

MIND THE GAP

China



EMPLOYEE PERSPECTIVE

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INTRODUCTION

In this paper, we present information about the availability of human resource policies and resources that characterize quality employment. The information presented has been selected from the 2005 Chinese General Social Survey, the 1995 and 2001 World Value Survey, and the 2006 Rural Migrant Workers Survey.

Six of eight dimensions of quality employment are discussed in this paper. Due to data limitations, opportunities for development, learning, and advancement and promotion of constructive relationships at the workplace are not discussed.

Organizations that want to remain employers-of-choice must periodically assess how shifts in the business environment might affect the effectiveness of their talent management strategies, policies and programs. Globalization and changes in the age composition of the workforce - two important 21st century trends that have affect today's businesses - make it important for mangers to consider:

- How does age affect employees' preferences for an idealized job and their assessments of their employment experiences?
- Do employees' perceptions of their employment experiences vary from country to country?

What does "mind the gap" mean?

Train stations across England play recorded messages to remind passengers that they should "Mind the Gap." These words of caution urge train travelers to pay attention to the space between the door of the train car and the platform in the station for safe commutes and travels.

For this series of our research publications, we have adopted the phrase, "Mind the Gap." The Mind the Gap series aim to remind employers to pay attention to any gaps that might exist between employees' priorities and need and employers' allocation of workplace-based resources. Our Mind the Gap papers also aim to help our readers to such gaps in quality of employment in other country contexts.

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The Sloan Center on Aging & Work in Boston, in collaboration with the Middlesex University Business School in London, created the Mind the Gap series to provide employers with basic employment-related information country-by-country. There are two types of papers in the Mind the Gap series.

Employee Series: This series examines the perspectives that adults of different ages have about employment and the assessments that they make about their employment experiences. These papers focus on one central question:

- Does age affect employees’ preferences for an idealized job and their assessments of their employment experiences?

Employer Series: This series examines the prevalence of human resource policies and programs at workplaces in a selected country. Because most talent management strategies and programs are age-neutral, we compare the availability of selected human resource policies in practices in the targeted country with the availability of similar policies and practices in a small number of countries with approximate economic circumstances. These papers focus on one core question:

- How does the availability of human resource policies and programs in the targeted country compare with other countries?

Although papers in both series focus on a single country, when the information contained in two or more papers are considered in tandem, it is possible to consider whether employees’ perceptions of their employment experiences vary from country to country.



Quality of Employment: Dimensions of a “Good Job” and a “Good Place to Work”

Most people would agree that “good jobs” are a “good thing.” High quality jobs offer benefits to employees and to the organizations where they work.

- **Benefits for Employees:** The quality of employment affects the health and well-being of employees. Research confirms that poor quality job (such as jobs requiring extreme work hours, jobs that are very demanding – particularly those where employees do not have access to the resources they need to meet those demands) are associated with negative outcomes, including high stress levels and physiological reactions such as cardio-vascular problems.¹
- **Benefits for Employers:** Employers often connect the quality of employment they offer to employees to their employer-of-choice strategies. There is some evidence that the adoption of policies and practices that promote the quality of employment available to employees is related to positive outcomes for organizations, such as customer satisfaction and organizational performance.² Employer-of-choice strategies can result in enhanced employee engagement which, in turn, can be linked to organizational outcomes, including financial measures. For example, higher employee engagement can reduce costs such as those associated with unwanted turnover. One study found that 59% of highly engaged employees report that they intend to stay with their employers in comparison to the 24% of disengaged employees who “intend to stay.”³ A number of studies have linked employee job satisfaction with positive performance indicators. Fortune reports positive relationships between being recognized as a “great place to work” and stock indices.^{4,5}

In this paper, we focus on eight important dimensions of the quality of employment:

- Fair, Attractive and Competitive Compensation & Benefits
- Opportunities for Development, Learning & Advancement
- Wellness, Health & Safety Protections
- Opportunities for Meaningful Work
- Provisions for Employment Security & Predictabilities
- Workplace Flexibility
- Culture of Respect, Inclusion & Equity
- Promotion of Constructive Relationships at the Workplace

The following sections of this paper use the quality of employment framework as a structure to discuss the perspectives of employees about their employment situations.

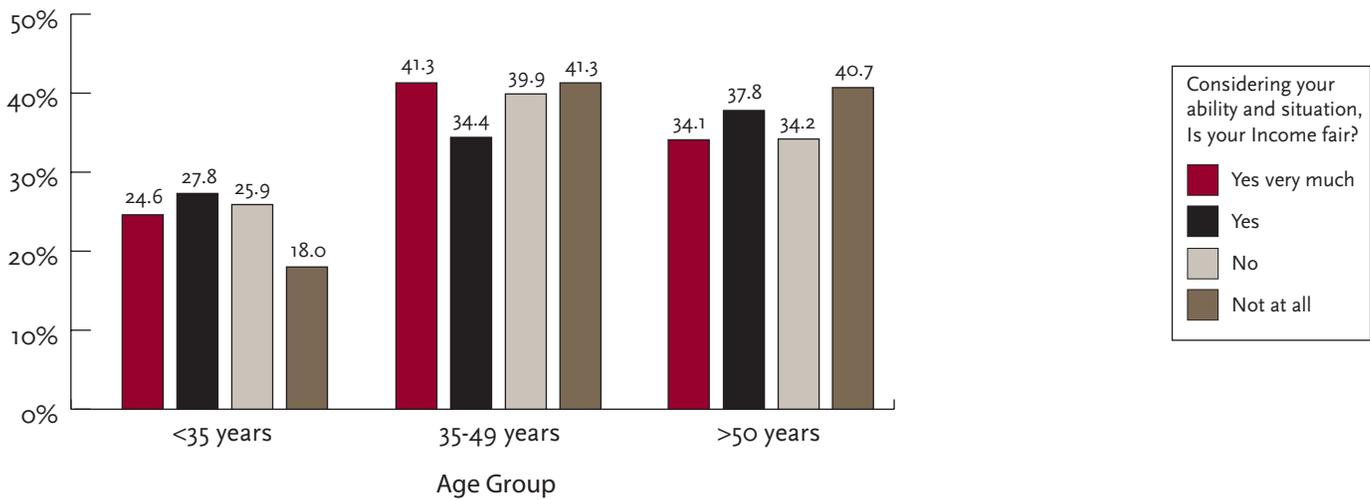
QUALITY OF EMPLOYMENT IN CHINA:

I. Indicators of Fair, Attractive, and Competitive Compensation & Benefits in China

- ▶ Compensation and benefits are distributed in a fair and equitable manner, meeting most of employees' basic economic needs.
- ➡ The average employee's yearly income in 2004 was RMB ¥8,792 (about U.S. \$1,278). About 41.1% of Chinese employees agreed (including both answering "yes" and "yes, very much") that their incomes were fair considering their capacity and situation; the level of this consensus was held similarly across the three age groups (see Figure 1).

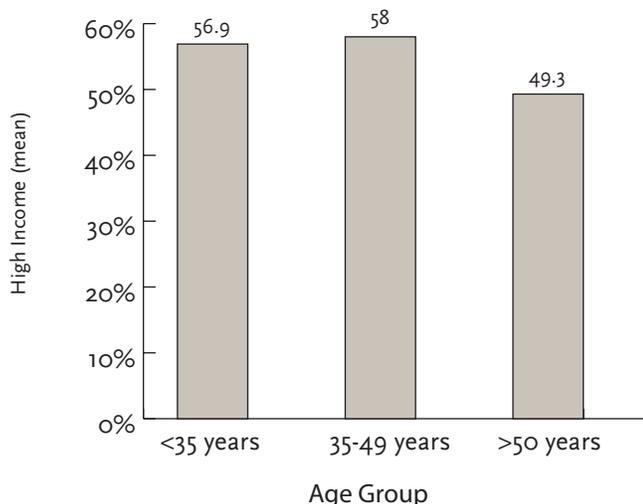


Figure 1: Income Fairness



Source: Xu (2008) based on the 2005 Chinese General Social Survey

Figure 2: Employment Expectation and Job Reward

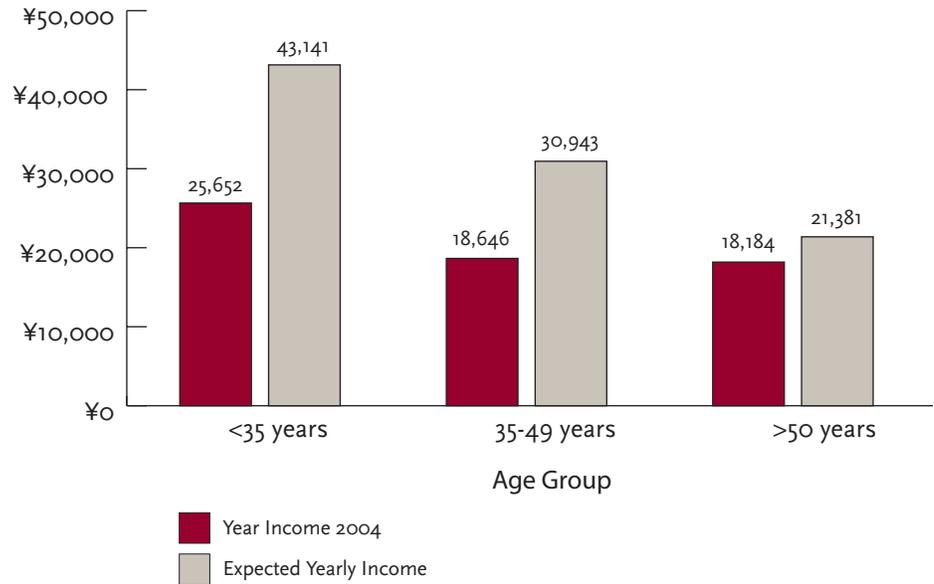


Source: Xu (2008) based on the 2005 Chinese General Social Survey

As with workers in other countries, income is very much part of the job; Chinese workers greatly value the high income that jobs can bring to them. When asked about their employment expectations and job rewards, 50.5% of Chinese workers answered "high income" as the most desired reward. Midlife employees (aged 35–49 years) were the group who most expected high income. Some 58.0% of midlife employees indicated that their most expected job aspect and/or reward was high income, followed by younger (aged <35 years; 56.9%) and older (aged ≥50 years; 49.3%) workers (see Figure 2).

➡ Although younger employees have relatively higher average yearly income (RMB ¥25,652, about U.S. \$3,752) than midlife (RMB ¥18,646, about U.S. \$2,728) and older (RMB ¥18,184, about U.S. \$2,660) workers, their expectation for income (RMB ¥43,141, about U.S. \$6,311) is also higher than midlife (RMB ¥30,943, about U.S. \$4,526) and older workers' (RMB ¥21,381, about U.S. \$3,128) expectations (see Figure 3).⁶

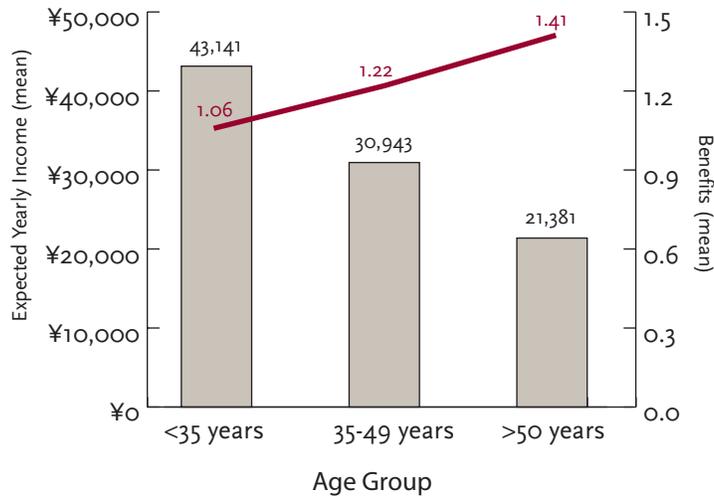
Figure 3: Yearly Income and Expectation by Age Group



Source: Xu (2008) based on the 2005 Chinese General Social Survey

Figure 4: Yearly Income and Expectation by Age Group

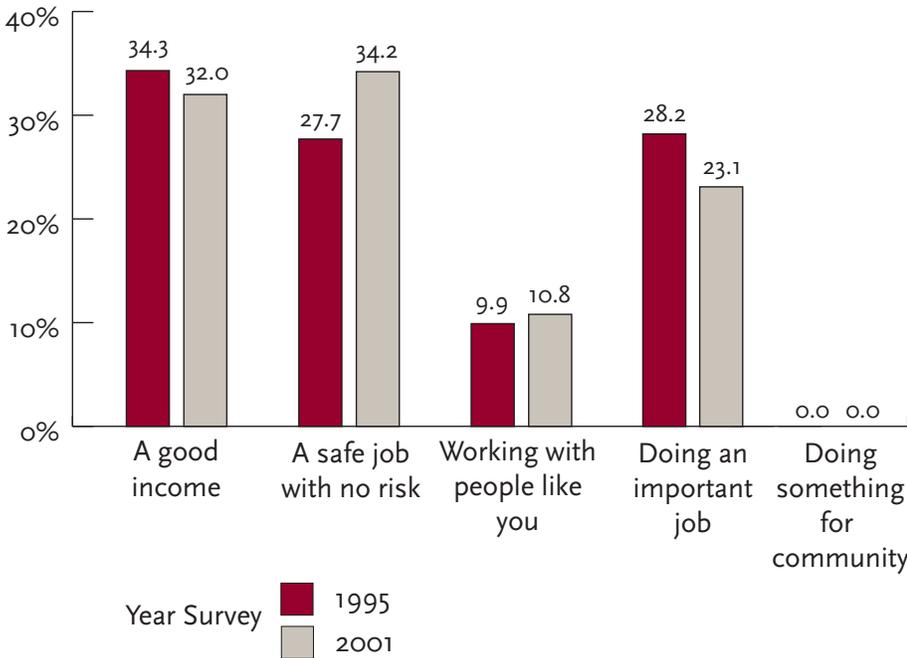
The discrepancy that existed in job benefits partially contributed to the different income expectations across the three age groups of employees (see Figure 4).



Source: Xu (2008) based on the 2005 Chinese General Social Survey

- In China, employment-based social insurance programs include: public health care, basic health care, supplemental health care, basic elderly care, supplemental elderly care, unemployment, and housing. Overall, 34.9% of employees in China claimed that their employers provided public health care insurance; the percentage was 47.5% for basic health insurance, 16.0% for supplemental health insurance, 49.8% for basic elderly care insurance, 15.1% for supplemental elderly care insurance, 24% for unemployment insurance, and 23.5% for housing.⁶

Figure 5: Employment Expectation, 1995 versus 2001



The importance of income has decreased among Chinese workers from 1995 to 2001. Although 34.3% of Chinese workers reported that a good income was what they expected from jobs in 1995, the percentage decreased to 32% in 2001 (see Figure 5).⁷

Source: Xu (2008) based on the 1995 and 2001 World Value Survey

II. Indicators of Opportunities for Development, Learning & Advancement

- Due to data limitations, indicators of opportunities for development, learning, and advancement are not discussed in this paper.



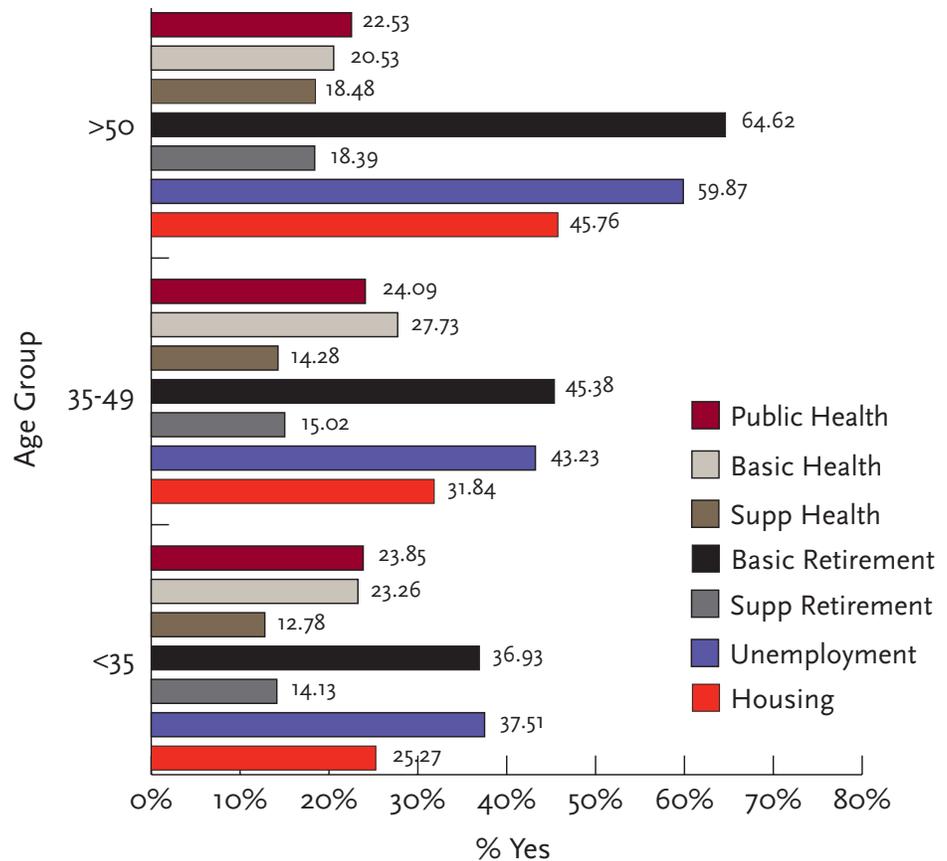
III. Indicators of Wellness, Health & Safety Protections

► Well-being is promoted through workplace policies, and social protections are offered in case of illness.



- Older employees were more likely to have health and retirement benefits provided by their employers (45.8% for public health care, 59.9% for basic health care, 18.4% for supplemental health care, 64.6% for basic elderly care, and 18.5% for supplemental elderly care); younger employees ranked the lowest on these benefits (25.3% for public health care, 37.5% for basic health care, 14.1% for supplemental health care, 36.9% for basic elderly care, and 12.3% for supplemental elderly care).⁶

Figure 6: Job Benefits



Source: Xu (2008) based on the 2005 Chinese General Social Survey

Special Focus: China's Migrant Workers

It is estimated that about 131.8 million migrant workers from rural areas in China have moved to cities for jobs and opportunities. Their perception of quality employment (if there is such a concept for them) is different from that of ordinary urban workers. As context, rural migrant workers need to obtain “employment authorization” in order to work in cities, and, until 2001, without appropriate documents, they were detained and repatriated. In addition, many corporations, particularly those in the service, construction, and manufacturing industries, heavily depend on rural migrant workers to do business. Thus, it is important to document their experience of quality employment.

- The average monthly income of rural migrants in 2006 was RMB ¥1,068 (about U.S. \$156).^v
- In general, social insurance coverage for migrant workers was extremely low. Only 9.9% of respondents were covered for health care, 7.5% for elder care, 8.1% for occupational injury, 2.8% for unemployment, and 2.1% for maternity benefits.¹⁰
- Younger (aged <35 years) migrant workers were more likely to have insurance than midlife (aged 35–49 years) and older (aged >50 years) workers.¹⁰

Table 1: Benefits across Age Groups for Migrant Workers

	Younger Workers (<35)	Midlife Workers (35–49)	Older Workers (>50)
Elder-care insurance	9.4%	7.5%	4.5%
Health-care insurance	13.3%	8.3%	8.0%

Source: Xu (2008) based on the 2006 Rural Migrant Workers Survey

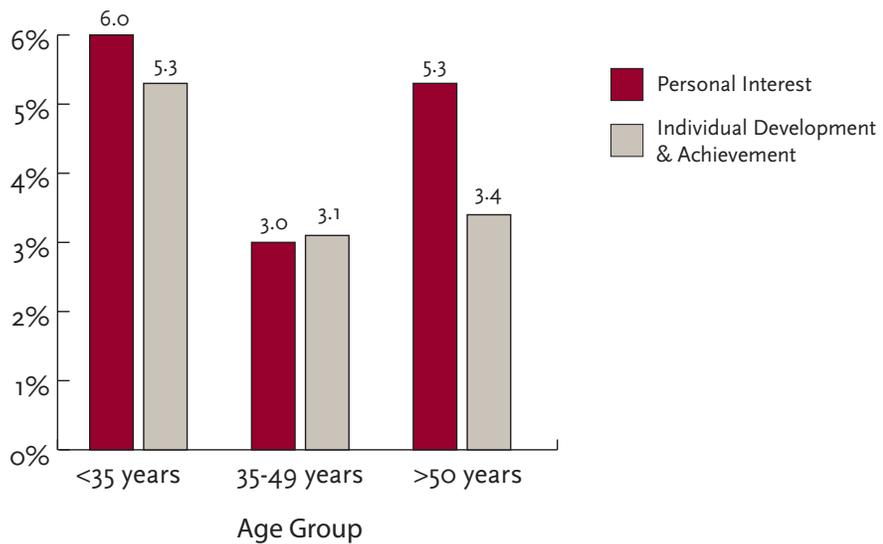
IV. Indicators of Opportunities for Meaningful Work

► *Opportunities for meaningful and fulfilling work are available.*



- In China, meaningful work has its roots among young employees. For the post-80s generation of younger workers, most of whom were the only child in the family, they usually give more consideration to their personal interests and opportunities for their own growth and development in employment. When asked about employment expectations and job rewards, among all aspects of employment and job rewards, personal interest and individual development and achievement were the only two aspects that younger workers ranked higher than midlife and older workers (see Figure 2). More younger workers selected personal interests (6%) and individual development and achievement (5.3%) than midlife (3% for personal interests and 3.1% for individual development) and older (5.3% for personal interests and 3.4% for individual development) workers (see Figure 7).⁶

Figure 7: Importance of Personal Interest and Individual Development



Source: Xu (2008) based on the 1995 and 2001 World Values Survey

- Midlife workers least expected their employment to fit their personal interests and individual development. As midlife employees frequently face tremendous family responsibilities of child and elder care in China, high income and job security become necessities for them, which might lead them to sacrifice their desire for meaningful work.
- Nevertheless, Chinese workers today value meaningful work less than in the past. Although 42% and 49.7% of Chinese workers mentioned personal interest and individual development and achievement as important job aspects, respectively, in 1995, the percentages sharply dropped to 17.8% and 30.7% in 2001.⁸

V. Indicators of Provisions for Employment Security & Predictabilities

- ▶ *Terms of employment are communicated clearly, with an emphasis on smooth transitions through jobs and careers.*

- Job security is the second most important aspect of employment and job rewards. After the 50.5% of respondents who answered “high income” as the most desired job reward, 23.8% selected job security. Midlife employees (aged 35–49 years) again were the group of people who most expected job security. Some 27.2% of midlife employees indicated that their most expected job aspect and/or reward was job security, compared to 23.5% of younger and 26.1% of older employees (see Figure 2).⁶
- For all age groups, the importance of job security increased from 27.7% in 1995 to 34.2% in 2001. These results suggest that the market competition that resulted from market-oriented economic reforms in China has generated some anxiety for ordinary employees, and job security—in particular, a permanent job scenario—has been gradually diminished. This contextual explanation is important in understanding this aspect of quality employment in China.⁸



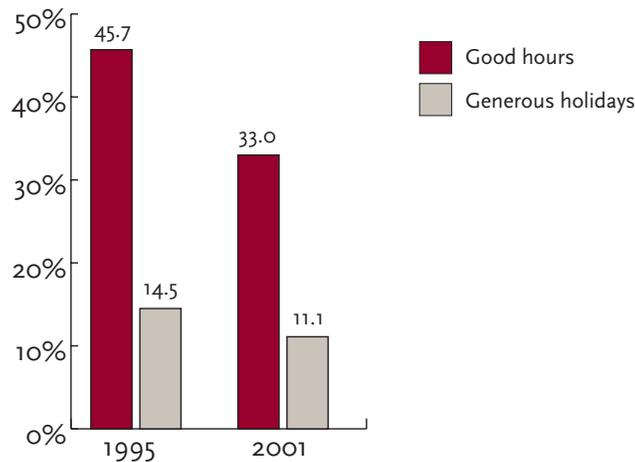
VI. Indicators of Workplace Flexibility

- ▶ *Options, choice, and control over work conditions and hours are available.*



- Chinese workers do not value good working hours and/or generous holidays highly, regardless of age. Among all employment expectations and job rewards, only 5.7% and 5.2% of Chinese employees mentioned that good working hours and flexible working hours, respectively, were important aspects.³ Although younger employees in China seem somewhat more likely to be aware of these quality employment indicators than are older workers, in general, their levels of awareness were low (see Figure 2).
- In fact, ratings of the importance of workplace flexibility indicators such as good working hours and generous holidays decreased between 1995 and 2001 in China. Although 45.7% and 14.5% of Chinese workers mentioned good hours and generous holidays as important job aspects, respectively, in 1995, the percentages dropped to 33.0% and 11.1% in 2001 (see Figure 8).⁸

Figure 8: Importance of Good Hours and Generous Holidays



Source: Xu (2008) based on the 1995 and 2001 World Values Survey

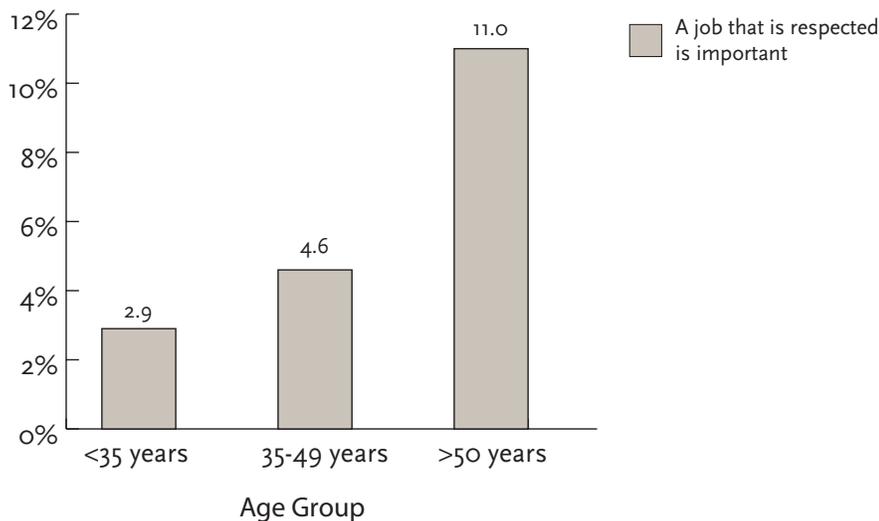
VII. Indicators of Culture of Respect, Inclusion & Equity

► *Diversity, inclusion, and employee personal growth are valued.*

- China's older employees (aged >50 years) are the most likely to expect social status and respect from their employment. Among all the aspects of employment and job rewards, 11% of older workers selected this aspect as the most important one, compared to younger (2.9%) and midlife (4.6%) workers (see Figure 9). For the older employees, because benefits and job security are not their greatest concern, the social status and respect that are usually embedded in Chinese culture and frequently associated with age become more important.⁶
- Seeking respect from their employment has also been increasing among all Chinese employees. Although 55.6% of workers mentioned a job that is respected as important in 1995, the number went up slightly to 58.1% in 2001.⁸



Figure 9: Importance of a Job That Is Respected



Source: Xu (2008) based on the 1995 and 2001 World Values Survey

VIII. Indicators of Promotion of Constructive Relationships at the Workplace

- ➔ Due to data limitations, indicators of promotion of constructive relationships at work are not discussed in this paper.



SUMMARY: MINDING THE GAP

The relative importance of various aspects of quality employment differ for employees of different ages.

- Older workers in China (aged >50 years) are most likely to expect social status and respect in their job.
- Fair, attractive, and competitive compensation is the most important part of a good job for many Chinese workers, but midlife employees (aged 35–49 years) specifically were the most likely to cite a high income as their most desired job characteristic.
- Although younger workers value compensation highly, opportunities for meaningful work are also important. The post-80s generation of Chinese workers is more likely to mention personal interest and individual development as important aspects of a job.

Other trends are relatively stable across age groups. For instance, job security is an increasingly important aspect of a good job for Chinese workers of all ages, while the importance of good hours and generous holidays has decreased.

CONCLUSION: CLOSING THE GAP

Quality of employment in China is a complex concept, affected both by age and by cultural context. Special attention should be paid to:

- Understanding migrant workers: Although they make up a substantial proportion of the labor force, their wages and social insurance coverage are comparatively low.
- Understanding differences by age or generation: Meaningful work is only emphasized among younger cohorts.
- Understanding differences over time: Due to changes in environment, the preferences and needs of Chinese workers have shifted over time.

Workers of different ages in China do not necessarily value or have access to the same aspects of quality employment.

ABOUT THE INSTITUTE

Established in 2007 by the Center on Aging & Work, the Global Perspectives Institute is an international collaboration of scholars and employers committed to the expansion of the quality of employment available to the 21st century multi-generational workforce in countries around the world.

The Global Perspectives Institute focuses on innovative and promising practices that might be adopted by employers and policy-makers.

The Institute's research, publications, and international forums contribute to:

- ▶ a deeper understanding of the employment experiences and career aspirations of employees of different ages who work in countries around the world;
- ▶ informed decision making by employers who want to be employers-of-choice in different countries; and
- ▶ innovative thinking about private-public partnerships that promote sustainable, quality employment.

Apart from the Mind the Gap series, the Global Perspectives Institute publishes a Statistical Profile Series highlighting workforce demographic trends in different countries as well as a Global Policy Series focusing on selected workforce policy in certain country contexts.

For more information on our publications, please visit us online at:
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The Sloan Center on Aging & Work at Boston College promotes quality of employment as an imperative for the 21st century multi-generational workforce. We integrate evidence from research with insights from workplace experiences to inform innovative organizational decision-making. Collaborating with business leaders and scholars in a multi-disciplinary dialogue, the Center develops the next generation of knowledge and talent management.

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1 For example, see:

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3 Towers Perrin. (2005). *Winning strategies for a global workforce: Attracting, retaining and engaging employees for competitive advantage*. Stamford, CT: Towers Perrin. Retrieved from <http://www.towersperrin.com/tp/getwebcachedoc?webc=HRS/USA/2006/200602/GWS.pdf>

4 Great Places to Work Institute. *What makes a great place to work: Financial results*. Retrieved April 15, 2009, from <http://www.greatplacetowork.com/great/graphs.php>

5 Unfortunately, most of the research linking employer-of-choice strategies with business outcomes tends to focus on correlational relationships. Such studies do not definitively establish that being a “best place to work” causes positive organizational performance; indeed, it might also be true that high profits and strong financial growth cause higher employee engagement and foster perceptions that a particular workplace is an employer-of-choice.

- 6 Xu (2008) from the 2005 Chinese General Social Survey (GSS). The China GSS is a questionnaire survey of China's urban and rural households.
- 7 The World Value Survey is a global network of social scientists who have surveyed the basic values and beliefs of the publics of more than 80 societies on all six inhabited continents. More information is available at: <http://www.worldvaluessurvey.org/>.
- 8 National Bureau of Statistics of China. (2008). *Bulletin of the findings of the second national agricultural census*. Beijing, China: National Bureau of Statistics of China.
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- 10 Xu (2008) from the 2006 Rural Migrant Workers Survey. This is a project sponsored by China's Ministry of Education, Dr. Xinping Guan, principal investigator, Nankai University, Tianjin, China.

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