



Study shows companies need to take into account value changes of blue-collar Chinese workers

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A research paper has provided insights into the effectiveness of the Human Resource Management (HRM) measures provided by foreign companies operating in China. The authors based their analysis on semi-structured interviews with 25 Chinese employees at German automakers in Shanghai. They concluded that HRM systems should be adapted to meet the preferences of the employees. Companies needed to take into account the value changes of blue-collar Chinese workers. Interviewee comments also revealed that, although pay was still important, career development had become more significant for some workers.

The paper, entitled “Change in China? Taking stock of blue collars’ work values” was written by Marina Anna Schmitz, from Cologne Business School, Germany. Schmitz said her paper could help talent managers to get the best out of their employees. In particular, if HRM processes were improved it would reduce voluntary employee turnover, a major problem for employers.

China’s economic system has been radically overhauled in recent years. Now blue-collar employees are able to progress their careers, whereas social mobility used to be non-existent. These workers are the driving force of the Chinese economy. In 2017, there were 287 million internal migrant workers, of whom 172 million left their home towns to look for work, according to the National Bureau of Statistics of China. Despite their importance, their motivations and changing expectations have not been studied before. This has become more of a pressing issue because China has experienced a radical shift away from the values of previous generations.

The author conducted semi-structured interviews into the work values of Chinese blue-collar workers. The interviewees were 25 employees at German multinationals in the auto-making industry in Shanghai. There were 17 blue-collar workers and eight white-collar managers. Interviews were in person, or on the phone, and lasted between 15 and 60 minutes. The blue-collar interviews focused on personal demographics, perceptions of the job and company, attitude toward work, goals in life, main reasons to quit and incentives offered to stay. The white-collar interviews included questions on HR management and the company, differences between local and migrant workers and challenges of HR in China. The average age of the blue-collar workers was 30, whereas for the managers it was 36. The blue-collar workers were mainly male and worked an average of 10 hours a day six days a week.

When analysing responses, the author first looked at the managerial insights. All participants mentioned significant environmental changes that affected talent management. In theory, they said that new laws such as the new Labor Contract Law

(2008) and Social Insurance Law (2011) had empowered the workers, who were previously informally employed or only had superficial temporary contracts. But in practice, enforcement of the laws has been problematic. One manager said: "Now in China if you want to hire people it is very easy; if you want to fire people it is very difficult. For most cases it makes it harder for companies to discipline the workers because they are overprotected. The workers go to the government for arbitration of their overtime. This is the biggest impact in overall China; the costs for companies in China are higher and higher." Another manager, however, had a more positive view of the labour law changes and said it helped HR people to pay more attention to the processes and improve their work.

The Government has also introduced legislation to increase workers' annual wages in order to incentivise rural workers to migrate. But one HR manager said this policy was having a detrimental effect on multinational businesses in Shanghai. They were finding it harder to recruit migrant workers who could get more money than in the past in their own regions. It meant they no longer needed to travel to Shanghai where the cost of living is high. "This is a huge problem for the manufacturing companies in Shanghai. Where do we get our future employees from?"

The managers believed that for migrant workers money was the primary motivation to move locations. But employees from Shanghai tend to have a higher educational level and they have other motivations in addition to money. One manager said that for local people, "the working environment, respect, trust and a good relationship with their boss", and the company background, were big factors. But the first generation of migrants were "people from the countryside, who were very, very poor. The jobs were physically demanding, but they endured it".

The same interviewee said that migrant workers valued overtime to make more money, whereas local workers wanted to balance overtime with relaxation. Meanwhile, other managers said their companies were making great efforts to improve working conditions, introducing annual pay rises, social insurance, sporting competitions and karaoke.

Having considered the managers' responses, analysed the answers from the blue-collar workers. They spoke about the most important factors that retained them in a job. One female worker, aged 42, said she valued her pension, health insurance and a collective reserve fund. "You also get reimbursement payments from your company for the medicine you have bought while being ill; not only for you, also for your children". Unsurprisingly, pay was also a major factor in satisfaction at work. "My requirements are

not too high, but the work should at least be worth the effort I put into it,” said one female, aged 38.

The quality of the working environment proved very important for a lot of workers. A mismatch with expectations could cause stress. One respondent complained about the lack of air conditioning and another quit a previous job because of the toxicity in the environment. Another complained about the messiness of a warehouse.

The interviewees often commented on the lack of training opportunities available to them. One male migrant worker, aged 25, complained: “Training? I have the feeling that there exists a defect in this company. Every time we produce products, there are some problems and we receive complaints from our customers. Only then will the boss let the employees come together and give them training”. In many cases where training was available, the blue-collar workers were not aware of the fact. There were also mismatches in expectations of when the training should take place.

It was clear from the interviews, however, that employees increasingly hoped for career development programmes to help them advance. One female HR said: “How to retain them is another challenge and linked with retention is development because people offered good development they tend to stay because they have opportunities here.” On the other hand, one older female migrant worker, aged 38, was reluctant to leave her job because of her lack of technical knowledge. There were a variety of responses to questions about personal ambitions, ranging from wanting to open businesses to getting promoted at work.

Job satisfaction is often defined as an emotional attachment to the role. But the interviewer said most of the interviewees showed no interest in their tasks. “I cannot really say that I like my current job, because I do it to survive. There is no way out,” said one male, aged 25. And another male migrant, aged 26, said: “There is nothing I particularly like or dislike about my job. This is just work.” Work centrality, the author believed, was often not as important for manual workers as it was for white-collar workers. This was especially true, she said, for the post-1980s generation.

The interviewees stressed the importance of positive relations with colleagues and supervisors, defined as having good “guanxi”. One male worker, aged 38, spoke of his satisfaction with the relationship with his boss. “It is an equal relationship and the boss also helps to solve these problems.” Another male, aged 26, said he liked it when “everyone is working together like a family”. The author said good relations were essential for job satisfaction, whereas poor relations with superiors could be a major

reason to leave the company. Another important consideration was the prestige of the company. Some respondents enjoyed working for German brands that were household names all over the world.

In conclusion, the author said her study showed that the younger generations shared some values with older generations, such as “continuous learning and self-development”. But they also displayed new values of “individualism and materialism”, causing them to look for higher rewards and better employment opportunities. At the same time, there was a trend towards “growth-oriented values as this cohort develops along with its environment”.

The author felt that HRM systems – for example reward systems, or job designs – should be adapted to meet the individual preferences of employees. Companies should be sensitive to value changes between generations, she said. Career development had grown in importance for a lot of workers alongside the desire for good financial compensation. When employers failed to offer training, there was a danger that employees would move elsewhere for better prospects. Meanwhile, she said policymakers needed to react to the social changes by providing workers with the “opportunity to look for and fulfill their respective person-organisation fit”.

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