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# **Local Labor and Laowai Management**

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Chinese Employee Perspectives and Multinationals'  
HRM performance

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*He who asks is a fool for five minutes, but he who does not ask remains a fool forever.*

Chinese Proverb

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## 1. Introduction

*“Globalization has changed us into a company that searches the world, not just to sell or to source, but to find intellectual capital - the world's best talents and greatest ideas.”*  
*Jack Welsh, CEO – General Electric (2000)*

As experienced by GE's former CEO, the process of globalization has, in many ways, redefined the determinants of business success. Rapid advances in transportation and communication technology have made it possible to access information, resources and to duplicate innovation quickly. Consequently, traditional sources of competitive advantage have lost its importance. What makes a company competitive increasingly resides in the more 'tacit' assets of the organization. Competence, knowledge, the type of people a firm attracts and its' organizational culture has therefore become more and more important.

This realization that 'people make a difference' has created new demands to firms' managerial practices. Firms' commitment to labor management has become stronger and managerial practices more sophisticated. Resultantly, the field of Human Resource Management (HRM) has developed, as a mean to create flexible, high performing and high commitment work places (Dowling et.al. 2008). Through strategic management of human capital, companies are driven by an overall ambition of attracting, recruiting and retaining the 'right' people, and with this, obtaining competitive advantages in a market where power increasingly resides in the human capital.

For global firms, operating in a range of different work markets, the development of such HRM strategies is however a challenging task. As work market contexts and managerial traditions differ across cultures, a HRM strategy that is efficient in one country can suddenly prove to be less applicable in other work market contexts. With affiliations in a range of countries, multinational companies thus have to make continuous evaluations on how to manage their human capital across the globe. This thesis is concerned with such HR challenges faced, when the 'laowai' encounter local labor in the case of China. The word 'laowai' (老外) is an informal and casual word for 'foreigner' in Chinese. There are several reasons why the study of HRM and in China is of high interest and relevance.

First, 'western' firms prove to find it exceptionally puzzling to develop successful HR-tool, applicable to the Chinese context. The challenges of developing effective HR

practices have not been equally problematic when setting up business in all countries and the overall variation between systems in countries previously entered has proven to be much smaller than the gap firms meet when they enter China (Hammerstrøm and Lunnan 2008). Companies have hence discovered that human resource management, implying recruitment, selection, training, appraising, compensating and ensuring employee safety and welfare--is different in China than in other markets (Zhu and Dowling 2000).

Second, China's current work market situation is unique. China has, in the recent decades, become one of the world's largest recipients of inward foreign direct investments (FDI). Companies are highly attracted to the Chinese market and the Chinese 'knowledge worker' has become an increasingly attractive asset for companies. This growing demand for high- skilled labor has however created dramatic changes on the Chinese labor market. China's rapid economic growth and the high influx of foreign owned firms have *not* been accompanied with an equally rapid production of high skilled labor, and the demand for the Chinese knowledge workers have consequently outpaced the supply (Caplan 2004). Although the enrollment from Chinese universities and colleges has increased rapidly, China has thus not been able to keep up with the booming economy's demand for human capital. Additionally, graduates prove to lack the experience and skill-sets companies are in shortage of. Paradoxically, China is thus currently faced with both labor shortage and rising levels of graduate unemployment.

Resultantly, the Chinese labor market is characterized by exceptionally high mobility of workers and employee turnover has grown to become a major concern for multinational companies, operating in China. The highly competitive work market conditions combined with the cultural gap between home and host country traditions therefore makes HRM into a challenging task in China.

The research objective of this thesis is to create a more indebt understanding of how MNCs can increase their ability to retain employees in China. This will be done by *mapping out the motivations and objectives of the local work force*. By understanding what factors are important to the employees, we are also interested in investigating *how these high skilled workers perceive the HR practices of their multinational employers*. With these objectives, this thesis investigates to what extent MNCs are succeeding in developing HRM practices, in thread with the motivations and wishes of its' Chinese



work force. Insight will be obtained from both students and employee informants, enabling us to create an understanding of how work values are understood and interpreted by different groups of the work force. Additionally, these data makes it possible to investigate whether or not there are any gaps between the different generations of workers. By including data from the young graduates, we are also able to investigate how China's new generation of workers evaluate their own work values *prior* to actual work experience. This thesis is thus assuming that work values are shaped not just by national culture and expectations, but also by individuals' experience, personal situation and development.

With these objectives, the ambition of this thesis is to contribute on filling a gap in the current HRM literature. Although, there are a range of studies, reflecting on HRM challenges in China, most of these studies approach the issue from the point of view of the managers. There has recently been an increase in studies arguing for the need to study the objectives of local workers in China. Most of these studies are however consulting workers on the lowest level, - the so called 'shop floor' workers. To understand the objectives of these workers is obviously important, but it is crucial to note that multinational companies, operating in China, are not only dependent on low skilled workers. MNCs have become increasingly dependent on China's high skilled 'knowledge workers'. It is in this group of workers the challenges of attraction and retention currently is the most challenging. To understand the objectives and motivations of this group is thus crucial in order to obtain a position as an attractive and successful employer in China. Based on the fact that there is a shortage of studies that reflect on data collected from this group of workers, this thesis thus addresses the need to study HRM issues in multinational companies in China through the perspectives of the high skilled Chinese employees.

The field work for this thesis was conducted in Shanghai, China in the period from July 2010 to the end of January 2011. As a part of the degree *Master of Science in Globalization: Global Politics and Culture*, I conducted an internship in a Norwegian multinational company's international trade office in Shanghai. During this internship, I was assigned to do a project under the HR department. As the company was experiencing high voluntarily turnover rates, I was assigned to evaluate the company's brand as an

employer in China, and to come up with suggestions on how the company could enhance its position and become a more attractive place to work in the eyes of its Chinese employees. The insight gained from this research project makes for the basis of this master thesis. Throughout my stay Shanghai, I got the chance to meet both expatriate manager and HR officials from several European owned multinational companies. In discussions, managers and officials expressed strong interest in my project. The current work market condition was experienced as both challenging and rough. Turnover rates were often high and the process of attracting, recruiting and retaining key talents was challenging. These companies struggled to develop successful HR tools and were puzzled with the following questions; what factors should be prioritized in order to develop the most effective retention tools in China? How can we increase our abilities to attract, retain and engage people and to become an attractive employer in the eyes of Chinese employees?

### **1.1 Thesis outline**

This introductory chapter has presented the research objectives and ambitions of this thesis. Creating a framework for this study, the second chapter will introduce the field of HRM in general. More specifically, the debate on how globalization affects multinational firms' HRM practices will be provided, creating a framework for the overall discussion of this thesis, namely the question on how global players are to develop managerial strategies suitable for the local level. Finally, a framework for measuring workers' motivations will be provided.

The third chapter will be concerned about the field of HRM in China specifically. This chapter draws out the theoretical framework of this thesis by providing a literature review on how previous scholars have explained and theorized about HRM solutions in China. Conclusively, this chapter will argue for the need to increasingly include local perspectives into the Chinese HRM discourse. Based on the insight from this literature review, the two research questions of this thesis will be formulated.

The fourth chapter contains an explanation and justification for the methods of data collection employed in this thesis. The choice of combining data from both students and employees will be justified and the advantages of triangulation will be highlighted.

Methodological reflections on the challenges faced when a foreign researcher conducts research in China will also be provided. The fifth chapter contains the analysis of the student and employee findings. Chapter six provides a discussion of the main findings, whereas chapter seven concludes the thesis.

## **2. Human Resource Management in the Global Economy**

This chapter provides an introduction to the field of Human resource management (HRM). Initially, the field of HRM will be elaborated on briefly, proving how the development of effective HR practices has become increasingly important in today's knowledge economy. The competitive advantages of well-functioning HRM practices will thus also be discussed. A presentation of how 'globalization' affects and challenge companies' HRM practices will be included. Finally, a framework for measuring employee motivations will be drawn out, making the basis for the analysis of this thesis.

### **2.1 Human Resource Management**

Human resources and human resource management refer to numerous meanings and organizational functions, not all of whom will be dealt with in this thesis. Aiming to understand the concept in practical terms, human resource management (HRM) refers to activities undertaken by an organization to effectively manage its employees.

The concept of human resource management originated in American academic circles in the late 1970, and aimed to integrate the interplay between individuals, tasks, organizations and overall business planning and strategy (Brewster and Larsen 2000). The core idea is that it is the people who make the difference and distinguishing the best companies from the rest.

In order to fully understand why the field of HRM originated, we need to take into account the societal and economic changes of this period. Often described as the globalization of markets, this period was characterized by rapid advances in transportation and communication technology making it possible to efficiently communicate across the globe. It became possible to manage geographically dispersed organizations and companies could hence set up businesses where market conditions were the most advantageous (Dicken 2007). Advances in technology and transportation thus made geographical distance less important.

This development did of course create great opportunities for business expansion. Information could be accessed from every corner of the globe and resources became increasingly mobile, -making it possible share knowledge and duplicate innovation more

easily. Consequently, it becomes possible to argue that traditional sources of success were losing importance, such as; access to financial resources; product and process technology; economies of scale and; access to markets and raw materials (Osbourne and Jones 2001). As most firms could access information, materials and technology, what made a company competitive, thus increasingly resided in the more 'tacit' assets of the organization. Competence, knowledge, the type of people a firm attracts, its' organizational culture, capabilities and how people were managed, hence became more important. It is this development we refer to when speaking about the creation of today's 'knowledge economy'.

To stay competitive and obtain advantages in the knowledge economy, firms need to be able to navigate within the flows of information available. Concerned with this issue, Cohen and Levinthal (1990) introduced the concept of 'absorptive capacity'. They argued that firms' competitive advantage was highly dependent on their ability to process and absorb information. This capacity could only be reached by attracting the right people and developing a strong company culture. Based on this line of thinking, companies thus had to pay considerable attention on attracting, recruiting and retaining a staff of competent and strong employees; to be able to navigate in today's knowledge economy.

It was the realization that 'people make the difference' that paved way for modern HRM theory. Brewster and Larsen (2000) argue that changes in the societal structure, as labor-intensive economies were transformed into knowledge-intensive economies, forced firms to change their managerial practices. Until then, most firms' personnel practitioners had been concerned with negotiating with labor unions on employee issues and salaries (Stredwick 2005). In the eyes of the personnel practitioner, labor was, to a great extent, regarded as disposable commodity. The field of HRM did however introduce new ideas on managerial and personal practices. Realizing that the employees were keys to business success, the commitment to labor management became stronger and managerial strategies more sophisticated. HRM thus becomes an issue when firms realize that people are hard to replace. Employee retention hence becomes a key ambition.

HRM includes, at least, the six following components: Human resource planning, staffing, performance management, training and development, compensation and

benefits, and industrial relations (Dowling et al. 2008:2). By focusing on such managerial tools, human capital is regarded as an asset and not a cost. Instead of controlling its employees, manager's main focus has thus become to create a committed workplace (Walton 1985). The welfare of the employees has become a central concern, making it necessary to create a work life that is experienced as interesting and valuable by the workers. The field of HRM hence introduced an employment model aiming to create a flexible, high performing and high commitment work place (Boxall, Purcell and Wright 2007).

The globalization of businesses does however complicate firms' tasks of creating such well-functioning managerial practices. The following section will thus introduce the localization-standardization debate within the field of international HRM.

## **2.2 HRM in 'global firms'. Localization vs. standardization of practices**

The debate of the effects of globalization is central when aiming to understand current HR challenges faced by multinational companies. A central inquiry in the globalization debate is whether or not the forces of globalization make actors loose their roots of national origin. On the one side, we thus have the ones arguing that globalization creates a more and more homogenous business culture, opposed by the ones who argue that national differences continue to co-exist, developing heterogeneous business cultures within the globalized economy.

One of the earliest 'globalists', Raymond Vernon argued that the world economy and the internationalization of business would gradually erase the significance of national frontiers. Company culture would then become more and more similar across nations (Vernon 1971). Theodor Levitt (1983) accordingly claimed that the globalization of markets made different cultural preferences, national tastes, standards, and business institutions, vestiges of the past. Whereas these contributions argues that globalization leads to a homogenization of cultural expressions, Appadurai (1996), in contrast, state that it is impossible to assume that global processes are erasing the formation of different cultural identities. Culture is a dynamic concept, continuously shaped by its' contextual framework. Cultural expressions will, according to Appadurai, thus continue to be heterogeneous and diverse.

Although recent debates have become more complex and nuanced, these two opposing arguments serve as a useful framework when introducing the more specific debate on how globalization is affecting firms' HRM practices. Defined as organizational entities with business activities in more than one countries, MNCs are often said to be under two contradictory pressures – those of global integration (or MNC 'standardization') and those of local responsiveness (or 'localization') (Doz, Bartlett and Prahalad 1981; Prahalad and Doz 1987). A central proposition is that because of globalized forces (political, economic, social and technological), there is a world-wide tendency for countries, and within them HRM, to become similar as the copying and transfer of practices, sometimes taken as 'best practices' and linked to benchmarking, was encouraged (Bae and Rowley 2001). In short, these forces would make HRM systems converge. For the firm, such convergence of systems creates obvious benefits. Standardizing practices, using the same practices and systems across all of its subsidiaries creates lower costs due to transparency and comparability of structures, and learning.

In contrast to the idea of universal 'best practices', transferred around the world, are contingency approaches. According to these approaches there are no such things as 'best practices' in management. The cultural and institutional context of each work market is a decisive factor, determining which HR practices will work and not (Armstrong 1999: 75). As firms adjust their practices, there is a continuing diversity in HRM between countries, and even within those grouped together as 'regions', such as Asia (Turner and Auer 1996, Katz 1997, Rowley, 1997). According to this line of thinking, HR practices and strategies should thus always be developed through a process of local responsiveness.

As these two opposing arguments proves, MNCs are faced with a trade-off between implementing standardized HRM practices across subsidiaries and developing unique HRM practices in each subsidiary. The standardization of practices obviously can be economically beneficial. On the other side, standardization can however create extra costs if the systems fail to motivate and develop the best people, due to a poor fit with the needs of the employees in different cultures.

The debate presented above highlights some of the issues faced in the encounter between various national and corporate cultures. Before concluding this chapter, it is

however important to note that ‘culture’ is a difficult concept, including multiple layers of meaning. In the surface, culture appears as easily observable, visible in dress codes, food or customs. Hidden on an invisible layer, the notion of culture can however be more difficult to grasp. To define ‘culture’ is hence a challenging task and there exists numerous definitions.

Applying the notion of culture to the field of international HRM, Briscoe et. al. (2009) employ the following definition of culture: “*Culture is the characteristic way of behaving and believing that a group of people have developed over time and share*” (ibid: 78). According to this definition, culture provides a group with a sense of who they are and how they should behave. It influences how people think, solve problems and make decisions. This understanding of culture implies that when group structure change, culture may change as well. Concerned with challenges related to management of human capital, this understanding of culture supports the argument of localizing HR practices, implying that cultural variations will be decisive for how and what HR tools will function in different work market contexts.

### **2.3 A framework for measuring workers’ motivations**

As we remember from the introduction, this thesis contributes to the current HR literature in China by investigating the motivations and perceptions of high skilled, urban workers. In order to do this, we need to establish a framework for investigating such work related motivations.

As the field of HRM has evolved, so has the list of research on employees’ motivations and priorities. There are numerous practical implications of studying workers motivations and aspirations (Fisher and Yuan 1998). First, it is useful to know exactly what employees say they value, and whether subgroups of employees have differing preferences. Having insight to this information will make it possible for firms to develop more targeted HRM strategies. Second, such insights will make it possible to investigate whether or not managers misperceive the relative importance of various job characteristics for their employees. If such misinterpretations are present, firms may end up adopting unsuitable or motivation strategies because they misunderstand employees’ needs and wants (ibid 1998).



Schuler and Jackson (2006) provide us with a general framework for understanding workers' motivations. They argue that all 'stakeholders' at a work place share some general concerns about their work life situation and that these concerns affects the degree of satisfaction, commitment and feeling of empowerment experienced by the employees. They thus create some general measures, for which aspects of HRM are facilitating the workers quality of life.

In their contribution, Schuler and Jackson (2007) define the three following employee concerns: *pay and benefits, quality of work life and employability*. The term 'employability', refers to the employees' feelings of uncertainty relating to downsizing and layoffs. Schuler and Jackson argue that there is a negative relationship between employability concern and employee development. As employees develop new skills and knowledge they are turning into more attractive candidates and their 'employability' concerns thus decreases. The term 'employability' is hence related to workers motivations of receiving training and development opportunities.

The following chapter will apply these three concepts to the case of China, by providing an overview of how previous studies have tried to explain how these factors are interpreted and understood by Chinese workers and according to Chinese managerial traditions.

### 3. Human Resource Management in China

Having presented the field of HRM in general terms, this chapter will go into the field of HRM in China more specifically. Before presenting the literature review of previous findings, this chapter will contextualize and explain current developments in the Chinese work market. As noted in the introduction of this thesis, China's current work market situation is in many ways unique, and presents MNCs with new-found sets of challenges.

Increased political stability, peaceful labor relations and rapid improvement of infrastructure enhanced the attractiveness of the Chinese market, and a growing number of foreign investors came to realise the advantages of setting up their businesses in China. The first waves of investments were directed towards the manufacturing industry, and China was perceived as an attractive market with its' low wage levels and cheap raw materials (Lie and Lund 2008). In this period, companies mainly took use of China's low skilled, 'shop floor' workers and had expatriate staff to do the more high skilled, managerial and administrative work tasks (Fryxell, Butler and Choi 2004).

In recent decades, the Chinese society has however seen a rapid transformation and modernisation. The Chinese market has become more sophisticated, and foreign owned firms have found it necessary to localize their staffing and hire high skilled workers, in order to obtain local knowledge and market insight (Foxell et. al 2004). The Chinese 'knowledge worker' has resultantly become an increasingly attractive asset for companies operating in China (Raatikainen 2003).

The production of high skilled workers has thus been booming and more than three million candidates are graduating from Chinese universities and colleges a year (McKinsey 2005). Yet, this has not proven to be enough to keep up with the booming economy's demand for human capital. China's rapid economic growth has not been accompanied with an equally rapid production of high skilled labour and the demand for the Chinese knowledge workers has consequently outpaced the supply (Caplan 2004). Resultantly, the Chinese work market is currently characterized by high mobility of workers and turnover rates high above the global average.

When describing China's labour shortage, the current situation on the Chinese work market additionally presents us with a paradox. Although the number of graduates

from Chinese universities in few years has been multiplied, the unemployment level among fresh graduates is increasing (Yu 2004). This rise in unemployment level is related to the skill-sets and experience held by the graduates. In the 2005 McKinsey report, it was found that even though China is graduating a high number of candidates, less than 10 percentages of these graduates prove to have the requisite skills MNCs need for their executive positions (McKinsey 2005). Although the entrance of foreign firms create new and exciting career opportunities, China's new generation of graduates thus prove to be unprepared for foreign owned firms' ways of doing business. Hence, China is not only struggling to fill the demand from the work market, it additionally struggles to educate candidates with the skill-set's companies are in shortage of.

High turnover is not uncommon in countries experiencing rapid economic growth (Howard et. al. 2007). Hong Kong and Singapore, for example, faced similar issues during their early growth years (ibid 2007). However, the situation in China is somewhat unique. The imbalance between labour supply and demand in China has been exacerbated by the massive influx of foreign investments and the accompanying pressure for rapid business expansion. Additionally, the tremendous growth of local enterprises has further enhanced the need for high skilled labour (ibid 2007). Consequently, the mobility of workers, as experienced on the Chinese work market, is more intense than in other nations. Turnover rate among Chinese managers are for example more than 25 percent higher than the global average and between 30 to 40 percent of senior managers of multinationals switch jobs every year (Howard et. al 2007, Mc Kinsey 2005).

Due to China's labour shortage, recruitment, development, and retention of competent and high-performing professionals have thus become a severe challenge for foreign firms operating in China (Child 1990, Osland & Cavusgil 1996). In Hewitt's 2005 report, two in every five MNC reported that they find it difficult to fill executive positions in China. This is in thread with the findings of a survey performed by the American Chamber of Commerce in Shanghai, where as much as 37 percent of the responding companies said that recruiting talents was their biggest operational problem in China (Am Cam Shanghai 2008). Additionally, 44percentages of the executives at Chinese companies, surveyed by the McKinsey quarterly, reported that insufficient talent was: "[...] the biggest barrier to their global ambitions" (Lane and Pollner 2008: 1).

There are however several reasons why foreign firms find management of human capital particularly challenging in the Chinese context, not only grounded in the currently difficult work market condition, but also related to China's unique history, culture and managerial tradition. In order to grasp these challenges, a brief historical outline of recent developments in Chinese business environment is thus on its place.

### **3.1. From 'Danwei' to Human Resource Management**

In only a few decades, Chinese business organization has seen a development from the 'Danwei system' to the introduction of modern human resource management practices.

Under the Maoist era and up until the 1990s, there was no enterprise-level human resource management in China. The government planned what managers were to produce and how they were to do it. Hence, management of people was characterized by three "iron" (fixed) practices. The 'iron rice bowl' gave workers lifetime employment. The 'iron position' meant managers kept their jobs regardless of performance. 'The iron wage' meant enterprise managers could not control wages or benefits (Dessler 2006). Productive workers thus received the same pay as those who worked less hard.

This system of fixed practices is often referred to as the 'danwei' system, where 'danwei' means work unit in Chinese. The mentality from the danwei systems presented companies with a range of challenges. Workers were not producing efficiently, they were impossible to fire, and all sorts of problems unrelated to the work place were continuously brought up and seen as the responsibility of the employing company (Hoon-Halbauer 1999). As the economy opened up and foreign companies started entering China in the 1980s, many western firms saw this mentality as highly problematic, and the system consequently started to change.

From the late 1980s and up to the present, a range of changes have thus taken place regarding managerial practices in China. The first HRM education programs were introduced to China in the 1980s and since then, HRM as a profession gradually gained momentum. Additionally, reforms have been led through in state owned companies. Employees do for example have fixed contract instead of lifelong employment. Cooke (2004) illustrates these changes by proving how remuneration systems increasingly are being reflected by performance. Additionally, new welfare schemes have been set up were

employees make contributions to pension funds, work insurance funds, maternity, unemployment and medical insurance funds. As such changes are being led through; Chinese employees are now increasingly getting used to competition at the work place and they do no longer expect lifelong employment. Additionally, staffing practices are becoming more decentralized, and selection criteria are increasingly concerning personal abilities and skills rather than political factors (Zhu and Dowling 2002).

Aiming to understand recent changes in Chinese managerial practices, the role played by foreign owned companies must be included. A key driver behind China's open door reform was to improve the effectiveness of both production and management. Initially, the main focus was set on technological learning. Recently, Chinese companies have however become more eager to learn and adapt the more intangible business practices. Introducing a variety of HRM practices, foreign owned companies are thus said to have had a gradual spill-over effect, influencing both private and state owned Chinese companies' managerial and organizational practices. Supporting this argument, Wang, Bruning and Peng's 2007 study found that both private and state-owned Chinese firms are becoming more similar to foreign owned companies on most HRM practices.

Managerial practices have hence seen a great development in the last decades. It is however important to be aware of the fact that although China has moved far from central planning today, vestiges of centralized planning and the old 'danwei' system still remains. China does for examples still have a government-run mandatory personnel file system, a single union, and there are strict restrictions on city migration (Dessler 2006). Additionally, Cooke (2004) argues that there still is a critical shortage of trained HRM managers in China. Even though Chinese firms have acknowledged the HRM profession as an important part of corporate organization, most firms have not developed professional HRM systems at the same extent as most western firms. Supporting this argument, studies of firms' managerial practices have revealed that in reality many Chinese employers are still following traditional managerial practices. Modern HRM practices and traditional 'danwei' practices hence exist side by side in today's China. Based on the unique history and cultural settings of Chinese managerial tradition, management of people in general and human resource management in particular hence continue to differ considerably in China compared to many 'western' countries.

Although Chinese and ‘western’ managerial practices often are set in contrast to each other, it is however important to note that neither ‘western’ nor ‘Chinese’ styles can be regarded as homogenous concepts. There are of course great internal differences in managerial practices and styles within both traditions. Referring to the ‘west’ as one unit, or as one managerial tradition, thus obviously represents a simplification. Whether or not there exists such a thing as ‘western’ HRM system may be discussed. Accordingly, Hammerstrøm and Lunnan (2008) points out the fact that there are great national variation between HRM in the US, Europe and across states. Nevertheless, even though HRM systems vary from one country to another, the variation between these ‘western’ countries compared to the gap faced when these firms enter China is much smaller (ibid 2008). Aware of the dangers of talking about ‘western countries’ as one unit, it is hence this gap we have in mind, when referring to HRM differences between China and the ‘west’ in this thesis.

Returning to the uniqueness of China, it is important to mention that there are other traits than communism and the vestiges of the ‘danwei’ system influencing Chinese managerial practices. In order to understand why and how managerial practices in China continue to differ from that of many western countries, one additionally needs to take the cultural settings into account. China is characterized by having, among many other cultural traits, Buddhist, Taoist and Confucian traditions. Aiming to explain the core ideas of these traditions, in a manner meaningful for this thesis, a brief introduction on their understanding of social hierarchy and social relationships will be useful. Hwang and Bond (1986) argue that the following aspects are shaping Chinese thinking: 1) man exists through, and is defined by his relationships to others; 2) these relationships are structured hierarchically and are immovable; 3) social order is assured through each party honoring the requirements in the role relationship. Based on these ideas, one can see that there is a strong emphasis on developing harmonious relationships between people. According to both Taoism and Confucianism, individuals are encouraged to not be driven by ego-related motivations when interacting with others, but to see everyone equally as part of a collective society. These understandings are naturally said to have implications for how managers and employees understand and view the world around them. These cultural

dynamics and traditions obviously have and continue to, shape business and managerial practices in China.

As the field of HRM is fairly new, and many HR tools and practices are seldom used, multinational companies are hence presented with a different set of challenges on the Chinese work market, compared to the situation in many other countries (Zhu and Dowling 2002). The following section will provide a literature review, illustrating how previous scholars have explained why, how and what managerial practices are best suitable for managing human capital in China.

### **3.2 How to develop successful HRM strategies in China? –A literature review of previous studies**

Acknowledging that HRM is challenging in China, the importance of understanding the particularities of Chinese work place dynamics becomes obvious. The gap between ‘western’ corporative practices and the Chinese business cultures is significant, and scholars have argued for the need to reevaluate which HRM-strategies are applicable to the Chinese context. This section will provide a selected literature review, presenting findings from studies investigating how and why HRM differ in China.

In an early contribution, Tung (1981) claimed that Chinese management theories and techniques were underdeveloped as compared to the advanced nations of the world. In a more recent article, Rarick (2009) argued for the importance of understanding what factors are shaping Chinese work place practices. He argued that the managerial practices of present day China are influenced by the ideas of China’s early rulers, philosophers, and military strategists whose teachings are embedded in the Chinese psyche. Simultaneously, Chinese business practices are however also continuously exposed to western ideas and impulses. As China has become increasingly important to the global economy, Rarick thus argues that it is becoming more and more important to understand the mindset of Chinese workers. Child (2009) accordingly argues for the need to understand which features of Chinese management are context-specific or context-bounded in order to better theorize about them.

Returning to Schuler and Jackson’s (2006) framework for understanding workers’ motivations, we remember that *pay and benefits, quality of work life and employability*

were defined as important measures of employee concerns. Understanding how such work place concerns are interpreted and prioritized serves us with useful indicators for interpreting cultural differences, and for evaluating which HRM practices are functional for managing human capital in China. Interested in understanding the particularities of the Chinese work place dynamics, the remaining of this section will thus provide an overview of how previous studies have tried to explain how these factors are interpreted and understood in China and according to Chinese managerial traditions.

*'Employability' concerns – the importance of learning and development*

Evaluating the efficiency of various HR tools, several studies conclude that provision of long term engagement and career possibilities for the workers, is the most efficient strategy to retain employees in China (Chow, Fung and Yue 1999, Zimmerman et. al 2009). Studying the challenges of doing business in China, Hammerstrøm and Lunnan (2008) found that companies who paid attention on providing training and career planning for its employees, had lower turnover rates. Benson et.al (1998) and Wang (1998) accordingly argued that Chinese workers in general are highly interested in their personal development and consider the presence of training and developmental opportunities to be an important job characteristic.

Returning to Schuler and Jackson's (2006) notion of 'employability', these contributions thus argues that training and development opportunities are regarded among the most important employee concerns in China. The article "The war for talent in China" underline the importance of training and development and argues that growth opportunity and attractive career paths are one of the motivational factors valued the highest by employees, especially amongst executive candidates (Downing et.al 2008: 12).

More specifically, Sovic (2006) and Rein (2007) proved that lack of vocational learning and development opportunities is an important reason explaining the high turnover rates experienced by MNCs in China. They found that MNCs often encounter problems because they are creating 'glass ceilings' for its Chinese employees. Chinese employee experience that they have limited career paths in these firms as the leading positions often will be held by foreign expatriates. Such limited career opportunities hence make companies less attractive for employees in the long run.



Discussing the degree of importance placed on learning and professional development in China, references are frequently made to China's new generation of workers. Leung, Hou, Gati and Li (2011) claim that the young generation in China differs from the previous generations as they have grown up in a setting where the traditional cultural pillars of Confucianism, Taoism, and Buddhism co-exist with Western cultural values. The exposure from two different cultural settings is thus said to affect the work values of this younger generation. Yang (1996) commented that "in the past 100-plus years China has undergone the biggest political, economic, social, and cultural changes of the five millennia of Chinese history" (Yang 1996: 480) and that the process of societal modernization has led to far-reaching and profound psychological and behavioural changes. Young people who stand at the confluence between Eastern and Western cultures are thus bound to experience certain degree of conflicts when they make important life decisions.

Confucian relational ethics encourages individuals, especially young persons to fulfil their parents' expectations, show respect to parental figures and to maintain interpersonal harmony through their choices and actions. In contrast, Western cultural values often encourage individuals to be independent in their thinking, judgment and choices, and to pursue personal goals and career fulfilment. According to this line of thinking, China's young generation of workers are inspired to go after their own individual development and personal needs. At the same time, they feel the obliged to act according to the objectives of their parents (Kristoffersen 2008).

Accordingly, Kwan (2009) argues that China's young generation is currently experiencing, a 'collectivistic conflict', referring to a "psychological tension between forsaking/asserting individualistic aspects of their self and confronting/conforming to the perceived expectations or constraints of the collective group" (Kwan 2009: 980). This collectivistic conflict is triggered within Chinese individuals when they try to adopt Western/modern value orientations within the collectivistic expectations inherent in their cultural context (Hwang 2009). Influenced by a more individualistic mind set, employees' focus on receiving continuous learning and development opportunities will increase as this new generation enters the work market.

Interested in the priorities of the young generation of workers in China, Westwood and Leung (1996) found significant differences in graduates' perceptions of working conditions in state-owned firms (SOEs) and MNCs. Respondents indicated that workers in SOEs had little task commitment and a weak work ethic (i.e., low incentive to work hard). Furthermore, respondents thought the lack of a relationship between performance and rewards in SOEs was unfair. Respondents noted that there were more career opportunities and more risks associated with MNCs but that they were prepared to accept the risks associated with such opportunities. Accordingly, Bjorkman and Lu (1999) and Wang (1998) argued that foreign firms in China generally provide more challenging work, greater responsibility for employees, more career development opportunities, and are more likely to link performance with rewards than SOEs. Individuals with a higher need for achievement will thus be more attracted to foreign than state-owned firms.

A recent study, led through by the HR consultancy Corporate Executive Board (CEB) did however show contradictory tendencies in young professionals' preferences (Lin 2011). The survey showed that in 2007, 41 per cent of highly skilled Chinese professionals preferred working for a western MNC, while 9 per cent preferred a job with a domestic firm. By 2010, the preference for MNC employment had risen to 44 per cent, but the preference for Chinese employers had jumped to 28 per cent. 'In just over two years, western companies' hiring advantage (in China) was cut in half,' said Conrad Schmidt, executive director of CEB's Corporate Leadership Council, in the March 2011 edition of the Harvard Business Review (Lin 2011). This finding might thus indicate that the employment preferences of young workers are about to change. It can also serve as an indicator proving that Chinese employers have improved and become more attractive employment options in the eyes of the Chinese work force.

Concerned about the youngest generations' career ambitions, Bai (2006) additionally highlights an interesting point of reflection. He argues that there is a strong sense of "superiority" among Chinese students. According to Bai, this is something that has grown out of the old elite-type of higher education in which only a very small proportion of the population was able to receive higher education. As we remember from the introduction of this chapter, the unemployment level among fresh graduates is

however currently increasing (Yu 2004). In lack of work experience, young graduates do, in reality not make for the most attractive group of work force. In line with Bai's argumentation, it thus seems to be a gap between graduates' perceived opportunities and the actual work market situation.

Highlighting the high ambitions of Chinese workers, Hammerstrøm and Lunnan (2008) found that Chinese employees have a strong demand of knowing the outlook of their future career and promotion opportunities in the firms they are employed in. In an example, they present how a company had been able to fulfill this employee demand, by developing a pyramid, visualizing employees' possible steps of internal advancements. By communicating future opportunities to its employees, this company was able to reduce its' turnover rates. According to this study, because Chinese workers are strongly motivated by obtaining personal development opportunities, a visualization of future steps of career advancement hence creates employee retention.

#### *Importance of pay and benefits in China*

Claims that learning and professional development opportunity is of key importance to Chinese workers have been challenged by opposing arguments. Shen (2007) points out that rigorous performance appraisal and the lack of training and development opportunities are not the major concern for workers in China. In comparison, compensation, recruitment and selection-related issues are presented as more important concerns. This importance placed on remuneration must be understood in light of China's history of business management. China's economic reform put an end to the 'iron rice bowl' system which had guaranteed life-long employment and the 'iron wage' system which ensured centrally administered wages and the cradle-to-grave state welfarism (Warner 2004). As a result, job insecurity, not getting paid or unfair payments have become dominant concerns of the Chinese workers. -Placed above and beyond concerns related to training, development and appraisal issues.

Investigating the importance placed on remuneration and economic benefits, a range of researchers have argued that pay is ranked at the top of the list in China (Ding 1999, Fisher & Yuan 1998, Westwood & Leung 1996). Fung et al.'s study (1996) argued that Chinese young professionals tend to take a more instrumental view of their work,

and therefore favor extrinsic rewards over intrinsic rewards. The focus on pay is said to reflect a primary instrumental orientation of the Chinese in the reform era. The findings of Warner's (2004) study provide support to this research by claiming that compensation management, recruitment and selection diversity management are the salient HR functions in China

Opposing arguments on the importance placed on salary in China has however also been presented. In their 2008 study, Hammerstrøm and Lunnan argued that although salary is important, it is far from the most important motivational factor for employees. Data from Howard et.al's 2007 study on employee retention in China supported this argument by proving that companies who are able to retain employees in China do not always pay at the top of the market, but they are paying much attention on communicating clearly with their employees about their compensation and reward programs.

*Work life quality – the importance of work place relationships in China*

When discussing why HRM is different in China, it is often argued that leadership style and employer-employee relationships are unique. The article "The war for talent in China" points out the importance of leadership style for Chinese employees. Executive candidates are very concerned with their relationship to their direct supervisor and the stronger this relationship is, the more likely are the employee to retain in its position (Dowling et.al 2008).

Management in China is often set in contrast to that of 'western' managerial traditions. Illustrating this gap of traditions, Bjorkman and Lu (1999) argue that western firms are challenged by numerous Chinese cultural characteristics. These include the strong respect for hierarchy, the significance of 'saving face' and the importance of personal relationships ('guanxi'). Xing (1995) more specifically claims that in China, group relationships and interpersonal connections (guanxi) are often overpowering the formal organizational structure. Business relationships rely on trust between the parties involved and it is seen as natural and proper to have a hierarchical structure where there is a strong degree of respect towards the superior. In contrast, western managerial

practices are often described as more flat, individualistic and independent (Hansen 2008b).

Studying the nature of such work place relationships in China, Hartman et.al's 2010 study claim that it is particularly important to pay attention on developing a strong employer-employee relations in China: "In China, it is extremely important to see the private person behind your employee and to get to know him [...] One notices very quickly that the Chinese are much more cooperative and emotional if they know you better" (Hartman et.al 2010: 175).

Aiming to illustrate how the specific features of Chinese managerial traditions affects the work place structures Warner (2010) argues that traditional Chinese culture can influence work place relationships in contradictory ways. On the one hand, taking the collectivist orientation, the centrality of relationships (*guanxi*) and concerns for harmony in Chinese culture may ease key aspects of teamwork – such as a common goals, task interdependence and group orientation. On the other hand, one might find that the Confucian emphasis on rigid social hierarchy and deference to leaders, bolster top-down control and set up strong barriers to teamwork. From this, it is possible to conclude that collectivism is not always conducive to teamwork. While one may concede that even if the Chinese may be 'collectivist' for the most part, members of different *guanxi* networks may fight with each other in the same organization (Goodall, Li and Warner 2007).

As western and Chinese leadership style differs in several ways from that of many 'western' traditions, previous studies have also investigated how this factor affects workers preferences for employment. On the basis of the similarity attraction paradigm (Byrne, 1971), one might expect that workers would prefer a local Chinese supervisor, who would be seen as similar to them and understand the importance of relationship structures. Supportive of this argument, Lasserre & Ching (1997) found that Chinese job seekers often were attracted to working for the more familiar firms. They were concerned about the image of potential employers, because they could earn "face" among family and friends by working for well-known and respected firms.

Opposing the similarity attraction paradigm, Cheng (1999) did however prove that Chinese employees recognize the value in working for a foreign supervisor, who can provide coaching and mentoring. By interviewing Human Resource specialists,

investigating factors related to firm attractiveness, Cheng found that foreign supervisors were seen as providing more developmental opportunities for subordinates than were local People's Republic of China supervisors.

All of the studies reviewed in this section are trying to say something about how and why some HRM strategies tend to be more efficient in China than others. Whereas some argue that strategies of providing learning and career development are the most efficient, others claim that high pay and good benefits are the best ways to retain Chinese workers. Returning to the standardization- localization debate, Bjorkman and Lu (1999) does however argued that it is not a question of whether or not firms should implement 'western' or Chinese HRM practices, but that some parts of HRM seems to be more universal, whereas other parts of it are more challenging to apply effectively in different cultural settings. Examples of such cultural sensitive practices are employee appraisal, reward systems, and the process of assessing potential employees (Bjorkman and Lu 1999, Easterby-Smith and Yan 1995).

As this literature review illustrates, recent decades have seen a range of contributions to the field of HRM in China, addressing the need to understand the unique setting of Chinese managerial and work place practices. There are, however still some gaps in the current literature, and the following section will address the need to increasingly include the perspectives of the local Chinese work force. This gap will make the basis for basis for the research of this thesis.

### **3.3 Human Resource management from a Chinese employee perspective**

In 1984 Helburn and Shearer noted that "one of the most important but least understood elements of the economic system of the People's republic of China is that of human resource management" (ibid: 3). As the literature review above illustrated, a range of scholars have, in the last 30 years since China's economic reform, conducted management studies, with the aim of creating a better understanding of the Chinese systems of HRM. We are thus left to ask: Have we developed a better understanding of HRM in China?

The literature review proves that there has been a growing scholarly interest in exploring the ‘Chinese characteristics’ of HRM. Several authors have however argued that there still are some gaps in the current HRM literature in China that need to be filled. One such gap lies in the lack of studies including the perspectives of local Chinese employees. Li and Sheldon (2010) argue that the lenses used to approach the field of HRM in China appear to foster little attention to local institutional, cultural and economic factors. They thus argue for the need to place the study of HRM in China firmly within the study of local labor markets, a perspective they claim is yet to attract explicit attention. They highlight that recent surveys of the field, examined in leading journals do not even list the characteristics of local labor markets as a level or topic of analysis (Cooke 2009; Poon and Rowley 2007; Zheng and Lamond 2009). The same is claimed to be true of Warner’s (2008, 2009) recent, comprehensive overviews on HRM in China. Given China’s vast local diversities and disparities, there may thus be considerable potentials in exploring various localized aspects to understand the Chinese characteristics of HRM.

In her 2008 article, Lenis Lai-Wan Cheung accordingly describes the research done in the field of HRM in China, as superficial and argues that solutions on how to better manage human resources is not discussed in detail. Most importantly, she argues that few of these research projects take the local workforce’s perspectives into account. Cheung claims that there is an ‘asymmetric understanding’ of HRM in China today. Whereas Chinese employees in foreign-owned enterprises usually have a basic understanding of western management practices through education, training and through work experience, expatriate managers do, however, often have much less knowledge about Chinese organizational culture, professional relationships and cultural heritage. The Chinese are expected to learn about and adapt to western work-place culture, but not the other way around.

Based on this asymmetry, Cheung argues for the need for HR researchers to change their perspectives in order to obtain complete understandings on how to do HRM in China. Instead of analyzing the challenges of HRM in foreign owned firms from expatriate manager’s standpoint, it is time to draw on the experience from Chinese employees, allowing the human resources to talk for themselves. Taking these objectives

and understandings into account can thus create a meaningful dialog, as both sides are given the right to participate (Cheung 2008).

Taking a look at the studies presented in the literature review above, claims of the existence of a research gap in the HR literature is supported. Although there do exist studies based on data from employees, the majority of studies still seems to be basing their research on expatriate/executives' perspectives. Let us take a look at some examples. The study of Bjorkman and Lu (1999) provides a long discussion on why and how HRM is challenging for firms in China. Their findings are however solely based on interviews done with managers. The article thus had no discussion on how the Chinese employees themselves regarded the firm's HR practices and how effective it was perceived to be. Accordingly, the article of Hammarstrom and Lunnan (2008) on HRM in Norwegian firms operating in China was based on insight from 30 interviews, whereof the majority of interviews were done with expatriate managers. Another example can be found in Hartmann et al.'s (2010) article on MNCs talent management in China. This article creates guidelines for how talents are best to be managed in China, based on data from senior and middle management. The last example is found in Rein's 2007 article. As presented in the literature review, Rein argued that multinational companies struggle to retain its Chinese employees because the workers perceive that they have few opportunities for career development and promotion. This conclusion was drawn from interviews with senior executives of MNCs operating in China.

As all of these examples illustrates, the voices of the local employees seems often to be left out. Additionally, there seem to be a tendency that studies, who have aimed to approach Chinese employees, often are based on data collected from workers on the shop floor level. The aim of this thesis is however to investigate the objectives of the *high skilled* Chinese workers. There are several reasons why this is an interesting group to approach: Studies of employee turnover in China have highlighted that young and newly educated professionals tend to be the most mobile employees. In addition, when aiming to create an understanding of why Chinese firms tend to be preferred over MNCs, this age group (25-35) is clearly the most relevant group to study as this is the age group targeted by most MNCs when recruiting workers on the Chinese labor market



(Zimmerman et.al 2009). There is thus a need to consult the human resources themselves. This is what this thesis aims to do.

### **3.4 Research Questions**

Based on the literature review and the current gap in the HRM literature, it becomes possible to formulate the exact research questions of this thesis. From the literature review, it became obvious that there are opposing arguments on how and why HRM practices are to be developed in China. Aiming to create a contribution to this debate, this thesis is concerned with investigating the objectives and needs of China's local high skilled workers. The first research question will thus be formulated as follows:

*Research Question 1: What motivates Chinese high skilled workers?*

With the objective of mapping out employees' motivations, this thesis additionally aims to investigate how these high skilled workers perceive the HR practices of multinational employers. This information will give us implication on the extent MNCs are succeeding in developing HRM practices, in thread with the motivations and wishes of its' Chinese work force. The second research question of this thesis thus has the following sounding:

*Research Question 2: How do local employees perceive multinational firms' HRM practices?*

## **4. Methods & Methodological Reflections**

The following chapter presents and discusses the methods of data collection employed. By posing the two research questions of this thesis, the research objective of this study is two sides. -Aiming both to explore Chinese workers objectives and motivations, as well as to investigate how these employees assess their international companies' HRM practices. The first section of this chapter will introduce and rationalize the choice of method used to approach these research questions. The choice of sample will be presented, arguing for the advantages of combining data from both employees and students when exploring key motivations of the Chinese work force.

This thesis argues for the advantages of combining quantitative and qualitative research methods. The second section will thus make an account for the benefits of obtaining insights from in-depth interviews. Conclusively, the last section will make some reflections on the challenges of doing research in China.

### **4.1 Presenting the sample - Combining insight from employees and students**

As this project is arguing for the need to increasingly include local perspectives into studies of MNCs HRM practices in China, the chosen unit of study must somehow be taken from the Chinese population. This study has chosen to approach two groups of informants; Current employees working for MNCs, and the potential future employees of the Chinese work force, namely the students.

There are several reasons why combining insight from employees and students serve as a useful mean of approaching the research questions. First, findings based solely on data from workers already active on the Chinese work market, might provide us with some biases. As already mentioned, it is important to be aware of the distinct features characterizing Chinese management practices and organizational behavior. Chinese employees are known to have a high degree of respect for age and hierarchy (Bjorkman and Lu 1997). Personal relationships (often referred to as 'guanxi') and the importance of 'knowing the right people' are seen as key to achieving successful careers (Chen and Francesco 2000). The Chinese society is hence highly based on 'personalism', implying

that organizations are strongly dominated by the top bosses and the respect to these authorities is extremely high (Redding 1990, Walder 1991). Chinese workers are thus known to have a strong degree of loyalty to their executive. Based on these insights, there will always be a danger that Chinese employees answer both surveys and interviews in a manner that is socially desirable and in line with what is understood as 'correct' (often referred to as the social desirability bias) (Bryman 2008, Eckhardt 2004). Unsecure about the implications of the survey and strictly tied to the objective of protecting their relationship to their executives, current employees might thus serve us with biased data.

This argument does not imply that we should avoid doing research directed towards Chinese employees. Aware of the dangers of obtaining biased data, a researcher is however challenged to come up with creative solutions. Resulting from such creative mind games, this study thus argues that a combination of data from employees and students is a good way to explore Chinese work values, as data from students does not create the same problem of obtaining biased data. When asked about their work-related objectives and motivations, students are in the position to answer in a relatively independent and open manner. They do not have to worry about relationships to executives or employing companies. On the other side, students will only be able to make assumptions about their work-related motives and objectives, as most of them do not have any work-life experience. Combining students' assumptions with employees' current experience thus serves as a good means of obtaining a more complete picture of the objectives of the Chinese work force.

Second, a combination of data from employees and students additionally provides us with the opportunity to explore differences between the two groups. Making it possible to investigate whether or not motivations and objectives tend to change as people enter the work market. This insight will thus provide us with a deeper understanding of how and why Chinese workers prioritize as they do, and what factors are important on the different stages of the workers' careers. To obtain data from Chinese students is also interesting for a third reason. Interested in creating a better understanding on how MNCs can enhance their ability to recruit and retain employees in China, to obtain insights from the youngest groups of the work force is of particular interest. Studies of employee turnover in China have highlighted that young and newly educated professionals tend to

be the most mobile employees. In addition, young employee in the age group (25-35) is proven to be the age group targeted by most MNCs when recruiting workers on the Chinese labor market (Zimmerman et.al 2009).

It is important to note that the samples of this study are taken from Shanghai, one of the largest urban financial centers in China. Findings from research directed towards employees and students in Shanghai do not necessarily mean that we can form expectations of similar values among all students in China. There are great regional differences in a country as China and the distinctions between rural and urban areas are considerable. These samples collected in Shanghai represent the exception rather than the rule in China. Findings will probably not have been the same if studies have been led through among employees and students in more rural areas and provinces. This study is thus targeting the high skilled, urban Chinese workers. The findings of this thesis can thus not be generalized to represent the average Chinese employee. Nevertheless, they represent an adequate sample population for the purpose of this study, as these are the employees targeted by MNCs.

#### **4.2 Methods of data collection**

The quantitative data of this study was collected through surveys. To collect data from both employee - and student informants, two different questionnaires were constructed in order to map out the motivations of Chinese workers as well as to measure how employees perceive their companies' HRM practices (see appendix I & II). There are several reasons why two different surveys were designed. First, the student survey was designed for use in a larger research project and thus included more questions. Second, after wishes from the participating companies, the employee survey was designed in a way that made it possible for the employees to answer it efficiently, without spending too much of their work time on it. The employee survey was thus shorter than the one employed on the student informants. The purpose of the two surveys did also differ slightly, whereas the student survey was designed only to address the first research question of this thesis, the employee survey also asked the informants to assess their employing company on a range of issues. Whereas the employee survey addressed both research questions, the student survey was however designed to investigate the

informants work values in more detail. Aiming to map out motivations of students and employees', both surveys included questions investigating the importance placed on the three dimensions proposed in Schuler and Jacksons' framework for measuring workers motivations, namely: *pay and benefits, quality of work life and employability*.

#### **4.2.1 The employee survey**

The employee survey was directed towards high skilled employees from three different European owned companies, operating in Shanghai. All of these three companies have a localized staff of high skilled employees. Two of the companies had production facilities in China, whereas one of them only has a trading office.

The first company is a global leader in power and automation technologies. It operates in around 100 countries and employs about 124,000 people. Research was led though in one of the company's departments in Shanghai. This department had a staff of 88 high skilled workers, and 8 expatriate managers. The second company is a producer of coatings. The company is present in around 60 countries and has a staff of about 8 000 employees. Its' Shanghai department, have a staff of 209 high skilled employees and 3 expatriate managers. The third company is a producer of metallurgical silicon. The company has trading offices in 11 countries, covering the most important markets in Europe, Americas and Asia. In Shanghai, the company has a staff of 49 high skilled employees, and two expatriate managers.

The employee survey was constructed and sent out electronically by use of the online survey service 'Monkeysurvey.com'. This mean of collection made the survey easy accessible, it ensured full confidentiality and the respondents were free to answer the survey when they themselves had free time to do it.

The survey only used closed questions were the respondents were either asked to place their opinion on a scale from one to seven or to choose one out of multiple choices. There are several advantages of taking use of such closed questions. Closed questions are both easy to process and answer when respondents are asked to fill out a questionnaire without assistance. In addition, closed questions are advantageous as it enhances the comparability of the respondents' answers (Bryman 2008). As the respondents are not given the opportunity to interpret the questions individually this makes the findings more

valid as the possible answers are designed to address what this study seek to investigate. Through these survey results, it thus became possible to find the general patterns on what work related values were rated the highest by Chinese employees. The survey also asked the employees to evaluate their company's performance on a range of factors related to the firm's HRM practices.

The employee survey was pre-tested for instrument validity with 5 Chinese employees, before the draft was finalized. The survey was then sent out to 346 high skilled Chinese employees. After several rounds of follow up contacts, 250 questionnaires were received, representing a respondent rate on 72 percent. Data from 250 employees provides us with a relatively representative sample for investigating work motivations of *high skilled Chinese workers*, employed in MNCs. It is however important to note that the sample of 3 multinational companies, is not providing us with data representative of MNCs in China. This thesis is thus not aiming to make generalizations of the current situations of multinational companies operating in China.

#### **4.2.2 The student survey**

The student survey includes results from 1026 students from the following three universities in Shanghai; Fudan University (430 respondents), Tongji University (365 respondents) and JiaoTong University (231 respondents). The distribution of questionnaires was weighted after size according to number of students at the various universities. With assistance from my Chinese research assistance, a student from Fudan university, the survey was distributed from spots at the campuses where students could be approached easily (e.g. at the library entrance, auditoriums or cantinas). The respondents had the opportunity to ask questions about the survey in both Chinese and English, and the surveys were collected the questionnaires as soon as they were finished. The presence of both my assistant and myself, made it possible to answer questions from the informants whilst collecting the data.

The student survey was constructed in a quite similar way as the employee survey. This survey was obviously designed to address only the first research question, and were thus only including questions measuring work related motivations and objectives. As students only can make assumptions about their future work life situation, some of the questions were however formulated in a different manner than when applied

towards employees. Additionally, the survey included questions designed to probe students' attitudes towards their career paths, aiming to measure which employment options were regarded as the most attractive in the eyes of the students. This data does for example make it possible to get an insight in whether or not students who want to work for MNCs tend value work related factors differently than those who want to work for government or Chinese state-owned companies.

### **4.3 Combining quantitative data with qualitative insight**

In addition to the surveys, both research questions have been approached by gathering qualitative data. Qualitative research focuses on people's experiences and the personal meanings these individual place on events, processes and the environment of their normal social setting (Kiessling and Harvey 2005). A qualitative approach is thus well suited to understand *why* numbers and figures obtained through the survey results are distributed as they are.

First, interviews were conducted with 10 Chinese employees. The interviewees were selected from different departments and from various job levels in order to obtain input and insight from the various groupings of high skilled Chinese workers. Every interview lasted for about 30 minutes. Additionally, interviews were led though with six Chinese students from the three chosen universities in Shanghai. The purpose of these student interviews was to achieve more indebt insight into the students' objectives and expectations to the work market, focusing specifically on their objectives of working for a foreign owned firm in comparison to Chinese owned firm. Most of the interviews were done with master students and each interview lasted for about 20 minutes. A tape recorder was used in all of the interviews and a short report was written immediately after the interview, summarizing the main findings. The interviews with students and employees were performed in English, some of them with assistance from my research assistant, who contributed with Chinese translation when needed.

The aim of performing these interviews was to study the objectives and perceptions of the local Chinese work force, from a micro-level perspective. Performing in-debt interviews is a suitable mean of obtaining an insight into individuals' personal experiences, objectives and understandings (Thagaard 1998). The interviews were led

through in an active and informal manner. In an *active interview* there is continuous interaction between the interviewer and the respondent. Holstein and Gubrium (1995) gives the following definition of the active interview:

*“This active interview is a kind of limited “improvisational” performance. The production is spontaneous, yet structured – focused within loose parameters provided by the interviewer”* (Holstein & Gubrium 1995:17)

Looking at an interview as a ‘limited improvisational performance’ appeals to me as a researcher. This implies that a researcher can make a plan for the interview structure but at the same time allow the conversation to stray away from the original subject, as related ideas, stories and experiences come up. Based on this idea of an active interaction between researcher and respondents, all interviews were following a semi-structured interview guide.

Information from these indebt interviews will hence provide us with data in a more informal, contextualized and elaborated format. Combining quantitative data with qualitative insight is advantageous for a number of reasons. Data from the questionnaire will provide general information on the variation in the employees’ work values. These data will make it possible to explore patterns and relationships between the variables included in the data set. Yet, data collected in a questionnaire will not provide us with a deep insight in the respondents’ objectives and various understandings, as they are presented with few possibilities of elaborating on their given answers on the closed questions used in the questionnaire. Based on this argument, this study therefore includes qualitative data in order to enrich the study.

Eckhardt (2004) supports the idea of combining different research methods, and argues for the necessity of triangulation when doing research in China. He argues that the mean of combining various research methods, such as quantitative surveys with qualitative interviews, will contribute on creating more trustworthy and credible findings. Basing a research project only on quantitative or qualitative methods can create obvious weaknesses. Eckhardt argues that in China, people are discouraged to speak out their true inner thoughts and feelings. Doing interviews, one are thus always in a danger of not receiving credible and honest responses. The necessity of approaching a research question by means of various research methods thus becomes obvious. Combining data



from interviews with data from anonymous survey questions can hence serve as a good way of taking such a triangular approach to the research process.

#### **4.4 Challenges of doing research in China**

When conducting research, a researcher should always pay considerable attention to his or hers own role played in the research process, as there will always be dangers of misinterpretation. Doing research in a foreign culture only strengthens these dangers. Concerned about the role of the researcher, Hansen (2008a) and Eckhardt (2004) address the problems faced in the encounter between foreign researchers and local informants in China. This section thus makes some reflections on some of the possible challenges faced when doing research in China.

From the introductory chapter of this thesis, we remember how the notion of culture is a highly complex, dynamic and difficult concept. Connecting the concept of culture to the challenges of doing research, Eckhardt (2004) argues that culture and cultural differences play an important role when conducting business research in China. Western researchers typically do not make many methodological modifications to account for cultural variations, when doing research in China. Theories and methods applied are often developed in and for western cultural settings and after the psychology of those who have previously been under investigation in the West. This is often said to be the case of HRM theory as well. This issue is of course problematic, strengthening the dangers of misunderstandings and misinterpretations. Addressing the need to pay considerable attention on cultural differences, Eckhardt thus argues that there are a range of cultural issues, western researchers must be aware of, when conducting research in China.

According to Eckhardt (2004), one important factor affecting the process of doing research in China is based on the respondents underlying respect for hierarchy. People are likely to answer in a way they believe someone at their place in the hierarchy is expected to answer. Young workers are unlikely to give answers that stand in contradiction to those given by the older people. And females are often likely to respond in a way they feel is appropriate in position to their relations with men (ibid 2004). As a young Norwegian (and female) researcher, it is important to reflect on how this factor will affect

the research process. As already mentioned, the choice of collecting data from students was motivated by the aim to obtain data less affected by hierarchical considerations. It is however also important to reflect on how the view of interpersonal relationships have affected the interviews performed in this project. Some of the interviews with employees were led through in the company where I had my internship in the fall 2010. Being one of few expatriates, working at the office in Shanghai, it is likely to believe that my position as a foreigner, and my relationship to the Norwegian CEO, may have affected the interview and the responses received.

Eckhardt (2004) argues for the advantages of using a ‘cultural insider’ when doing research in China. Having a ‘cultural insider’ assisting the data collection, respondents or interviewees will experience a degree of comfort and familiarity. Eckhardt argues that this sense of familiarity will affect the responses obtained, as the respondents are more likely to feel comfortable when a Chinese ‘insider’ is present. Working in insider/outsider teams is thus highly advantageous when working in China. Aware of these advantages, I decided to cooperate with a Chinese research assistant when conducting most of my fieldwork.

Another grip taken to reduce misunderstandings and language barriers in this project was to write both surveys in English and Chinese. To ensure a high quality of the Chinese translation (as the researcher herself do not speak or write Chinese), the survey was subject to a back-translation procedure to ensure validity in this cross-cultural setting. A professional translation company in Shanghai was used for translating both the employee and student survey.

## **5. Analysis – Chinese Work Value Perspectives**

This chapter will present and analyse the findings of this thesis. Initially, the work value findings from both student- and employee survey will be presented. From these findings, four dimensions of work related motivations will be identified and discussed through the inclusion of both quantitative and qualitative data. In the last section, results from the employee assessments of their multinational employers will be presented and analysed.

Before presenting the survey and interview results, it is useful to provide a short introduction of the group of informants. With a sample consisting of 250 employees and 1024 students, we are in the possession of a relative large data set. An introduction of the characteristics of the sample is thus on its place.

The 250 employees are all high skilled workers, employed in European owned companies operating in Shanghai. The total gender composition is fairly even, with 107 female and 143 males. This equality does however diminish when we look at the higher work levels in which the majority of employees are male. The majority of the employees are in the age groups 21-30 and 31-40 and the average employee has worked in their company for 3-5 years.

The sample of 1024 students is representing students from three large universities in the cities in Shanghai. Among the 1024 students, the average age is 21 years old. The gender composition is quite equal with 549 female and 473 male respondents. This equal composition is present at all education levels. The sample consists of students with origin from all of China's 22 provinces, as well as Taiwan and Hong Kong. The majority were undergraduate students (76.6 percentages), a substantial number were graduate students (19.8 percentages), whereas only 3.4 percent were PhD students. 29.1 percent were engineer students, 25.8 percent within Social science, law, economy, business, 24.2 percent were in the Science and technology department, 12.5 within language and humanities and 8.1 percent in other fields of studies.

### **5.1 Work values findings**

In order to investigate the most important work motivations and objectives of the Chinese work force, both students and employees were asked give how important a range of work

related values were to them. This first section will give a presentation of students work value preferences, by means of a factor analysis. Second, the main work values of the employees will then be presented.

### *Student survey results*

As the student survey was developed for use in a more extensive research project, the survey material included a range of variables. Table 5.1 provides a chronological listing of the mean score the 20 variables measured.

Table 5.1 Student work value scores

<b>Variables (evaluated on a scale ranging from 1 to 7)</b>	<b>Mean</b>	<b>St.Dv.</b>
1. To work in pleasant physical surroundings	5.97	1.083
2. Opportunities to learn and gain new skills	5.96	1.098
3. To develop a network for my future career	5.89	1.069
4. Good benefits	5.85	1.071
5. High salary	5.68	1.066
6. Time and energy left for other activities	5.66	1.224
7. Good possibilities to advance within company	5.65	1.143
8. Friendly colleagues	5.57	1.115
9. To work in a company where I make good use of my educational skills	5.49	1.324
10. To work as a part of a team	5.27	1.232
11. Possibilities to gain international experience	5.26	1.268
12. To work for a company taking responsible for CSR	5.09	1.395
13. To make my parents proud	5.14	1.397
14. Challenging work	5.04	1.24
15. To work with modern technology	5.02	1.344
16. Expectations from boss clearly defined	5	1.289
17. To work for a company taking responsibility for environment and climate	5	1.466
18. To develop a close relationship to my manager	4.96	1.239
19. To work for a well known company	4.8	1.345
20. To serve the interest of my country	4.51	1.58

In order to translate this list of variables into something more operational and easy to comprehend, a useful mean is to reduce the number of variables. Data reduction involves taking scores on a large set of measured variables and reducing them to scores on a smaller set of composite variables that retain as much information from the original variable as possible (Fabrigar et al. 1999). A way of doing this is to conduct a factor analysis. As Andy Field (2009) put it, in a factor analysis, we take a lot of information (variables) and reduce this mass of confusion to a simple message (fewer variables) that

is easier to digest. According to Thompson (2004) factor analytic methods can be used for at least three purposes. First, a factor analysis can be used to inform evaluations of score validity (confirmatory analysis). Second, factor analysis can be used to develop theory regarding the nature of constructs (exploratory analysis), and third, factor analysis can be used to summarize relationships in the form of a more parsimonious set of factor scores that can be used in subsequent analyses. The factors are composed by variables that correlate internally, but with as little as possible correlation between each of the factors. In other words, if a high score on variable number one usually is accompanied by a high score on, for example, number four, seven and eleven, but not on other variables, these four variables are connected and may thus compose a factor.

Exploration of the student data indicated that, a four-factor solution resulted in the most interpretable and parsimonious factor structure (see table 5.5 below). The Kaiser-Meyer-Olkin value of the analysis is .87, which suggests that the data has appropriate variance-covariance for factor analysis. The Bartlett's test of Sphericity showed statistical significance on .000-level.

Table 5.2 Factor analysis of student work values

	Factors			
	1	2	3	4
Opportunity to learn and gain new skills				.676
Friendly colleagues				
Possibility to gain international experience				.665
Challenging work				.746
To work for a well-known company	.728			
To work as a part of a team	.431	.500		
To serve the interest of my country		.680		
Good possibility to advance within company	.701			
To work with modern technology				.412
Expectations from boss clearly defined	.486			
Time and energy left for other activities, hobbies etc.			.716	
High salary	.598		.504	
To develop a network for my future career	.579			
To make my parents proud	.421			
To work in pleasant physical surroundings			.716	
Good benefits (health insurance, housing accumulation fund, pension saving etc.)			.667	
To work in a company where I can make good use of my educational skills		.481		
To develop a close relationship to my manager	.509	.462		
To work for a company taking responsibility for environment and climate		.740		
To work for a company taking responsibility for social issues (CSR)		.775		

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.  
a. Rotation converged in 6 iterations

The principal components analysis was set to suppress coefficients smaller than .4 and this resulted in four factors with Eigenvalues exceeding 1, explaining 29 percent, 9 percent, 8 percent and 6 percent of the variance respectively. Looking at the content of these four factors, it is possible to make an interpretation of the logic behind the grouping of variables. The first factor is composed by variables related to work place relationships and internal positioning. The second factor is composed by more *collectivist attitudes* and qualities related to firms' external responsibilities. The third factor loads on qualities related to *material values and work place comfort*, while the fourth and last factor is composed by variables related to learning *opportunities and professional development*.

The ranking of these four factors, however, is based on their explanatory value and does not say whether the variables that compose factor 1 is valued higher by the students than the variables underlying factor 2. To account for the relative importance of the four factors, new variables were constructed based on the variables included in the respective factors. The score on each of the new variables has not been weighted with regard to the factor loading. The score of the new variables is simply calculated by summarizing the score of the variables included in each factor and divided by the number of original variables incorporated in the new variable. Based on these factors, derived from the student material, we are thus left with 4 dimensions of work related motivations. The four new variables are presented in table 5.3 below. These factors, extracted from the 20 variables are reasonably composed – taking the meaning and contents of the original variables into consideration. It is thus both practical and sensible to proceed with the extracted variables.

Table 5.3: New variables based on factors

Based on factor...		N	Mean	Std. Deviation
3	Comfort, remuneration and security	1024	5.83	0.87
4	Learning and professional development	994	5.32	0.875
1	Relationships and internal positioning	1001	5.31	0.79
2	Collectivism and external responsibility	994	5.06	0.984

The main purpose of creating these new variables is to identify the relationships between the various variable in the data set. Although table 5.2 contains a listing of the mean score of these new variables, it is important to note that these new variables are composed by a range of individual variables, of which the score distribution varies considerably and can point in different directions internally. One should thus be careful of using these combined scores in subsequent analysis. In this thesis, the combined scores of the new variables are hence only used to perform simple correlation analysis, investigating relationships between variables.

Having transformed the student data material into four comprehensive dimensions, it is time to return to our research question. By looking at the scores in the table above, it becomes possible to get an impression of what work related motivations and objectives were rated as most important by the students. For students, variables connected to comfort and security were given to be the most important. Additionally, factors related to learning and personal development was given a high score, followed by factors related to relationships to managers and the importance of internal positioning at the work place. Of the four factors, variables related to collectivism and external responsibilities were rated as the least important.

Looking at the survey results in more detail, these findings were supported. When asked to choose which work related value was the single most important, the variable ‘to learn and gain new skills’ was given the most ‘votes’, with 11.3 percentages of the students rating this as the most important variable, followed by ‘to work in pleasant physical surroundings’ on a close second, receiving 10.8 percentages of the ‘votes’. There is thus no clear ‘favorite’ among the work related variable. This implies that there is no general agreement among the students on what values are seen as the most important. This is however not a surprising finding, as students, as already mentioned, only are able to make assumptions or only have some general ideas of what they are looking for in their future work life.

These work value results will be discussed more in detail in the subsections below. First, let us take a look at the main work value findings of the employee survey.

### *Employee survey results*

Moving on to the employee survey material, it is easy to obtain an overview of the results, as the employee survey was designed solely for use in this project, and thus included fewer variables. In the survey, the employees were asked to rate how important 9 different work values were to them. Table 5.3 below contains a listing of the most important work values, listed chronological after mean value.

Table 5.4 Employee work values

<b>Variables (evaluated on a scale ranging from 1 to 7)</b>	<b>Mean</b>	<b>St.dv.</b>
Opportunities to learn and develop new skills	6.37	0.953
To be recognized for my contribution to the company	6.37	1.202
Friendly colleagues	6.01	1.006
Good benefits (health insurance, housing accumulation fund, pensions saving etc.)	6	1.088
Good possibilities to advance within company	5.98	1.202
High salary	5.81	1.098
To be well informed about the company's strategies and performances	5.66	1.151
To work in a company where I make good use of my educational skills	5.51	1.239
Time and energy left for other activities	4.75	1.586

The score variance in table 5.3 provides us with a good picture of employees' motivations and preferences. We do however see that all of the variables measured, were given relatively high scores, implying that all qualities are interpreted as more or less positive. This tendency has an obvious explanation. Few people can for example argue that it is not important for them to have friendly colleagues. Most values, measuring such positive elements are thus expected to be rated with a relatively high score by the informants. Additionally, this table proves that employees in general tended to rate the variables with higher values than the students.

From the list of variable scores, it is possible to read some trends and tendencies in employees' work related motivations. By looking at the top work values, there seems to be a tendency to give learning related qualities a high score. This tendency was confirmed when the employees were asked which one of the 9 variables was the most important to them. Looking at the top 3 work values, 30.7 percentages of the employees voted 'to be recognized for my contribution to the company' as the most important work value. 23.5 percentages 'voted' for 'opportunities to learn and gain new skills, and 18.3



percentages for ‘good possibilities to advance within company’. Although the variable ‘friendly colleagues’ received a high score on the measurement of each variable (see table 5.3) only 4.4 percentages of the employees voted for this as the most important value. Compared to the students, the employees thus tended to agree much more on what work related variable were the most important to them.

Results from both student and employee thus prove some general tendencies in the work value preferences of our informants. For both groups, variables related to learning and professional development was rated as highly important. Additionally, values related to work place comfort and material security was regarded as central motivational factors. Although students had a general idea of what they preferred and looked for in future work positions, the distribution of the student findings proved to be more flat and unequally distributed then what we found in the employee material.

Based on general insight from both student and employee survey material, as well as on the more specific insight gained from the factor analysis of the student data, the remaining sections of this chapter will make a distinction between four different dimensions of work related motivations. The first dimension is grounded in values related to *learning and professional development*. The second dimension is consisting of values related to *work place comfort and material security*, the third dimension is based of variables related to *work place relationships and internal positioning* whereas the fourth dimension is based on values related to *collectivist attitudes and firms external responsibilities*.

There are several reasons behind the choice to base the analysis on these four categories of work values. Aiming to map out the most important work related motivations for the Chinese work force, a thematic presentation of attitudes appears as a well-suited mean for making a comprehensive and structured approach to the first research question of this thesis. Second, the division into these dimensions is theoretically grounded and includes measures that are in thread with Schuler and Jackson’s (2007) framework for measuring workers’ motivations. Looking at the literature review from chapter 3, the importance of these dimensions has been discussed in previous literature. Having presented how and why management of people is particularly challenging in China, elements from these dimensions has been brought up as important factors,

decisive for shaping work place relations. An investigation of how our informants prioritize and interpret these dimensions is thus of interest when aiming to create enhanced understandings of Chinese workers' objectives and motivations.

The following sections will hence present the findings on workers motivations in more detail. Student- and employee survey findings will be presented and discussed through the inclusion of qualitative insights. By taking a look at the more in-depth qualitative data, the aim is thus to create a better understanding of how, why and for what groups of the work force the various work values are prioritized.

### ***5.1.1 Learning and professional development***

In the employee survey, opportunities to gain new skills and to develop as professionals were assessed as the most important work values. When evaluating their future work life, students also regarded these variables as very important motivational factors.

Proving that learning and professional development was important to our Chinese informants is in itself not a surprising finding. Nor can we argue that the pursuit of development opportunities is something that makes the Chinese work force particularly unique. To learn and develop within a company is obviously something most employees, in most countries aspire. Thus, these findings are in thread with the claims of previous studies and in line with our expectations. To confirm an expectation is however not an unexciting finding in itself. Data from the survey material and the interviews make it possible to explore this finding in a more detail, aiming to create an enhanced understanding of how and why the Chinese work force aspire learning opportunities. This section will thus provide insight into why such development opportunities are valued and how they are valued by the different groupings of the work force.

First, it is interesting to look at the characteristics of the informants placing high value on variables related to learning and professional development. From the employee survey results, we find that to learn and gain new skills is most important to the youngest groups of the employees. There is also a negative correlation between work level and the importance placed on learning and gaining new skills, implying that this is valued highest by the ones who are employed at the lowest work levels. Additionally, in both student and employee material, there was a weak (but nevertheless significant) relationship

between gender and the importance placed on learning and professional relationships, implying that men focus slightly more on such factors than what women do.

Looking at the distribution in the student material, there is a positive correlation between importance placed on learning and development opportunities and age. Whereas the youngest students tend to focus more on tangible values, such as work place conditions and remuneration, the older students hence tend to find it more important to get the chance to learn, develop and grow at the work place. Candidates close to career start focus on their present situation and thus realize the need to learn and develop. For the younger students, the work life is something that is happening in the more distant future. This group of informants is likely to have reflected less on their future work life and thus prove to have another set of work related values.

Findings from student and employee survey thus implies that it is the group of young graduates, who are about to take their first step out in the work life, and the employees who are in the first years of their careers, who find it most important to be offered continuous learning opportunities.

Returning to Schuler and Jackson's categories of employee concerns, we remember how the notion of '*Employability*' was used to explain workers motivations to learn and develop at the work place. New skills and knowledge makes workers into more attractive candidates. This creates better chances of getting new opportunities when loosing or leaving their current job, and workers resultantly experience increased employment security (Schuler and Jackson 2006). The survey results of this study thus prove that such 'employability' concerns are greatest among young employees in China. In interviews with both students and employees, informants often expressed their concern about the need of constantly improving their capabilities. It was emphasized both in context of improving their status in the labor market for when better opportunity came along, as well a in fear of potential layoffs or company downsizings. Several of the student informants highlighted their need to obtain practical knowledge and extensive work experience. From studies at Chinese universities, most students had obtained little or no work experience. Students expressed concerns about their lack of experience and several of the informants argued that it was very important for them to obtain as much experience and knowledge as possible in their first active work years.

The strong importance placed on learning and development opportunities was also illustrated when the informants were questioned about possible turnover motives. Several of the interviewees gave that lack of learning or development opportunities presented them with a strong motive to leave a company. Conformingly, a student from Tongji University provided us with the following statement: *“If I cannot learn or develop more within a company, I would not hesitate to leave!”* (Student, 23 years old). Insights from graduating students and young workers hence prove that there is a strong sense of impatience in the Chinese work force. Obviously, careers have an accelerating phase, which extends from education and some distance into the work life. For young workers it is thus of high importance to learn and develop continuously in order to lie the basis for a successful career. Learning opportunities was strongly prioritized, and by many of these informants it was seen as a rational decision to jump from company to company in order to obtain as wide and valuable experiences as possible. The following quotation from a young employee illustrates this sentiment of impatience:

*“When it comes to why people choose to leave a company, I think the main reason is that they are eager to try new things and to get new challenges. To have a long term job, especially in the first years of the career, is not so interesting.”* (Female employee, 25 years old)

Young, newly graduates thus seem to be both flexible and in a continuous search of new challenges. Asking young Chinese about their plans for future career usually conveyed high ambitions and many often reveal carefully planned and detailed career paths, including several stepping stones that eventually would lead them to positions as top manager in a big company or as the owner of a private enterprise. In the interview setting, many of the students were eager to tell me about their career plans and they did not hesitate to share their ambitions. Plans of working as a journalist for ‘The New York Times’, ambitions of founding an internationally competitive Chinese car manufacturing company, and dreams of working as a diplomat internationally, was presented in exciting and often un-timid manners. Aiming to provide an explanation to such ambitious attitudes, we remember Bai’s (2006) claim of the strong sense of “superiority” among

Chinese students. Such attitudes of superiority were found from the student interviews. Students were highly positive about their future opportunities, and most of them believed that it would be easy to get their first job. As the number of graduates from Chinese universities in few years has been multiplied, the unemployment level among fresh graduates is however increasing (Yu 2004). It thus seems to be a growing mismatch between graduates aspirations and their real life opportunities.

Investigating students' employment preferences, we additionally found that there was a positive correlation between the importance placed on learning and development and the wish to work for MNCs. Student thus tended to believe that the best development opportunities would be offered to them by MNCs. Several authors have argued that young employees prefer working for MNCs, as there is a prevalent notion that foreign companies are spearheading managerial and technological progress in China, especially compared to the SOEs which are generally regarded as slow to implement reforms, changes and improvements (Hassard et al. 2004, Gamble 2006, Lie and Lund 2008). It has also been argued that young professionals tend to believe that they get more responsibility in foreign firms compared to domestic owned companies. This objective was supported in the employee interviews. A young female employee gave the following account for why she preferred working for a MNC:

*“I previously worked for a Chinese state owned company. This was of course a stable job and my parents still ask me why I chose to leave this job. They did not think it was a good idea to leave a state owned company to go and work for a small foreign owned company. But for me, this was the right thing to do. I believe that the chances to develop are higher in a foreign owned company.” (Female employee, 25)*

This quote is interesting for several reasons. First, it illustrates young professionals' motivations for working in a foreign owned firm. In their 1996 article, Westwood and Leung found that more opportunities to learn and develop new abilities as well as opportunities for advancement, made MNCs highly attractive to Chinese workers. Insights from our informants thus confirm this impression. The quotation additionally exemplifies how the informant is experiencing an attitude gap between her own

ambitions and her parents' attitudes. Proving how the youngest groups of our informants are ambitious and motivated to pursue individual development, it thus becomes possible to support arguments claiming that the objectives of China's *new generation* of workers differ from that of previous generations.

When talking about generations gaps, it is however important to note that both employee and student survey is measuring variation according to age. Finding variation according to age obviously does not directly indicate that we have identified a gap between two generations. However, as this thesis is based on data from both students and employees of all ages, we can argue that we are in possession of data from two different generations of workers. Having found a clear difference in work related motivations, when comparing young (current and future) workers with old employees, it thus becomes possible to make some reflections on generational differences. The findings from this thesis hence supports arguments proposing that the parent generation, tend to focus on job security and long term safety, whereas the younger generation seems to have other demands for their work life (Ralston, Egri, Stewart, Terpstra & Kaicheng 1999).

Although many of the informants expressed strong aspirations for personal developments and career advancements, it is important to note that opposing sentiments also were articulated. Looking at the data from both students and employee survey, it becomes obvious that there are groups of informants who place lower value on factors related to learning and professional development. One example is the older employees, who have stayed in the same company for a longer amount of time. This group of workers tends to value different work values than the younger and more mobile employees. These employees are the ones who find it most important to be recognized for their contribution to the company. Having worked for different companies and in different positions, these employees are confident about their skills and knowledge and are not striving to learn new things all the time. For companies, there are thus different ways of fulfilling employees' needs for learning and development. Whereas young employees will be motivated when offered training and new skills, a better ways for companies to motivate the older employees might be to communicate how and why the particular skill of the employee is valuable and recognized as important by the company.

### 5.1.2 *Comfort, remuneration and security*

From both student and employee material, we find an internal correlation between variables related to personal comfort and economic security. The informants who place high value on economic benefits and high salary, thus also tend to find it important to have comfortable work place conditions. This section will go more in depth into this work value dimension, aiming to create enhanced understanding of how and why such values are prioritized and interpreted by our Chinese informants.

Salary is a very important issue in China as most places elsewhere, but as the responses from both students and employees prove, this was not ranked as a top quality (see also Hammerstrøm and Lunnan, 2008). To assume that salary level is the most important incentive for labor turnover in China, hence seems to represent a simplified account of Chinese workers' motivation. In the employee interviews, the informants did in general prove to want a more competitive salary for themselves. Looking for preference variation according to age, the employee survey proved that high salary and good economic benefits were valued the highest by the youngest employees.

The focus placed on salary was also illustrated by student informants. According to a master student from Fudan University, low salaries could be a turnover reason, especially for young employees: *“I think that salary is very important for people in their first year of the career. If people get a better offer from another company, they will leave.”* (Student, 23).

Several of the informants did however highlight that wage level was not the most important motivational factor to them.

*“Salary is of course important, especially when you are young and live in Shanghai. It is so expensive here! I do however think that development opportunities are the most important motivational factor, - much more important than salary. And you know, to have development opportunities also mean that you can get more experience and more skills. And this can of course also make you get better salaries. So this is closely connected.”* (Female employee, 25).

In this case, wages are mentioned as a main concern, not necessarily for the interviewee herself, but for Shanghainese in general. This does however not mean that it is the most important factor motivating workers. When talking about what is the most important motivation, wages are only one of several concerns involved.

To have a comfortable and secure work situation does however not only rely on the material wealth of the employees. We remember that the students rated the variable ‘to work in pleasant physical surroundings’ as the most important value. This variable correlated negatively with age, implying that the youngest students were the ones who valued this variable the highest. This finding can be analyzed in different ways. The youngest students are the ones who probably have reflected the least about their future work life. The high value placed on pleasant physical surroundings might thus be a result of unrealistic and distant assumptions about how they imagine work life to turn out in the future. In the interviews with the current employees, few of the informants argued that factors related to the physical conditions of the work place had a strong impact on their work motivation. If we are to read something into this difference found between students and employees, it is possible to argue that we might be observing a generation gap, implying that the future work force is likely to place more emphasis on work place comfort and physical surroundings at the work place, than what is experienced in the current generation of workers in China. Such claims will however be nothing more than loose assumption and we will need much more information to draw conclusions arguing that there are obvious gaps between the generations. This thesis will not elaborate further on this issue.

In the student survey, the informants were also asked some questions about their employment preferences. Looking at the characteristics of the students who place high value on variables related to work place welfare and economic security, we are left with some interesting findings. The students, who place high value on this work value dimension, give that they prefer working in an Asian business culture. They are also the ones who think it is most important to develop a long-term relationship with a company. Students thus seem to believe that elements of security and comfort will be best ensured in a Chinese work environment. Additionally, in the student survey results, a correlation between gender and emphasis placed on the ‘comfort and security’ variable was found,



implying that female students tended to value such factors higher than men. This gender difference was however not found in the employee data.

Questioning Chinese about the importance of having time and energy outside work additionally makes for some interesting findings. In recent years, work-life balance (WLB) has been widely discussed in mainstream HRM literature. It has become regarded as an important approach and responsibility of organizations to facilitate the reconciliation of employees' paid employment and their life outside work (Osterman 1995; Nord, Fox, Phoenix and Viano 2002). Less attention has however been devoted to the research on WLB in China. Although, WLB is proven to be an important employee priority, when studied in general HRM literature, the employee survey found that to have good work-life balance was rated as the least important variable by the Chinese employees. In the interviews, respondents argued that it was important for them to have time and energy left for other activities or hobbies outside work. To place strong value on a comfortable and secure work place does in the Chinese case not seem to include a strong wish of having time and energy for spare time activities. When reflecting on life outside work, the informant's main focus tended to be on family and family welfare. A young, female employee provided the following account when asked why it was important for some people to have secure and safe work conditions. She also provided an explanation of why men and women prioritize differently on such issues.

*“I think that the motivations are different for people in different age groups and also between men and women. Old people may like to have stability more than you people do. I also think that women often choose to stay in more stable and safe positions than what men normally do. Men often take more risks in order to make more money or to get promoted, but women are more attracted to the stable jobs. They have to think about their family and they have other responsibilities at home than men do.” (Female employee, 24)*

Chinese workers thus seem to have a different view on how and why a secure work situation is important. In one of the few studies discussing attitudes towards work-life balance in China, Redding (1990) argue that the interpretation of WLB is somewhat

unique in the case of China. Chinese traditionally view work as more important than leisure, and as contributing to family welfare instead of competing with it. Ishii-Kuntz (1994) has also argued that there seem to be fewer tendencies for Chinese to consider home and work as independent domains. The finding in this thesis can thus imply that the notion of WLB is not interpreted as equally important in China, as in many western countries, where most research of WLB has been led through (Zheng & Lamond 2009).

### ***5.1.3 Relationships and internal positioning***

An element that is often referred to as unique to the Chinese setting is grounded in the way social relationships are organized. Chinese work places are often referred to as hierarchical, with top-down structures between employer and employee. For employees it thus becomes highly important to develop strong relationships to their managers in order to obtain advancement opportunities (Chen and Francesco 2000, Dowling et.al. 2008). This objective was confirmed by the student survey results, where variables related to relationship and internal positioning received a relatively high score. Investigating for attitude variation within the group of informants, no correlation with age or gender was found, implying that factors related to relationships and internal positioning was relatively important to all informants.

In the interviews, several students made some reflections about the importance of developing a close relationship to their managers. A young student from Jiao Tong University confirmed the importance of strong employee-employer relationships: *“In order to be happy about my work situation, I need to have a good relationship to my boss.”*(Student, 22)

Business management in China is often said to be based on contrasting or opposing ideas to that of western managerial traditions. In China, group relationships and interpersonal connections (*guanxi*) are often said to overpower the formal organizational structure (Xing 1995). Business relationships rely on trust and loyalty between the parties involved and it is seen as natural and proper to have a hierarchical structure where there is a strong degree of respect towards the superior. In contrast, western managerial practices are often described as more flat, individualistic and independent (Hansen 2008b). As elaborated on in chapter 3.4, such cultural differences are often considered to

challenges MNCs when entering the Chinese work market, as their managerial practices vary considerably from the Chinese. According to the similarity attraction paradigm (Byrne, 1971), workers prefer working in a business culture as similar to that of their local culture. Asking our informants about their employment preferences, as much as 56 percent of the student did however give that MNCs was their first choice of employer. Investigating the reason behind this attraction to MNCs, we found that MNCs' managerial practices was one of the main reasons why many of the respondents preferred working for a foreign owned- rather than a Chinese company.

In the interviews, traditional Chinese leadership style was openly criticized. When reflecting on characteristics of a good manager, several of the student informants expressed that they were critical to the way Chinese work place relationships often were organized. In a Chinese company, they believed that the employees had to be very respectful to the boss. The relationships were described as formal and not very friendly. A student from Jiao Tong University argued: *“I do not like the traditional Chinese hierarchy where everyone is afraid of the manager all the time. To have a good work environment, everyone needs to feel safe and relaxed”* (Student 21). Elaborating on this issue, a graduate student from Fudan University provided us with the following story:

*“It is important for me that I have a good relationship to my boss. This can be a problem with Chinese managers. I once had an internship in north of China. And I remember one time when I had lunch, I did a mistake and I took the wrong chop sticks when we were going to eat. It was the chop sticks of the manager, and he was very angry with me. Even though I washed the chop sticks and gave them back to him right away, he did not want to talk to me again. I really did not like this behavior and I don't like when managers behave like this. I just wanted to leave the organization and never come back. My point is; it is very important to have a manager who treats his employees with respect.”*  
(Student, 24)

Criticizing the traditional Chinese manager, the informants highlighted the importance of being treated with respect and openness. The lack of these qualities, were

one of the main reasons for why they were not attracted to work in a Chinese business environment:

*“I think that a good manager behave in a way that make him earn respect. Often, Chinese managers are not very polite, they like the power they have and they use it in a way that is not very respectful to their employees. I think that if I had a manager like this, I would not like the work environment. There has to be openness and it has to be possible to learn from each other.”* (Student, 22)

When talking about internal relationships at work place, the word ‘security’ was mentioned by many of the informants. The better the relationships were, the more secure they would feel in their position. Although it was argued that Chinese managers’ attitudes and hierarchical leadership style made employees feel insecure, some of the students also argued that the situation in MNCs could be equally difficult. Described as individualistic and highly competitive, student informants believed that foreign managers also could make them feel insecure. A good manager was thus described as someone who would be respectful and make the employee feel safe and secure in its position.

In thread with the student opinion, the employee informants argued that leadership style was something that made their multinational companies an attractive place to work.

*“When I applied for this job, I was attracted to the idea of working in a foreign owned company. I believed that the environment was very suitable for me and I really wanted to try out a new environment. You know, I am very straight forward and open person. In Chinese companies, this can be a problem. There are many things you cannot say or do. I liked the idea of working in an open and straight forward work environment, suitable to my personality and the way I like to communicate.”* (Female employee, 25)

As this quotation illustrates, MNCs are seen as attractive places to work because their managerial practices differ from that of Chinese firms. Several of the employee informants had previously worked in Chinese owned companies and could thus speak from their own experiences. They highlighted how they gradually had become adjusted to

the managerial practices of their foreign employer. Being able to develop informal relationships and to have a dialog with their managers was regarded as highly positive. Although most mid-level managers were Chinese and many employees thus had a Chinese direct supervisor, several of the informants argued that the work environment differed in a MNC. As these firms had foreign managers in the top management level, the company culture was regarded to be different at all levels. One employee argued that the longer she stayed in a MNC, the more difficult it became to imagining herself working in a Chinese organization: *“After working for multinational companies for many years, I think it would be very difficult for me to work in a Chinese company, as the leadership style is very different”* (Female employee, 36).

#### ***5.1.4 Collectivism and external responsibilities***

From the student survey results, we found that variables related to collectivist qualities and external responsibilities were given the lowest score, thus representing the least important dimension of the work values measured in this study. From the student material, women did however tend to value such factors, slightly higher than men. There was however no correlation with age and this variable.

In interviews with the employees, few of the informants argued that collectivist attitudes or factors related to the firms' external responsibilities were of their main priority.

The existence of workers placing importance on this work value dimension should however not be undermined. Understanding how and why certain groups of the work force tend to place emphasis on more collectivist attitudes is important when aiming to create an enhanced understanding of the motivations of the Chinese work force.

A focus on collectivist attitudes and external responsibilities is in many ways associated with traditional Chinese values and mentality. From the brief introduction to Confucianism and Taoism, provided in the chapter 3, we remember how these traditions encourage individuals not to be driven by ego-related characteristics when interacting with others, but to see everyone equally as part of a collective society. Although more individualistic ideas are present when studying the motivations and objectives of the youngest groups of the work force, it is important to be aware of the fact that more

traditional mentalities and objectives still are highly present. From the student interviews, a young male student highlighted the importance of doing work that was beneficial for the society and China as a whole. He explained his motivation in the following way:

*I would like to have a job where I do something that is good for other people. Or where I do something that I can see is good for my country. To do things that are beneficial to others is very motivating to me (Student, 24)*

This student highlighted that he preferred working for the government, as he believed this would present him with the most interesting work tasks.

Investigation the relationship between students' employment preferences and importance placed on collectivist work values, we find a significant positive correlation between collectivist focus and the wish to work for the government. Westwood & Leung (1996) provides us with an explanatory framework for interpreting this relationship. They argue that one of the reasons why some workers prefer working in Chinese business environment is based on the fact that they are attracted to the egalitarian practices of these firms. For these workers, individual treatment and competition is not regarded as positive practices. Equalitarian sentiments and a group orientation thus tend to be an important priority for these workers. From the student data it thus seems like the informants believed that such collectivist treatment would be best provided by when working for the government.

Illustrating the persistence of collectivist attitudes, the variable 'to work for a company taking responsibility for corporate social responsibility (CSR)' was given a relatively high score by the student informants. In the 2008 article "Determinants of Managerial Values on Corporate Social Responsibility: Evidence from China", Zu and Song argues that the modern idea of CSR, in many ways are in thread and matches the more traditional socialist way of thinking. Although corporate social responsibility and corporate citizenship has been introduced to China only in recent years, Chinese enterprises, especially in the State-owned sector, always have had a tradition of taking social responsibility for their employees by providing safety nets and social protection through its work-unit system (Li and Wang, 1996). From the student survey results we

find a significant positive correlation between importance placed on CSR and the wish of working in a Chinese business environment. This finding can thus serve as an indicator, illustrating the priorities of the ‘collectivist’ and traditionally oriented groups of the Chinese work force.

## 5.2 Employees’ perception of multinational’s HR performance

Having mapped out how and what factors motivate the Chinese work force, it is time to proceed to the second research question of this thesis. As we remember from previous chapters, MNCs operating in China struggle to retain its local employees. The mobility of workers is high and firms’ find it challenging to develop well-functioning HR strategies. Concerned with these issues, this thesis was therefore interested in investigating how Chinese employees perceive foreign firms’ HRM practices. On what points are the employees satisfied? And on what points do multinationals seem to struggle? By addressing these questions, this chapter aims to investigate whether or not multinational firms are able to create HR practices that are in thread with the needs and wants of the local Chinese work force. These findings can thus provide useful guidelines on how MNCs can improve their abilities to retain high skilled workers in China.

In the survey, employees were asked to assess their company’s performance on a range of different factors. Table 5.5 below provides listing of the variables, ranged chronologically after mean score.

Table 5.5: Employee evaluation of multinational employers

<b>Variables (evaluated on a scale ranging from 1 to 7)</b>	<b>Mean</b>	<b>St.dv.</b>
1. I have a very good relationship to my closest manager	5.66	1.383
2. My closest manager inspires me to do my best	5.4	1.623
3. Expectations from my closest supervisor is clearly defined	5.23	1.428
4. I get support from other departments in the company when needed	5.23	1.3
5. I get enough information about my company’s policies and procedures	5.18	1.318
6. I make good use of my educational skills in my daily work routines	5.02	1.322
7. The top management communicates well with its employees	5.01	1.544
8. I get sufficient information about my company’s business results and performances	5	1.359
9. My company offers pleasant physical conditions at the work place	4.99	1.516
10. I get a sense of personal accomplishment from my job	4.96	1.359
11. My company facilitates cross-departmental cooperation	4.92	1.488

12. My company provides excellent learning and development opportunities	4.72	1.393
13. My company offers me good internal career opportunities	4.55	1.492
14. My company offers a relatively stress-free work environment	4.4	1.516
15. I have time and energy left for other activities, hobbies etc.	4.23	1.555
16. I am satisfied with my salary	3.69	1.428

From this list we read that the employees tended to be most satisfied with variables related to their work place relationships, as variables connected to such relationships are found on the top of the list in the table above. The employees do however prove to be considerably less satisfied with the comfort and work place welfare provided by their employing companies. Additionally, the degree of satisfaction found when asking the employees to assess the learning and development opportunities provided by the multinational employers was generally low, as these variables are located on the lower end of table 5.5.

Taking a look at the variables measured in table 5.5 it is however important to make some reflections on the comparability of the variables listed. The questions are formulated by use of different adjectives, thus referring to different degrees of satisfactions (excellent vs. good vs. satisfied). Developed by a rather inexperienced researcher (myself), this is an obvious weakness of the data material. However, although the questions might not be directly comparable, the survey results provide us with a general overview of the main trends and tendencies. And as the table above illustrates, there are some very clear tendencies in the thematic distribution of the employees' satisfaction levels.

This section analyzes how MNCs adhere with the work value dimensions identified in the factor analysis, by taking the employee survey and interviews into account. The dimension related to external relationships will however be left, as only questions related to internal work place conditions were included in the employee survey. Aiming to provide insight into how Chinese employees perceive MNCs HR practices, the following sub-sections will thus go into each of these three following dimensions in more detail: relationship and internal positioning, comfort and security and learning and development.



### ***5.2.1 Relationships and internal positioning***

From the employee evaluation results, we see that variables related to employees' relationship with managers/supervisors are where the employees generally are the most satisfied. This finding opposes the belief that MNCs struggle to develop managerial practices, fit to function in China.

Mapping out important work values, we remember to have found that employer-employee relationship was an important factor to Chinese workers. Additionally, both student and employee informants argued that the managerial practices of multinational companies made them highly attractive, as they offered practices that were said to differ from the managerial style of Chinese firms. Finding that employees are satisfied with the managerial practices and the relationship they have with the managers in MNCs, hence confirms this impression. In the interviews, informants argued that the fact that foreign owned firms offered different managerial practice made them attractive. Several of the employees pointed out that it was highly attractive to work under western managers and the following quote illustrated this point clearly:

*“For me, foreign companies are different than Chinese owned companies. In my company I find that all employees are more equal, than what would be the case in Chinese firms. This means that everyone can get good opportunities, if they work hard. Everyone has the same opportunities and the manager is much more equal to its employees. This is often not the situation in Chinese companies”* (Male employee, 27)

The way internal relationships are perceived and experienced by the employees will obviously also be affected by the way they communicate and interact with their foreign managers or colleagues. In addition to the variables included in the factor analysis, the employees were asked whether or not they experienced a lot of misunderstandings due to cultural or language differences, when working in a multinational company. Rating their opinion on a scale from 1-7 (where 7 means that they experience a high degree of misunderstanding and cultural difficulties), we obtained a mean value of 3.68. This indicates that the employees did not perceive language and cultural differences as a major concern. In the interviews, several of the informants said

that they experienced few problems of communicating with their foreign boss. It was however argued that a mix of Chinese and foreign managers facilitated cooperation and reduced the dangers of misunderstandings.

Some interesting reflections were however made by a Chinese employee, working for a Norwegian company, illustrating how she experienced cultural differences in her daily work life.

*“Norwegian managers expect us to be critical. They want to create a dialogue and they want us to ask questions. I tell you, the first time I was in a meeting with many Norwegians, I found it very weird the way they sat down and criticized each other. For Norwegians, it is important to discuss and always question the way things are done. This is something we are not used to in China. With Norwegian managers, we thus spend much time in meetings, discussing every issue back and forth. Whereas in an Asian company, they work according to the already decided policies set by the company. There are of course positive things with both ways of managing a company.”* (Female employee, 36)

The insight gained from this quotation is valuable for a range of reasons. First, it illustrates how a local employee experiences her encounter with a foreign managerial style. Second, it proves an acceptance of cultural differences. Although this informant states that there are obvious contrasts between ‘western’ and ‘eastern’ way of doing things, she does not complain. Nor does she state that one is better than the other. She is simply accepting the co-existence of the both, and realizes the need to adjust, when working for a foreign owned firm.

Finding that our informants generally were positive about their relationship to the management, it is important to make some reflections about the validity of this information. As a foreign researcher doing research within multinational firms in China, there are some dangers of obtaining biased data. When presenting my research project to the management of the chosen companies, one of the expatriate managers expressed concerns about the interview setting I planned to have with his employees. Because I was a European student, he was afraid that the employees would regard me as an ‘ally’ of the

top management of the firm, and that they thus would answer the questions in a way they believed was desired from the point of view of the management. Such concerns would of course make most employees give that they were highly satisfied with the management and leadership style of the company. Aware of these dangers, I will however argue that there are several reasons why the findings of this study should read as credible findings. First, taking a triangular research approach makes it possible to control for biased data. Hence, the tendency of expressing positive attitudes towards management and leadership structures were expressed in both survey and interviews. Additionally, the survey ensured full anonymity of the respondents and this also makes the finding more credible. Second, the insight from the interviews provided us with useful, credible and insightful explanations of why and how these employees were content with their managers.

### ***5.2.2 Comfort, remuneration and security***

Measuring employees' perception of MNCs' abilities to provide comfortable and secure work condition, the employees prove to be relatively content. From the survey results employees proved to be relatively satisfied with their work-life balance, as well as with the stress level at the work place. Compared to the way they regarded their internal relationship, they did however prove to be considerably less satisfied with these variable. How can we explain this tendency? What were the sources of discontent and what were the reasons behind this lower level of satisfaction?

From the interviews with the employees, most of the informants noted that they had little time for spare time activities during the week days. When talking about issues related to their spare time, the realities of living and working in the city of Shanghai was mentioned as a hinder. Daily activities such as transportation and grocery shopping were given to take up much of the informants' time. In recent years, Shanghai's real estate market has been booming. Wage levels have however not increased in equal speed, making it increasingly difficult to make ends meet for the local citizens. Resultantly, many of our Chinese informants were living in the more outer neighborhoods of Shanghai, in far distance from their office. They thus easily spent hours on transportation every day. Factors like this were often listed as explanations for why they did not have time for spare time activities.

Few of the informants did however complain about their lack of spare time. This is an interesting finding and it is in thread with the reflections made on WLB in the previous section of this thesis (see section 5.1.2), and in line with the low ranking given to this variable by the employees. Although employees tend to give that they have little time for non-work related activities, this does not seem to be a major concern, as this it is not the most important priority of these high skilled workers.

Of all variables measured, table 5.4 proves that the employees were the least content with the salary level obtained from their multinational employer. Finding that the employees express discontent with their wage-level is clearly not a surprising finding in itself and we seldom expect workers to give that they are fully content with their wage level. We should thus not put too much into this finding. When mapping employees most import motivational factor, we do however remember that there was a relationship between employment preference and work value motivation. – Implying that the ones who was the most motivated to work for MNCs, found valuables related to economic benefits and wage level less important. Based on these insights, it thus becomes possible to argue that salary is not the most important for employees working for MNCs. The ones who place the highest importance on these factors hence prove to be more attracted to working for Chinese owned firms. MNCs should thus not base their strategies on a belief that salary is the most important mean of retaining people in China. Salary is important, but not the most important. In general, Chinese employees, working for MNCs prove to be relatively content with their economic security and comfort obtained at their multinational work place.

This perspective was articulated by two of the employees, arguing how Chinese companies can be the most attractive option for the more ‘money oriented’ workers:

*“Many people like to work for Chinese companies. I think this is because of the bonuses they can get in the Chinese firms. You know, in many positions you do not get a very high official salary, but the bonuses can be very high. Many workers are attracted to these ‘grey salaries’, as they do not have to pay taxes from these bonuses”* (Male employee, 35)

*“The motivations for working in companies differ. In Chinese companies, people want to stay longer. People can work there for a long time they can earn good money and be safe. In foreign owned companies, however, people stay for a shorter time.”*(Female employee, 24)

In sum, the insight from the informants proved that variables related to work place comfort and material security is not their most important concern. In thread with Bjorkman and Lu (1999) and Wang (1998)’s studies, this findings propose that the studied MNCs tend to attract people who have a high need for achievement and thus aspire the more dynamic and competitive work values, such as challenging work, competition and more career development opportunities. These individuals thus tend to place less emphasize on security and long-term solutions, and many of the informants were positive to the idea of having several short-term engagements with several firms. And thus prioritized experience over long-term and secure solutions.

### ***5.2.3 Learning and professional development***

From figure 5.2 we saw that of all dimensions measured, the employees expressed low satisfaction with the learning and development opportunities received from their multinational employers. This is an interesting finding for several reasons.

We remember that learning and professional development was valued highly by both students and employees. It was especially the young employees and the ones who were employed at the lowest work levels who found this as the most important motivational factors. From the student survey results there was a positive correlation between the importance placed on learning and development and the wish to work for MNCs. Students thus seem to believe they could get the best opportunities in MNCs. Finding that the current employees are relatively discontent with their opportunities received from their multinational company, therefore provides us with an interesting insight. Based on these findings, it thus becomes possible to argue that the Chinese expectations of being offered great development opportunities when working for MNCs, are not being fulfilled.

When the employees were asked whether or not they had been talked to about their future opportunities in the company in the last 12 months, as much as 43 percentages of the respondents answered no. The majority of these were employees at the lowest work levels at the firms. As there is a clear tendency that employees from the lowest work levels value development opportunities as more important than the senior workers, these findings additionally suggest that the studied MNCs struggled to sufficiently fulfil the development needs of the employees aspiring such opportunities the most.

Reflecting on their future opportunities in their company, several of the informants argued that they were worried about their long term opportunities. It was highlighted that multinational employers represented a highly attractive place to work in the first years of engagement, but several of the employees experienced that their long term opportunities were limited.

*“I have had very much development since I came to the company, two and a half year ago. I do however want to talk to my manager about my future career opportunities when we have the next employee appraisal meeting in the end of the year. Right now, I am happy about my position but I hope that I maybe can get more responsibilities in the future. I would like to volume my work scope and I need more challenges. I am unsecure if the company can give me these opportunities. If this is not possible, I might start searching for another job.”(Female employee, 24)*

Returning to Rein’s 2007 article, insights from our informants makes it possible to support claims that multinational’s offer limited opportunities by creating ‘glass ceilings’ for their Chinese employees. Informants from the higher work levels argued that they struggled to develop long-term career plans for their sub-ordinates. Reflecting on some of the managerial challenges faced in her company, one of the informants, a local department manager of the sourcing and sales department in her company, expressed that she was concerned about the lack of realistic career plans offered to the young employees in her company. She argued that her company struggled to develop well-functioning performance appraisals, and creating a relationship between performance and employee

responsibilities. No matter if employees performed exceptionally well or unsatisfactory, she argued that their work task and responsibilities remained the same. She saw this as a problem and claimed that the company hence did not facilitate development within the organization.

Acknowledging that training opportunities was of high importance to most employees, several of the senior informants hence also believed that the lack of future opportunities was one of the main explanatory factors behind employees' voluntarily turnover acts. It was expressed concerns about companies' abilities to offer long term opportunities for the employees. This finding is in thread with Hammerstrøm and Lunnan's 2008 study, proving how Chinese employees place high demand of being informed about their future opportunities in a company. Only through the visualization of future career paths and internal career prospects, employees will feel secure, resulting in lower turnover rates for the companies. In sum, from the point of view of the high skilled workers, the multinational companies studied in this thesis seemed to struggle to provide sufficient training and development opportunities, in thread with the aspirations of their employees.

In this chapter, the empirical findings of this thesis have been presented systematically. By providing insight on Chinese workers motivations and how they perceive their multinational employers, we have shed light on a range of interesting interpretations and objectives, as they were articulated by the local informants. The following chapter will discuss and summarize the answers found to answer the research questions posed in this thesis.

## 6. Discussion

### 6.1 Motivations, values and generation gaps

In order to answer the first research question, this thesis mapped out the main work motivations of current and future high skilled Chinese workers. Most importantly, the empirical findings illustrated how work values vary across different groups of the work force. Work related values are thus dynamic concepts, constantly affected by the way workers' experiences, perspectives and career paths evolve.

Through empirical findings, this thesis has identified an ambitious, impatient and risk-taking group of workers. For young graduates, who are about to take their first steps out in the work life, and for young employees, who are in the first years of their careers, the most important priority is to be offered continuous learning opportunities in order to qualify for advancement.

This thesis hence supports claims that China's new generation of workers place strong value on their personal development and individualistic ambitions. In the historical overview, presented in chapter 3, it was highlighted how the opening of China's markets brought with it new impulses, ideas and practices. Today's youngest generation of workers thus grew up in a completely different China than their parent generation did. Based on the findings of this thesis, it is possible to argue that the fusion of eastern and western traditions and the transition from 'old' to new China have had an effect on the work values of the youngest groups of China's work force. Whereas the parent generation, is said to focus on job security and long term safety, the younger generation hence seems to have other demands for their work life (Ralston et. al. 1999). Newly graduates prove to be flexible and in continuous search of new challenges. Lack of learning or development opportunities is by this group seen as a strong motive to leave a company and many of the informants were positive about the idea of jumping from company to company in the first year of their career.

Variations in work value preferences were however also found internally within the group of students. From the findings of this thesis we saw that the youngest students tended to focus on the more tangible values, such as work place conditions and remuneration. The older students did on the other side, find it more important to get the



chance to learn, develop and grow at the work place. In order to fully understand this variation, it can be useful to make a distinction between informants' work related *means* and *motives*. Through the focus on the more materialistic aspect of the work life situation, young students seemed to answer questions related to their work values by thinking about the main motives of their work life careers. In the future, they imagined themselves working in fancy offices and with high salaries. The older students did however seem to have a more realistic and practical view on their future work life. They might have the same motives as the younger students, but they seem to have developed a more practical view on what means they can use in order to reach these motives. This thus explains why candidates close to career start tend to have a stronger focus on learning and professional development. For them, work life is something that is close to their present situation and they systematically search for ways to reach their goals. For the younger students, work life is however something that is happening in the more distant future and they have thus reflected less on what future work life will demand from them.

Set in contrast to the youngest generation of workers, this thesis also show that older employees and those who have stayed in their company for a longer amount of time, have another set of work values. For these workers it is important to have a secure, safe and comfortable work situation. They are less mobile and have other demands for their work life reality than the youngest generations. Whereas the young employees have been exposed to a range of external impressions and influences, the older generations are still likely to be affected by vestiges of China's 'danwei' system. They are more concerned about being recognized, finding a stable position and developing long-term relationship to their employing company. This finding thus illustrates how important it is to have knowledge of the China's history and managerial traditions, when developing HRM strategies in China. Workers' sets of attitudes and motivations have to be contextualized in order to be understood. Work values and cultural understandings are dynamic concepts. This thesis have proved that a multitude of attitudes and values exists side by side, shaped and formed by its time, context and the level of experiences held by the workers.

By investigating the variance in work motivations within different groups of informants, this thesis also identified some variations according to gender. The

tendencies was however not very strong. Nevertheless, it is worth mentioning the fact that women tended to value both ‘comfort and security’ and ‘collectivist and external relationships’ higher than what men did. Male informants, (both students and employees), did on the other side place higher value on learning and professional development than the female informants. All in all, it thus seem like there is a tendency that men are more focused on the more individualist values, whereas women place a stronger focus on the more secure, comfortable and group oriented work values. Investigating such gender differences is obviously interesting in itself, and an entire field of research has been devoted to such issues. Due to the extent of such gender based literature, the theoretical framework did not include a review of literature done in this field. It is however interesting to make a short ‘check-up’ to test whether or not the gender variations found in this thesis is in opposition or confirmation of previous findings. Chow and Ngo’s 2002 article “Gender differences in job attribute preferences and job choice of university students in China” found that female students considered job security more important than males when making job decisions. We can thus argue that the gender variation found in this study is valid and in thread with that of previous research done on this issue. When investigating variations according to employment preferences, this thesis did however not find any variation according to gender. This is in opposition to the findings of Chow and Ngo’s study. A further study of gender differences could thus serve future research with interesting findings.

Identifying the strong focus placed on learning and development, this thesis has additionally proved that salary is not the most important work value for young high skilled Chinese workers. Quantitative and qualitative findings from both students and employees indicate that this is not ranked as a top quality. Considering the validity of this finding, it is however important to note that there can be several reasons why the informants did not rate salary and economic benefits as the most important work values. Jurgensen (1978) found that individuals tend to emphasize job security, type of work, advancement opportunities and company characteristics as the most important attributes when asked to explain their own career decisions, but they tend to believe that pay was the most important attribute for *others*’ decisions. The same tendency was revealed in the qualitative interviews conducted as part of this study; most students and employees argue

that competitive salary is an important factor, but they believe that *others* probably find it even more important than they do themselves.

Moving on to another interesting finding, the investigation of students' employment preferences proved the 'similarity attraction paradigm' wrong, in the case of China. By students, MNCs were rated as the most attractive employment option. Findings from student informants also proved that there was a positive relationship between importance placed on learning and professional development and the wish to work for a foreign owned firm. In particular, students expressed concerns about their lack of work related experience and argued that it was very important for them to obtain as much experience and knowledge as possible in their first work active years. In the eyes of these young and ambitious students, it was believed that the knowledge, experience and learning opportunity aspired, was most likely to be offered to them by MNCs.

## **6.2 Foreign firms as employers**

As proved in the previous section, foreign firms are regarded as highly attractive employment options by China's future workers and the majority of the students gave that multinational company was their first choice of employment for the first years of their work life career. In particular, it was the individuals who valued training and professional development the highest who had the strongest wish of working for MNCs. As MNCs proved to be attractive, it was thus of high interest to investigate whether or not MNCs are succeeding in addressing and fulfill these expectation and needs of the ambitious, high skilled workers.

From employees' assessment of MNCs HR practices, the findings of this thesis proved that the employees were the most satisfied about variables related to their work place relationships. The employees were however considerably less satisfied with the comfort and work place welfare provided by the work place. But the lowest degree of satisfaction was found when asking the employees to assess the learning and development opportunities provided by the multinational employers. This assessment provides us with several interesting insights.

First, employees' satisfaction with their managers and the internal relationships at the work place, oppose arguments stating that workers prefer working under a Chinese

manager because the leadership style is more familiar. Both students and employees served us with explanations of what made these foreign employers so attractive. MNCs were regarded as attractive, because their managerial practices differed from what the informant referred to as the more traditional Chinese management styles. *Being different* thus proves to create advantages, rather than disadvantages for MNCs in China. MNCs were perceived to have flexible, flat and informal employer-employee relationships. This made them more attractive than the traditional, hierarchical structures of the more traditional Chinese owned firms.

Finding that employees are satisfied with the managerial practices and the relationship they have with the managers in MNCs hence confirmed this impression. Chinese managerial style and hierarchical structure was criticized and MNCs were argued to have more respectful and flat managerial structures. This made them highly attractive, according to the informants consulted in this thesis.

Second, employees' assessment of their multinational employers additionally provided indicators of where the foreign firms seemed to struggle the most on developing well-functioning HR practice. Of all the factors measured, the employees were the least content with the learning and development opportunities provided by their companies. It was in particular the young employees who proved to be the least content with their future opportunities obtained in their employing company. Based on these findings, it thus becomes possible to argue that the Chinese expectations of being offered great development opportunities when working for MNCs, are not being fulfilled. These findings additionally suggest that the studied MNCs struggled to sufficiently fulfil the development needs of the particular group of employees aspiring such opportunities the most.

The lack of development and advancement opportunities made employees regard MNCs as attractive only for short time engagements. Employees expressed concerns about their long term opportunities in the companies and were unsecure about their chances of being offered internal advancements. Returning to Rein's 2007 article, insights from our informants hence makes it possible to support the claims that multinational's offer limited opportunities by creating 'glass ceilings' for their Chinese employees.

Last, this thesis has proved that, from the point of view of the local high skilled Chinese workers, language and cultural difficulties were not the biggest issue when working for a multinational company. When talking about challenges faced by foreign owned firms in China, language and communication issues are often mentioned as considerable hindrances, creating gaps between foreign employers and local employees. According to the employee informants, such issues are however not regarded as major concerns. In the interviews, several of the informants said that they experienced few problems of communicating with their foreign boss. It was however argued that a mix of Chinese and foreign managers facilitated cooperation and reduced the dangers of misunderstandings. Although this informant states that there are obvious contrasts between 'western' and 'eastern' way of doing things, few of the informants expressed complaints or concerns regarding these issues. From the point of view of the local employees, there seemed to be a genuine acceptance for the co-existence of both cultures, and an awareness of the need to adjust, when working for a foreign owned firm.

Finding that employees are satisfied with the communication, it would however be of high interest to investigate how the situation is experienced by the ones sitting at the other side of the table. Hence, an interesting question that remains is whether expatriate managers are experiencing the situation in the same way as it was expressed by the local employees. Are these foreign managers feeling that they are able to stay informed and operative in the organization? Are they able to take an active position as a manager or are they functioning in a more invisible manner? Investigating such issues, by including insight from the expatriate managers' point of view could thus provide us with a more reflexive understanding of the current situation in these cross-cultural work places.

In sum, the way the high skilled employees' assessed their multinational employer give us ground to support Cheung's claims of the existence of an asymmetric understanding between local workers and foreign managers. Whereas previous studies have placed much emphasis on cultural differences and challenges related to employer-employee relations, this thesis has proved opposing trends. MNCs HR challenges does not lie in the fact that they apply different managerial practices, build on different understandings of employer-employee relationships. According to the local high skilled workers, such differences are rather creating advantages than obstacle for these

multinational firms. High skilled employers prove to be attracted to their multinational employers, namely because they offer different managerial styles.

Additionally, these high skilled workers aspire to work for multinational companies because they believe these companies will provide them with valuable opportunities and steep learning curves. The findings of this study do however indicate that multinational are unable to understand and provide such learning and development opportunities to their employees. Such concerns prove to be the main source of dissatisfaction among the workers. From the perspectives of the local workers, foreign firms in China are not communicating an ability to offer sustainable and long-term career paths for the workers and they are thus increasingly regarded as temporary employment options, serving as useful stepping-stones rather than sustainable routes to the top.

## 7. Conclusion

*“A bird does not sing because it has an answer. It sings because it has a song.”*

*Chinese Proverb*

These words of wisdom serve as a useful mean of concluding this thesis. This thesis has devoted its' attention to the objectives and perceptions of local high skilled workers, -a perspective that was yet to attract explicit attention in the excitant HRM literature on China. By listening to the perspectives of the locals, the objective was however not to find a correct formula or answer on how HRM practices are to be successfully developed in China. More importantly, the ambition of this thesis was to include new perspectives, (or a new song if you like) to the field of HRM in China. Previous studies have consulted HR managers, expatriates and shop floor workers, and these groups have all provided valuable insight into the current HR challenges faced in China. None of these groups of informants will however paint the same picture of the work market situation in China, and none of them will be able to provide us with *one* correct answer on how to develop well-functioning HRM strategies in China. -They will all have different songs to sing.

This thesis hence makes a valuable contribution to the ongoing debate on HRM in China. By 'passing the mic' to China's high skilled work force, this thesis has indentified the most important motivational factors of this group of the work force. The findings of this thesis have additionally provided an evaluation of multinational companies' ability to develop well-functioning HR practices, seen from the perspectives of the high skilled, local workers.

The relevance of this thesis was proved by connecting the field of HRM to the process of globalization. Illustrating how multinational firms are faced with a constant trade-off between implementing localized HR strategies and developing global 'best practices', this thesis introduced the challenges faced when global firms encounter local labor. More specifically, the theoretical framework of the thesis, proved how such encounters are particularly challenging for firm's entering China. The uniqueness of the

Chinese work market condition and the increased importance of China in the global economy thus make this project highly relevant.

The research for this thesis has been based on data from both quantitative surveys and qualitative interviews. Data was collected among employees from three different multinational companies and from students in three of China's top universities in Shanghai.

By investigating work value motivations of current and future high skilled workers, this thesis has highlighted companies' need to know and understand their employees. In order to understand how to achieve employee retention, tools and strategies have to be designed based on employees' wants and needs. This might seem obvious, but as this thesis has underlined, the interest in knowing the high skilled Chinese employees objectives has been limited in previous studies. Different groups of the employees value different factors. By providing insight into Chinese employee perspectives, the findings of this thesis can provide useful guidelines for how to develop more localized and well adjusted HR tools.

First, this thesis proved that learning and professional development are highly prioritized motivational factors of high skilled workers. Through the investigation of work values, this thesis has identified a new, young and ambitious generation of workers. Whereas the older groups of the work force tend to focus on the more secure, stable and comfortable work values, this generation of workers is continuously searching for opportunities to learn and develop. This finding is highly relevant for MNCs operating in China. First, this group of workers is an important target group for MNCs. Second, these workers are China's future executive candidates, and third, it is amongst this group labor mobility is highest. Being able to retain these workers will hence create competitive advantages for MNCs in China.

From the employee evaluation scores, MNCs did however prove to struggle in providing such learning and development opportunities for their employees. Of all variables measured, this was the factor where the employees proved to be the least content. An obvious suggestion for international companies, struggling to improve their employee retention in China, is thus to develop training programs. However, there might be a reasonable fear among MNCs that training may contribute to increase turnover rates



as it enhances the attractiveness of the employees, in the eyes of other companies.

Therefore, vocational training needs to be combined with close communication about internal opportunities offered by the company.

The high skilled workers experienced insecurity about their future and long term opportunities in these foreign owned firms. Claim that MNCs creates 'class ceilings' for their local employees, were thus supported in the findings of this thesis. This finding thus indicates that companies capable of reducing employee uncertainty about future options simultaneously will be able to reduce their own uncertainty and turn-over. A way for firms to succeed in China can hence be to invent ways that makes expatriate management less necessary and thereby remove the perceived and actual barriers that give rise to employee frustration. Less dramatic and easier to implement may be to initiate dialogue with employees to learn about their ambitions, as well as to communicate in-house career paths for local employees. By increasingly consulting employees themselves, employers – as well as researchers studying employers will be better fit to design strategies to attend to human resources and thereby the core businesses of the company.

A second important finding of this thesis was related to work place relationships. To have a good relationships to managers or supervisors was important to both student and employee informants. Good communication, respectful treatment and informal relations were all factors, perceived to be important characteristics of a good employer. By investigating the logic behind employment preferences, this thesis found that informants believed they were most likely to obtain such employer-employee relationships in foreign owned firms. This thesis thus opposes arguments proposing positive relationships between attractiveness and familiarity. In fact, from the employee evaluation scores, the highest degree of satisfaction was found in the way workers perceived their internal relationships in their multinational employers. Familiar corporate cultures are thus not necessarily the most attractive. The fact that MNCs differ from the hierarchical and formal settings, often associated with the traditional Chinese managers, makes them attractive. Offering *different* managerial styles can thus facilitate rather than hinder corporate success. Although different, as this thesis has argued for, companies' managerial practices will however always benefit from being sensitive to and adjust their practices after the motivations and preferences of the local employees.

This thesis has thus mapped out the most important work value motivations of high skilled workers. By investigating patterns and tendencies in work value variations across the work force, a range of interesting findings were presented. Due to limited time and the extent of this study, some of the findings of this thesis were however not elaborated on in detail. Further studies of variations according to gender and between generations would thus be of high interest, making the basis for future, more elaborative research within the field of HRM in China. Additionally, the literature review and the empirical findings revealed that issues related to work life balance (WLB), in the case of China, have received little attention in previous literature. Finding that Chinese attitudes on WLB differ from that found in western countries, where most WLB research has been led through, can thus be an interesting starting point for future researchers.

Conclusively, the overall ambition of this thesis was to study the interface between global and local actors. It is however important to be aware of the fact that the encounter between local and global is a reflexive process, implying changes on both sides (Hansen 2008c). With an aim to fill a current gap in the HR literature, this study, as many other studies, based its' analysis on data from only one group of informants. The aim was to devote attention and create enhanced insight on the attitudes and motivation of this group of the work force. Including the perspectives of the local high skilled workers, into the debate on HRM in China, is clearly valuable. Nevertheless, it is important to note that this thesis is only telling *one* side of the story. Claims that there exist asymmetric understandings between foreign managers and local labor, does however also suggest that it would be of interest to perform studies, including both perspectives, investigating and comparing both sides of the story. Such research objectives would make it possible to compare and reflect on the differences found between the global and local actors, and would make useful contributions to the field of HRM in China. Studies on HRM in China should thus be developed in tandem with Chinese employees, rather than out of inspiration from Chinese management.

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## Appendix

### Appendix I: Student Work Values Survey

#### Work Value Questionnaire

#### 工作价值问卷

All answers will be treated confidentially!

对所有的答案，我们都将予以保密！

Estimated answering time: 10-15 minutes.

预计需要的答题时间：10-15分钟。

#### Part 1

#### 第1部分

Gender: 性别:	Female 女	Male 男
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Home province: 家庭所在省份:	
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Age: 年龄:	
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Which level are you in? 您的学历是什么?	Undergrad 本科	Master 研究生	PhD 博士
-------------------------------------	-----------------	---------------	-----------

Which department are you in? 您的专业是哪一类?	Science and technology 科学与技术	Engineering 工程	Social sciences, law, economy, business 社会科学、法律、经济、商务	Languages & humanities 语言与人文科学	Other 其它
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#### Part 2

#### 第2部分

People evaluate values related to work differently. Below some work-related values are listed; what is important for you when you consider potential employers?

人们对工作价值的评价总会有所不同。下面列出了一些工作价值；当您在考虑潜在的雇主时，哪些价值对您而言是重要的？

The scale is graded from 1 to 7, where 1 signify 'not important at all', and 7 signify 'exceptionally important'. Please draw a circle around the number that best fits your opinion.

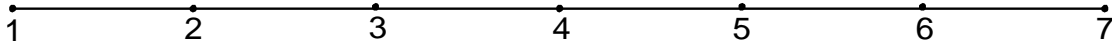
分数等级为1-

7, 其中：1表示“根本不重要”，7表示“特别重要”。请圈出能够表达您意见的数字。

。

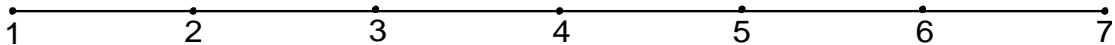
**1. Opportunity to learn and gain new skills**

学习并掌握新技能的机会



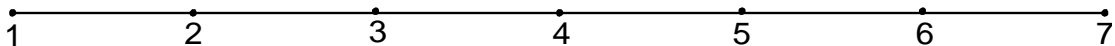
**2. Friendly colleagues**

同事间友好相处



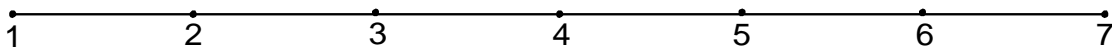
**3. Possibility to gain international experience**

获得国际经验的可能性



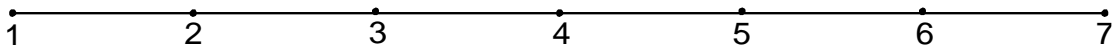
**4. Challenging work**

工作具有挑战性



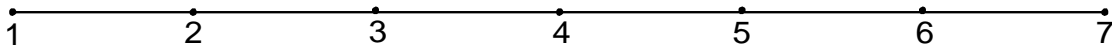
**5. To work for a well-known company**

为一家知名的公司工作



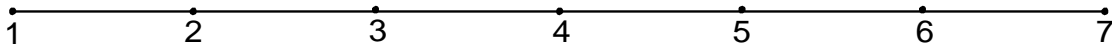
**6. To work as part of a team**

成为团队的一部分而工作



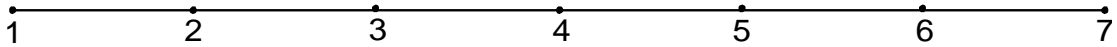
**7. To serve the interest of my country**

为国家的利益服务



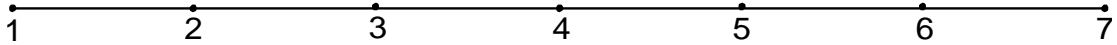
**8. Good possibility to advance within company**

在公司获得提升的可能性很大



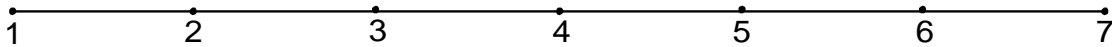
**9. To work with modern technology**

使用现代技术进行工作



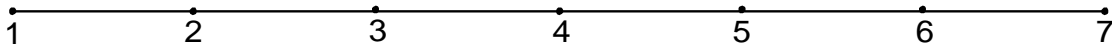
**10. Expectations from boss clearly defined**

老板的期望值已得到清晰的定义



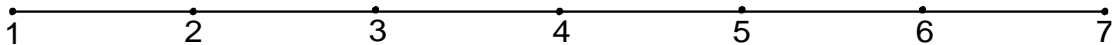
**11. Time and energy left for other activities, hobbies etc.**

工作之外还有时间和精力从事其它活动、爱好等



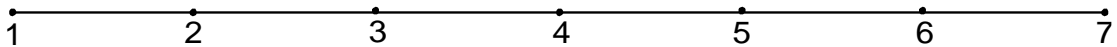
**12. High salary**

薪资高



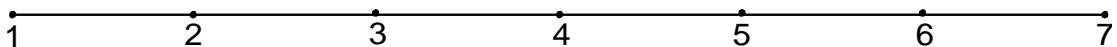
**13. To develop a good network for my future career**

为将来事业发展建立良好的网络



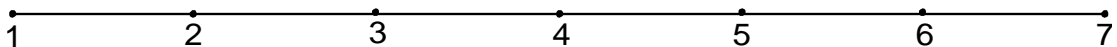
**14. To make my parents proud**

让我的父母觉得自豪



**15. To work in pleasant physical surroundings**

在愉快的现实环境中工作



**16. Good benefits (health insurance, housing accumulation fund, pension saving etc.)**

良好的福利（医疗保险、住房公积金、养老储蓄等）

1                      2                      3                      4                      5                      6                      7

**17. To work in a company where I can make good use of my educational skills**  
 在一家可以学有所用的公司中工作

1                      2                      3                      4                      5                      6                      7

**18. To develop a close relationship to my manager**  
 与自己的主管建立密切的关系

1                      2                      3                      4                      5                      6                      7

**19. To work for a company taking responsibility for environment and climate**  
 就职于一家对环境和气候负责任的公司

1                      2                      3                      4                      5                      6                      7

**20. To work for a company taking responsibility for social issues (CSR)**  
 就职于一家对社会问题（企业社会责任）负责任的公司

1                      2                      3                      4                      5                      6                      7

Which one of the values above do you find most attractive? Pick one.

上述哪一种价值对您来说最具吸引力？请选择其中之一。

Which one do you find least attractive? Pick one.

您觉得哪一种价值最没有吸引力？请选择其中之一。

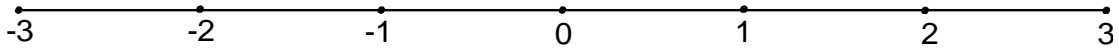
### **Part 3** **第3部分**

In this section -3 on the left signify 'very negative', 0 in the middle signifies 'neutral' and the 3 to the right signify 'very positive'. How is your position on the following options?

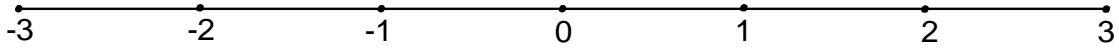
在本部分中，左侧的-3表示“非常拒绝”，中间的0表示“中立”，右侧的3表示“非常乐意”。对于以下选项

，您持什么样的观点呢？

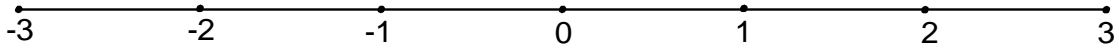
**21. To work for the government**  
 为政府工作



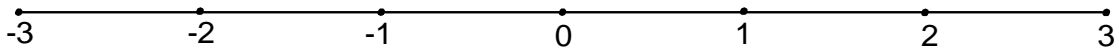
22. To work for a state owned Chinese company  
为国有公司工作



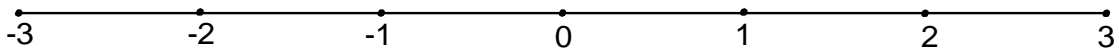
23. To work and live abroad for some time (two years or more)  
在国外工作和生活一段时间 (2年或2年以上)



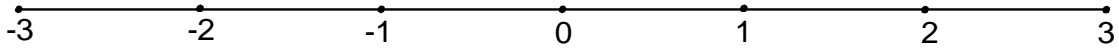
24. To work for a wholly foreign owned company  
为外商独资企业工作



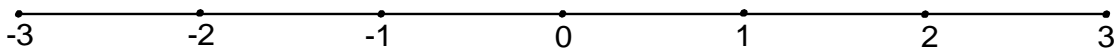
25. To work for a joint venture  
为合资企业工作



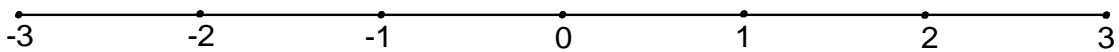
26. To work for a foreign company, and then move more permanently abroad  
为一家外企工作, 然后永久地到国外定居



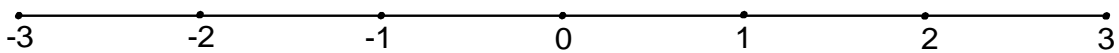
27. To gain experience, then start my own company  
获得经验, 然后开一家自己的公司



28. To build a long term relationship to a company (more than 5 years)  
与一家公司建立长久的关系 (超过5年)

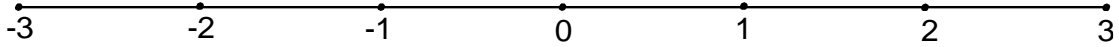


29. To work with a Chinese manager/ direct supervisor  
与中方经理/直接主管一起工作

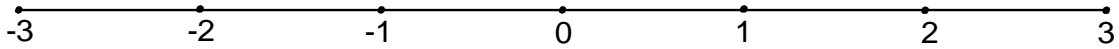


30. To work with a foreign manager/ direct supervisor  
与外籍经理/直接主管一起工作

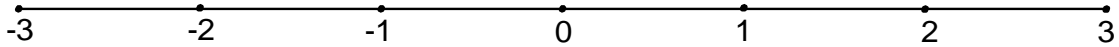




**31. To work in an Asian business culture**  
在亚洲企业文化中工作



**32. To work in a Western business culture**  
在西方企业文化中工作



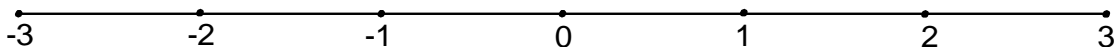
**33. Which of the following employment option would be your first choice?**  
您会以下哪一种工作作为自己的第一选项?

Multinational Company (MNC) 跨国公司 (MNC)	
Government 政府	
State- Owned Enterprise (SOE) 国有企业 (SOE)	
Non-Governmental Organization (NGO) 非政府组织 (NGO)	
Private Owned Enterprise (POE) 私人企业 (POE)	
Other 其它	

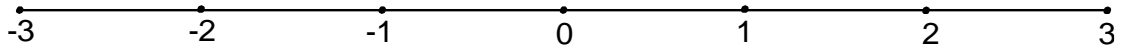
#### **Part 4** **第4部分**

Consider the following statements and express your opinion on the scale. -3 on the left signify 'totally disagree, 0 signifies 'no opinion' and 3 to the right signify 'totally agree'.  
对以下陈述进行考量, 并在比例尺上表达您的意见。左侧的-3表示“完全不同意”, 0表示“不发表意见”, 右侧的3表示“完全同意”。

**34. I think the Chinese economy will continue to grow rapidly the next five years.**  
我认为中国经济在未来五年内会继续快速增长。

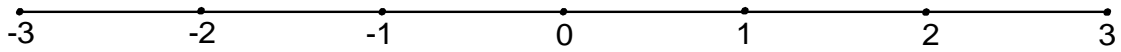


**35. I think the present employment situation is very good for people with my educational background.**  
我认为对于我这一类教育背景的人而言, 目前的就业状况非常好。



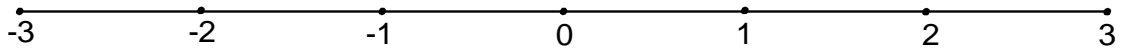
**36. I think a Chinese owned company will be better than a Western owned company in a later stage of my career**

我认为对于职业的后续发展而言，国有企业比西方企业更好一些。



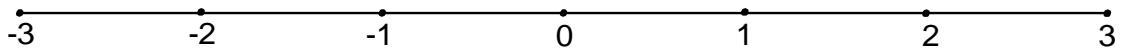
**37. I think foreign owned firms offer the best opportunities for my early career**

我认为对于早期职业而言，外资企业可以提供最好的机会。



**38. I think Chinese owned firms offer the best opportunities for my early career**

我认为对于从业的早期而言，国有企业可以提供最好的机会。



**Thank you! 谢谢您!**

## Appendix II: Employee Work Value Survey

### Work Value Survey 工作价值倾向调查

#### Elkem International Trade (Shanghai) Co., Ltd.: Work Value Questionnaire 埃肯国际贸易（上海）有限公司：工作价值倾向调查问卷

Thank you for answering this survey!  
感谢您配合此次调查！

The survey consists of 4 parts and you will be asked questions on the following subjects:  
此次调查共有四个部分，您将被问及以下各部分内容：

Part 1: General information  
第一部分：基本信息

Part 2: General work values  
第二部分：基本工作价值倾向

Part 3: Assessment of your current employer  
第三部分：评价您现在的雇主

part 4: Future career prospects.  
第四部分：未来职业前景

Please answer all questions before submitting the survey.  
请在完成所有问题之后，再提交问卷。

Thank you for helping Elkem to improve as an employer!  
非常感谢您帮助埃肯集团成为更好的雇主！

#### 1: General Information

##### 1. 基本信息

#### Gender 性别

- Female 女  
 Male 男

#### Age 年龄

- 20 or younger 二十岁或二十岁以下  
 21-30 二十一到三十岁  
 31-40 三十一到四十岁  
 Over 40 四十岁以上

#### Job level 职级





## Work Value Survey 工作价值倾向调查

- |  |                       |                       |                       |                       |                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 12. My company provides excellent learning and development opportunities<br>我的公司提供相当好的学习和发展机会  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 13. My company offers good internal career opportunities for me<br>公司为我提供良好的内部职业发展机会   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 14. I make good use of my educational skills in my daily work routines<br>在日常工作中我能充分利用所学技能   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 15. My company facilitate cross-departmental cooperation<br>我的公司提供了跨部门合作的平台  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 16. I get support form other departments in the company when needed<br>如有需要, 我可以获得其他部门的支持  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 17. I would like more variety in my daily work<br>我希望日常工作可以更加丰富  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 18. I am satisfied with my salary 我对我的工资表示满意   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 19. I recommend my company to friends seeking<br>employment 我会向在求职的朋友推荐我们公司  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 20. I am proud of working for my company<br>我为能在本公司工作感到骄傲  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 21. Working for a foreign owned company is good for my future career<br>为外资企业工作对我未来的职业生涯有益   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 22. I will probably receive better salary if I leave my current company for<br>a Chinese owned company<br>如果我离开这里去一家国有企业, 或许能得到更好的薪资 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 23. Someone has talked to me about my future opportunities in the<br>company in the last 12 months<br>在过去12个月中, 有人跟我谈过我在公司的未来发展机会    |                       |                       |                       |                       |                       |                       |                       |                       |
| <input type="checkbox"/> Yes是  |                       |                       |                       |                       |                       |                       |                       |                       |
| <input type="checkbox"/> No不是  |                       |                       |                       |                       |                       |                       |                       |                       |
| 24. My performance has a significant impact on my pay<br>我的表现对我的收入影响重大   |                       |                       |                       |                       |                       |                       |                       |                       |
| <input type="checkbox"/> Yes是  |                       |                       |                       |                       |                       |                       |                       |                       |
| <input type="checkbox"/> No不是  |                       |                       |                       |                       |                       |                       |                       |                       |

## 4. Career Prospects 未来职业前景

### 4. 未来职业前景

Please answer the following question:

请回答以下问题：

**I currently have a CV registered on an online career site**

**我现在已通过一个求职网站注册了一封简历**

Yes, I am looking for a new career opportunity 是的, 我正在寻求新的职业机会

Yes, but I am not really looking for a new employer 是的, 但我并不是真的在寻找新雇主

**Work Value Survey 工作价值倾向调查**

NO不是

**I have received job offers from other employers or career agents in the last three months**  
在过去的三个月中，我曾收到过来自其他公司或猎头的任职邀请

Yes是

NO不是