies. The demand for part-time work may increase, especially with changes in government policies.
4. Have initiatives that contribute to the health and well-being of employees, both in terms of physical (personal health) and social well-being (social clubs, sporting activities).
5. Ensure more financial security through supplemental retirement benefits.
6. Define clearly the development and promotional opportunities available.
7. Continue to provide work-life policies and programs equally to men and women.

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