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Early Career Development in Chinese Banking: the Impact of Overseas Education on Graduate Experiences

Di Zhang

A thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy in Employment Research

Institute for Employment Research
University of Warwick

September 2013

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Acknowledgement

My sincere and deep gratitude firstly goes to my supervisors, Prof. Robert Lindley and Prof. Kate Purcell. Your guidance, patience and professional standard have inspired and enriched my growth as a researcher and as a person. I appreciate very much your help and encouragement at the last stage of my project, which gave me so much strength and confidence to accomplish this work. My gratitude extends to all my friends and colleagues in Warwick Institute for Employment Research, with whom I shared four lovely years and who provided advice and relief for me. In particular, Charoula, thank you very much for being my mentor and passing on the positive spirit to me.

I am very grateful to have Dr. Carol Wolkowitz and Prof. Johnathan Morris as my examiners. I really appreciate their highly constructive comments on my thesis. Especially Carol, as my Master dissertation supervisor, you inspired me so much that I confirmed myself keep on the track of ‘Chinese returnees’.

Marian, Steve and Yasmin, I cannot thank you enough for providing such a sweet home for me. Marian, thank you for opening your arms to me when I was a mess and most in need. Steve, thanks for the wine and the professional IT service. Yasmin, thanks for all the amazing singing and joy you bring to me.

Su, my dearest friend: thank you for always being there. Abiu, Dahuang, io, LC, Linzi, Siusiu, Xiaoneng, Xixiaozhu: I cannot wait to come back to Beijing and join you again and force you to read my PhD thesis, which could not have been achieved without your support.

Mingyang, Emily and Maggie, I’m very grateful for your help with my project. I would also like to gratefully acknowledge all the participants who kindly shared

their reflection with me.

Most of all, I would never be where I am without my family, my parents, my husband, my grandparents, my uncle, auntie, and Fangting. I cannot receive this rich and unconditional love elsewhere but from you. I do not express this enough, but I love you. Grandma and grandpa, I'm sorry for not spending much time with you during this project. Mark, without you, I would not even have started this PhD. I am very grateful for all the proofreading and your criticism as a 'sociological theorist'. Thank you for going through this special journey with me.

Declaration

This thesis is presented in accordance with the regulations for the degree of Doctor of Philosophy of the University of Warwick. Parts of my dissertation for MA in Sociology (Warwick, 2009) have been used in Chapter 3 and 5. But no other material on this thesis has been submitted previously for the award of any degree. The work in this thesis has been undertaken entirely by me.

Abbreviations

ACA	Academic Cooperation Association
BDP	Business Development Programme
CBD	Central Business District
CCP	China Communist Party
CRS	Contract Responsibility System
CV	Curriculum Vitae
FDI	Foreign Direct Investment
GCS	Group Company System
HE	Higher Education
HEI	Higher Education Institution
HRM	Human Resource Management
MES	Modern Enterprise System
MNC	Multinational Corporation
MoE	Ministry of Education of People's Republic of China
MT	Management Trainee
OT	Overtime (working)
SOE	State-owned Enterprise

Abstract

Considering the crucial role played by state-owned enterprises (SOEs) and multinational corporations (MNCs) in China's economic reform, and the growing number and importance of Chinese overseas educated graduates, this thesis explores the early career-development of returnee graduates. The research draws on theoretical perspectives relating to human, social and cultural capital, along with theories of motivation, adaptation and job satisfaction in the course of career development, applied in the Chinese context. Two qualitative case studies were carried out in the banking sector: one in an SOE and the other in an MNC.

This involved interviewing returnees, local graduates and managers on their perceptions of the integration of returnees into the organisations. At the individual level, it considered the value of overseas education and the capital possessed by returnees, observing how human capital was produced through graduates' early stages of career development, and how this contributed to their place of work. At the organisational level, by making use the perceptions of HR managers as well as self-evaluation from returnees, the advantages and disadvantages of returnees were explored, together with their actual utilisation, the rationales behind the HR strategies adopted by the two organisations. This led to an understanding of how the integration of returnees is affected by different social and corporate settings.

1. Introduction

1.1 Background

Beginning in 1963, China's ascendant economic status is founded on the rhetoric of 'The Four Modernisations': agriculture, industry, national defence, and science and technology. The Four Modernizations were adopted as a means of spurring socio-economic development following the death of Mao Zedong, and were among the defining features of what was implemented as the 'Open Door Policy' in 1978. Now, China's economy has undergone (and is still undergoing) a transition from a command economy to what is popularly phrased a market-oriented economy 'with Chinese characteristics' (Child, 1994; Warner, 1995; 2009; Cooke, 2005). A substantive feature of this transition is the restructuring of state-owned enterprises (SOEs), increased foreign direct investment (FDI), and the development of the private domestic sector. Furthermore, the development of science and technology is seen as key to China's will to socio-economic transformation, and has to-date inspired rapid advances in education. Not only has the phenomenon of overseas education resumed since 1978, but education as a whole has rapidly expanded despite the '10 years of chaos' of the Cultural Revolution.

However, a consequence of this expansion is a mismatch between the demands of the labour market and the supply of prospective employees from higher education. This problem embodies the paradox that what appears to be an oversupply of

higher educated labour in China is accompanied by a shortage of talent actually suitable for the labour market (Farrell & Grant, 2005a; Brandenburg & Zhu, 2007). According to the 'Chinese College Graduates' Employment Annual Report 2012 (MyCOS research institute, 2012), the general/basic employability of new graduates - taking into account oral communication skills, capacity for learning, and aptitude at scientific analysis – does not reach the standard required by most employers. Farrell and Grant (2005b) suggest a partial solution to this problem: increase the utilisation and contribution of Chinese returnees, who are highly-skilled, highly (overseas) educated individuals, and who return to China as part of their career trajectory.

1.2 Research aims

The career development and contribution of returnees to China's labour market is thus a key social phenomenon that deserves more attention. Consequently, this PhD project looks at the career experiences of recently qualified returning Chinese graduates, who have completed higher education abroad, and who have since found employment in either a state-owned enterprise (SOE) or a multi-national corporation (MNC) based in Beijing. These two types of ownership then constitute something like a multi-contextual prism through which the character of the reforms - the restructuring of SOEs, and increased FDI in terms of the expansion of MNCs - and their effects for the participants of this study can be understood and expressed. Comparing also to the career trajectories of locally educated Chinese graduates, this

study explores the particular utilisation and contribution of overseas educated employees in two different organisational settings, taking into account the wider modernisation process currently transforming China.

1.3 Organisation of the thesis

This thesis is presented in 10 chapters. Following this introduction, Chapter 2 gives a brief introduction of the process of SOEs reform and explains the connection between higher education (HE) and the Labour Market within China. It begins by introducing the historical background of the economic reform started from 1978 focusing on both the changes happened to the public and private sectors. With the background knowledge of the reform undergoing in China, it then explains the current structure of the HE system in China. To begin with, the expansion of HE was driven by the implementation of the 'Action Scheme for Invigorating Education Towards the 21st Century' (面向 21 世纪教育振兴行动计划), and 'Project 211' and 'Project 985'. All three initiatives played a crucial role in the evolution of HE in China, particularly in the wake of, and contrasted with, the 10 years of chaos brought on by the Cultural Revolution. As the situation progresses, however, problems have been noted and shortcomings identified by both Western and Chinese scholars alike. Most notably, the graduate labour market is facing a peculiar dually-negative effect of the expansion of higher education: that is, the oversupply and low employability of graduates.

Chapter 3 then concentrates specifically on overseas education, and returnees in

particular. It introduces, first, the history of overseas education of Chinese students, followed by an explication of the current situation of Chinese people receiving overseas education and returning home. The choice of research object – Chinese returnees – is justified by the fact of their fast-growing number, as well as by the government's focused attention on attracting overseas-trained graduates to return to China. As outlined in Chapter 2, some scholars (Farrell and Grant, 2005b) suggest that the utilisation of returnees could be a way to alleviate the shortage of talent currently faced by the labour market. However, Chapter 3 also starts a literature review about the potential for overseas-educated graduates to acquire 'transnational human capital', while considering this 'commodity's' significance in the Chinese labour market. Gaps identified in this collected literary field, based on which research aims and questions are in turn developed. The end of Chapter 3 then sets the direction for the rest of this study.

Drawing on the previous chapter, Chapter 4 outlines the conceptual apparatus used to approach and elaborate this project. Since the project looks at the utilisation and contribution of Chinese returnees who pursue their career trajectory in an SOE and an MNC, and which then involves two levels of examination, individual and organisational, a conceptual framework is dually structured as follows: from individual graduate employees' perspective, it deploys Bourdieu's theory of practice and operationalises his concepts of the forms of capital in order to understand the value of overseas education and its influence to Chinese returnees in the labour market. The project explore their career experience (conceptually) in

terms of ‘motivation’, ‘adaptation’, and ‘job satisfaction’, compared to local graduates; at the level of organisation, two types of ownership will be compared in terms of their ‘organisational structure’, ‘culture’ and ‘human resource management (HRM) strategies’.

Guided by this conceptual apparatus, Chapter 5 then determines this study’s epistemological stance. Considering the type of study, which stresses the interaction between individuals and other individuals, as well as the contexts that embrace them, constructionism is adopted as the epistemology. A case study was chosen for its suitability, from where correlating research methods are outlined and operationalised. Chapter 5 also sheds light on the process of data collection. Field research focuses on two commercial banks - SOE Bank and MNC Bank - and this section justifies the various decisions made with respect to approaches to research sites and participants. It explains in depth the ways in which data was collected, involving documentary analysis, online-questionnaires, and semi-structured interviews. A table is used to illustrate the association between research questions and the methods applied, together with their justifications. Ethical dimensions of the research are then considered, before an overall review of the data collection process. Lastly, this chapter reflexively analyses the field research in practice, focusing on the method of recruitment of the participants, which reflects the differences between two organisational settings, and a comparison between face-to-face interview and telephone interview. The relationship between researcher and the researched is also discussed.

Taken together, the first five chapters of this PhD provide a comprehensive explanation of the design and implementation of the research process. Chapter 6 then moves on to look at first-hand data collected from both the SOE Bank and the MNC Bank. Chapter 6 paints a picture of two organisational settings, which are the object of the case studies, and which are the contexts in which the returnee graduates were located. Drawing mostly from interviews with the managers from both banks, together with comments of returnees and local graduates employees, key features of each company were captured separately in terms of their organisational structure, culture and HRM practices (examining also the rationales for their existence). These two organisational settings are then compared and contrasted, from where are inferred implications for the recruitment and deployment of graduates.

Chapter 7 serves as a bridge, shifting explanations from the organisational level to the individual level using responses of online-survey about individual career experiences, and participants' perceptions of their organisational settings. This begins by a comparison of returnee employees to locally graduated employees, answering questions about their feelings toward their current jobs, what motivates them, and how fast or well they adapt to their particular working environment. They are also asked about their degree of job satisfaction. Secondly, this section looks at returnees' overseas education and its influence on their career trajectory. It then focuses on returnees' employment experiences in each respective setting, the SOE Bank and the MNC Bank. Lastly, reflecting on the last chapter and the literature

discussed in Chapter 4, Chapter 7 compares the HRM strategies and corporate culture of these two banks.

Chapter 8 and 9 concentrate on the qualitative analysis of data collected from the SOE Bank and MNC Bank, respectively. These two chapters share the same structure, starting with explanations of personal perceptions of individual working experiences, and ending with evaluations of overseas education. To understand the tension and dynamics involved in each organisational setting, both chapters incorporate and discuss managers' and locally graduated peers' perceptions and assessments of overseas educated graduates.

After stating all findings through Chapter 7 to 9, Chapter 10 discusses recurrent themes that emerge from the data and locates them within the relevant gaps in the literature. It starts with comparison and contrast of returnee graduates and locally educated employees in both banks. It also discussed the double edged attribute of family background and actualisation of various forms of capital possessed by returnees in two different organisations. Thirdly, this chapter introduces the metaphor of the 'iron rice bowl' to SOE and 'Military Academy' to MNC, involving a comparison between these two organisational settings. It concludes with the most significant findings of the research, addressing each key research question in turn. It also states the implications for policy and practices. Finally, concerns about the limitations of this project, as well as suggestions for future studies are elaborated.

2. Background Literature

2.1 Introduction

Compared to the present, the economy in the People's Republic of China used to be highly centralised and tightly controlled by the communist regime since the establishment of the PRC in 1949. This resulted in sluggish development. The Open Door Policy announced in 1978 reduced, albeit it only to a certain extent, the connection between politics and economic policy, opening up China to the rest of the world market. From these reforms, a market economy 'with Chinese characteristics' came into being in China. This led to the restructuring of state-owned enterprises, and the deregulation of both private and foreign sectors (Moore and Wen, 2006).

Concomitant with the economic miracle of the late 1990s, the Chinese government made significant efforts to expand the higher education system. The State Council officially approved the 'Action Scheme for Invigorating Education Towards the 21st Century', drafted by the Ministry of Education of People's Republic of China (MoE) in 1999. This scheme was put in place as an attempt to reform and advance the education system. Since then, a series of projects and plans similarly aimed at revitalising higher education institutions (HEIs) have been implemented (MoE, 2004). The number of regular HEIs has consequently doubled from 1022 in 1998 to 2358 in 2010. The number of graduates has grown four fold in the same time (MoE, 1998, 2010a, 2010b).

Apart from the growth of HEIs, as well the general overhaul of the education system, the ‘open door policy’ has also extended the field of overseas education. Communication with the outside world has increased significantly, and since 1978 the government has sent more than 270,000 scholars abroad to over 100 different countries and regions (MoE, 2004). Self-funded overseas education has also reached a new peak. That said, the reform and expansion of the higher education system has inadvertently led to the oversupply of graduates in the labour market, as well as doubts about their quality and employability. This chapter forms a background for these issues, contextualising this PhD project in terms of process of China’s economic reform in Section 2.2, higher education in Section 2.3 and the graduate labour market of China in Section 2.4.

2.2 The process of reform and its implications for Chinese SOEs

The post-1978 reform process is generally one of increasing marketisation of society, initially in rural and foreign sectors, but afterward, from the mid-1980s, in public enterprises in urban areas. This process of marketisation engendered a shift in focus from the fulfilment of enterprise-state level contracted output quotas to profit maximization. This shift granted increasing freedom to make decisions as a corollary of decreasing government micro-management and protection in addition to increased competition (Lin, 2011). This section focuses on the process of the Chinese economic reform in terms of its implication for the organisation of work

in both public and private sectors.

2.2.1 Decline of the public sector

Chinese SOEs were originally established in the mid-1950s under centralised and planned governmental management (Sheng and Zhao, 2012). Before the reforms of 1978, employment in SOEs was considered similar to possessing an 'iron rice-bowl', which metaphorically refers to, first, an unbreakable employment contract, and second, guaranteed provision of welfare. Traditionally, SOEs played a key role in absorbing surplus labour and providing social welfare. The emergence of China's 'iron rice-bowl' employment policy dates back to the early 1950s. After being educated, young people were allocated jobs in different work-units – *danwei*[1] - by the local labour bureau with little concern for their own preferences regarding workplace and type of work. Although workers had very little autonomy of their own with regard to the particulars of their employment, job security and welfare were guaranteed. However, the huge burden of responsibility for solving the problem of unemployment and providing welfare to employees placed on SOEs hindered profitability and efficiency to a great extent. Overstaffing and low productivity became one of the crucial problems in SOEs. The open door policy in 1978 and the proliferation of private and foreign sectors urged the reform of management in SOEs to improve competency, efficiency and productivity. The central government then carried out a two-track reform policy: 'corporatization of

[1] The *danwei* was 'a personification of the state's paternalistic ideology' (Cooke, 2005: 43), which 'constituted a 'mini welfare state', providing housing, medical care, pensions and so on' (Warner, 1995: 45; see also Leung, 1988: 55).

large SOEs and privatization of small and medium-sized (SMEs) ones' (Cooke, 2005: 44.). It was hoped that this would achieve the following two aims: the mitigation of the welfare burden on government and the raising of finances for solving employment problems.

The Third Plenary Session of the 11th Central Committee of the CCP in 1978 was the stepping stone that setup the economic reform, which can be divided into three stages: 1978-1986; 1987-1992; and 1993-present. The period between 1978-1986 can be summarized by the slogan 'decentralising power and giving up profits', whereby the central government began to loosen control over SOEs and granted more autonomy to managers. Instead of handing over all profits to the state, SOEs incurred a tax while remaining entitled to retain post-tax profits. However, it did not remove the dependency of SOEs on the government, nor on the planned economy.

The restructuring of China's planned economy took place between 1987 and 1992, wherein enterprises were granted increasing autonomy and authority as a function of a newly implemented Contract Responsibility System (CRS) (Sheng and Zhao, 2012). The CRS was implemented as a policy in 1986, to codify and govern relations of property rights and ownership between the State and SOEs and as an attempt to shift the burden of social services - social welfare - away from government to the latter. It operated at two levels: between enterprise and state (an enterprise-level state contract system) and internally within the enterprise. Beginning in the early 1980s, the CRS was taken up by many large and medium

sized SOEs, where two kinds enterprise-state contracts existed: 1) enterprises would be contracted to pay a fixed percentage of annual profits to the state; 2) alternatively the enterprise would pay a fixed amount of profits to the state each year. Post-contract fulfilment, net gain would be utilised for investment, procurement, restructuring, and so on.

Under the CRS, SOEs were forced to implement a system of employment contracts for all incoming employees, which effected a rapid contraction of life-time employment implemented under the government's centrally planned 'iron rice bowl' system. Into the 1990s, a series of CRS-related experiments were then carried out with respect to pensions, healthcare, unemployment benefits, housing, and others. The provision of these and other social services previously engraved in the revolutionary era iron rice bowl were restructured in the way they were provided by public sector SOEs. The method was to finance each of these by the establishment of a specialised fund based on contributions from both employers and employees and, if that failed, the government. These contributions have since become mandatory for both employers and employees (and not the government treasury) working in urban locales. However, to this day significant issues still arise with respect to 1) lack of funds; 2) the interregional transfer of employer-guaranteed benefits (e.g. for those who commute, perhaps between Beijing and Shanghai); 3) poor quality service provision, and; 4) an unjustifiable lack of social services provision in the rural sector (where contributions to the pot would appear to be voluntary in practice).

The CRS officially came to a close in 1995 when it was deemed a failure on a number of counts, namely for failing to resolve the problem of government interference in the workings of enterprises. Despite initial progress, the financial health of institutions under the CRS also deteriorated, leaving the government with significant financial losses. The government's response was to then to privatise or put most of them into administration. A small number of larger SOEs in sectors perceived as important were kept on for restructuring, however. Banking was one of these sectors. Others included tobacco, energy, public utilities, defence, telecommunications, and rail. Their restructuring was tied to the policy of 'hanging onto the big ones and letting go of the small ones' in official government discourse.

The previous two stages of reform heralded the coming, from 1993 to the present, of the Modern Enterprise System (MES) and later the Group Company System (GCS), both of which focused on property rights and the ‘corporatisation’ of large and medium SOEs (Hassard and Sheehan, 1997; Hassard *et al.*, 2010; Sheng and Zhao, 2012). The MES was undertaken to incorporate elements of Western corporate governance structures as modern management methods to reduce government interference and the reliance of SOEs on the state. The GCS, by contrast, was primarily focused on creating ‘large internationally competitive companies and a reorganization of resources, assets and structures’ (Hassard *et al.*, 2010: 503).

2.2.2 Rise of the private sector

The generally accepted decline of the public sector has corresponded to a rise of the private sector, the latter absorbing the majority of the employees laid off by the former during the late 1990s, when SOEs were found to be in trouble (Lin, 2011). As such, private enterprises have become the primary providers of jobs in the labour market, especially for new entrants (new graduate jobseekers for the most part). This resurgence of private economic activity has its roots in late 1970s reforms, which lessened restrictions on self-employment in both rural and urban areas of China. To begin with, private economic entities were limited to employing no more than seven people, that is, until that restriction was lifted in 1988. Yet private enterprises continued to face discrimination at the level of economic policy-making. It was not until 1992, when the political climate began to change, that the government gradually began relaxing restrictions even further in a manner evocative of the government's policy of economic gradualism with a strong emphasis on the state. This de-restriction of private economy came about largely as a way to address two policy imperatives - employment and revenue - that the public sector had thence-far failed to deal with. Through a constitutional amendment, the private sector was then formally recognised as an integral component of Deng Xiaoping's and Jiang Zemin's 'socialist market economy'. Since 2001, the communist party has even opened its arms to private entrepreneurs and business people, allowing them to become members if they so desire (and many do desire, given the economy's reliance and embeddedness in

networks of social and political *'guanxi'*). The 2007 *Property Law*, enacted by the National People's Congress, has also offered equal property rights and protection between public and private enterprises. Because of these broader political and economic changes affecting the institutional environment, the private sector is now the leading producer of economic output and the biggest provider of employment across China.

Since its de-restriction, the private sector has operated by 'a model of the market that draws on specific flows of FDI, institutional imports of limited liability companies with traded stocks, [and] western models of risks and derivatives in the financial services [that] have been adapted to the particular forms of modernisation developed across China' – a programme of opening up and integrating experiments with global capitalism utilising transnational links to South-East Asia – particularly Hong Kong, Taiwan, and Singapore - and of late South America, the West and Africa (Keith *et al.*, 2013: XXXIII). Since the new foreign investment law was deployed in 1984, the government tried to use the preferential policies to attract FDI in order to stimulate the economy (Whalley and Xin, 2010). The utilisation of foreign capital reached 117.7 billion USD (National Bureau of Statistics of China, 2012). Companies can be either directly controlled by foreign capital, or at least part or jointly owned by foreign companies (this latter circumstance has also been entertained by some state-owned enterprises in the public sector, as a way to lessen the risk of their potential collapse for the state while allowing them to continue to rake in profits from a controlling 51% stake –

such is the case in SOE Bank). For instance, Vanke and Shui On – two of the largest, if not the largest, residential property developers in China – have their bases in Hong Kong. Foreign direct investment of this and other variations has been seen by the government that has encouraged it, as well as the Chinese academy that has observed it, as instrumental in the importation of knowledge, technology and skills to China, and also as a highly effective way of raising capital in lieu of China's protectionist system of banking and finance.

2.2.3 The reform process and its implications for the organisation of work

The broad social, political and economic changes discussed above have had far-reaching implications for the organisation of work in China. At a level of generality, the broadest revolution in circumstances has been the abolition of the CCP-dominated system of work units (the *danwei*), which has given way to an evolving political economy of market-based development. The effects of this for the organisation of work are detailed by Hassard *et al.* (2010: 501) as follows:

- 'The development of internal product markets and increased exposure to competition'
- 'The increasing exposure of Chinese enterprises to international markets'
- 'The multiplication of the sources of external investment funds'
- 'High rates of economic growth'.

This constitutes the organisational paradigm in which a (1) *decline of direct*

party-state control of work organisation and a (2) *tension and conflict* has unfolded (Lin, 2011: 148-149).

a. The decline of direct party-state control of work organisation

Whereas once the economic space was dominated by public ownership, together with CCP behavioural control mechanisms, it is now populated with 'the rise of family farms, non-farm self-employment, domestic private enterprises, foreign-direct-investment companies' (Lin, 2011: 148). In short, the CCP is unable to, or at least ineffective at, maintaining a significant presence in an economic realm increasingly dominated by private enterprises. As the economic imperative shifts to profit maximisation post 1978, direct political and bureaucratic control consequently declines. Spatial and occupational mobility (equally upward or downward) has significantly increased as a result, which corresponds to an enlargement and spread of the labour market all across China. Contractual arrangements between employees and employers are now the norm, not just in private enterprises, but public ones too, providing both parties with an albeit limited legal defence against government intervention and control. Lastly, 'human capital has become an important factor in influencing the direction and destination of workforce movement, the level of remuneration and benefits, as well as the resultant inequalities among working people' (Lin, 2011: 149).

b. Tension and conflict

In the transition from state socialism to capitalism, contentiousness in industrial

relations has increasingly developed into labour disputes, complaint, protests, resistance toward employers and government both. The causes of this contentiousness are three-fold:

Firstly, the growth of economic insecurity on employment, healthcare, housing, old-age support, and education fronts. This insecurity is most typically felt in SOEs, whose employees, who once experienced the greatest degrees of security, have experienced the rapid emptying of their iron rice bowl as a result of the reforms:

> 'Under the Maoist system, they were more 'privileged' in terms of income, benefits, and status than employees in urban collective enterprises and people's communes. But the decline of bureaucratic allocation of jobs and related benefits, the onslaught of competition, and the deteriorating performance of public enterprises during the 1980s and 1990s led to a steady worsening of their economic situation. The most difficult time came during the mid- to late 1990s, when massive layoffs took place in the public sector' (Lin 2011:149).

Secondly, labour insurgence has increasingly resulted from perceptions of injustice with regard to systemic inequalities created as a result of proto-capitalist labour practices and the government's failure (or unwillingness) to protect the rights of workers through formal rules and obligations. The situation of migrant workers, residing in cities as second-class citizens, has been a constant issue that has sparked complaints, protest, and general unrest. The most common instigator of such unrest is employers refusal to contribute to internal social services funds on behalf of migrants, resulting in their exclusion from healthcare, benefits, housing, pensions, etc. Migrant workers now seek equal rights, and are prepared

to act to get them. Lastly, poor treatment of workers by their employers has led to significant tensions and conflicts within the workplace, most notably in the private sector.

In summary, this section briefly introduced the process of China's economic reform. It provides a background for the reform of higher education and graduate labour market, which are going to be further elaborated in the following two sections.

2.3 Higher education in China

With the re-introduction of the National College Entrance Exam (NCEE or *Gaokao*), as well as the re-establishment of universities in the late 1970s, China's higher education system has been subject to huge reform and expansion in terms of the academic degree system, types of institutions, their administration, and the number of graduates studying. China has shifted from a policy of 'elite education' to 'mass education', evidenced by the sheer number of graduates produced by HEIs. During the last decade, the Chinese university system expanded four-fold in terms of student enrolment in HEIs. In 2000, student numbers totalled 5.6 million, whereas by 2010 the number of students enrolled totalled 22.3 million and 5.8 million graduates were produced (National Bureau of Statistics of China, China Statistical Yearbook, 2012). All of these students are part of a US/UK model for higher education. Their degree system comprises Bachelor's, Master's and Doctoral degrees and a post-doctoral research system. Types of HEIs vary in order

to cater for the different needs of students. Similar to what we find in the US and UK, there are comprehensive universities, vocational colleges and specialised higher education institutions in different subjects (Brandenburg and Zhu, 2007). Apart from divisions according to subject, HEIs can be identified by their belonging to one of three clusters: 'regular HEIs' (2358), 'adult institutions' (365) and 'private HEIs' (836) (MoE, 2010a). 'Regular HEIs' refer to the HEIs that recruit students are graduates from high school by taking NCEE (*Gaokao*), including universities and specialised/vocational colleges; 'Adults HEIs' mainly recruit students with working experience without taking NCEE; Both 'regular and adults HEIs' are either central or provincial government funded; whereas 'private HEIs' are privately funded and target high school graduates.

In addition to the reform and expansion in terms of the number of HEIs, graduates and enrolments, concern for the quality of regular HEIs has led to two important government funded in the reform of the higher education in China: 'Project 211', and 'Project 985'. 'Project 211' was initiated by the Ministry of Education of the People's Republic of China in 1995, with the aim of developing a hundred universities into world-class institutions with high teaching and research standards. This was a goal set forth for the millennium, on the grounds that it would contribute to socio-economic development (and in turn China's modernisation). The name – 'Project 211' - is derived from the twinning of '21st' century and '1'hundred universities. It is the biggest government funded project for the development of HE since 1949. As for Project 985, in May 1998, the former President Jiang Zemin

gave a speech celebrating the 100th anniversary of Peking University, commenting that the modernisation of Chinese society depended on the development of several world-class universities. Thus the MoE claimed that, during the execution of the 'Action Scheme for Invigorating Education Towards the 21st Century', some of the country's universities should be given further support. The date of President Jiang's speech (May 98) was used as part of the title for this additional project, combined with the suggestion that the government use '1' per cent of annual central fiscal revenue to fund it. Peking University and Tsinghua University became the first beneficiaries of 'Project 985', following by 39 others now involved in this scheme. Because of the significance attributed to these two projects, universities listed on both – e.g. Peking, Tsinghua - have become a reference point by which the quality of other universities in China is measured.

2.3.1 Process of HE expansion

Continuing to look at the process of HE expansion, let us shift to the unique features of Chinese HEIs. One distinctive feature of China's HEIs is their position in a 'differentiated academic system', which refers to that within the academic hierarchy: central government are responsible for the top 150 research universities, whereas the rest of the universities (approximately 1700), at the middle and toward the bottom, are the responsibility of the provincial governments and other municipal authorities (Altbach, 2009).Another distinctive characteristic is the dual administrative structure of HEIs. 'Each academic institution has an academic

administration headed by a rector or president and a Communist Party administration headed by a party secretary or executive vice president' (Altbach, 2009: 15). However, there is concern that this dual administrative system may negatively influence academic effectiveness and academic freedom inside the university.

Figure 2-1: Geographical distribution of China's universities and colleges 2003

Source: Farrell and Grant (2005a) P. 73.

As the progression of HE reform and expansion continues, further problems have been pointed to by western scholars and researchers in terms of the geographic distribution (Farrell and Grant, 2005a) and management system of HEIs (Altbach, 2009). Geographically speaking, these HEIs are not evenly distributed. As Figure 2-1 shows, the top ten university cities, where higher education resource are focused and have the most universities, have 30 per cent of the total number of

HEIs. This results in the imbalanced development of education and employment in different regions (this is something discussed further in the section on China's graduate employment).

Apart from the imbalanced distribution of HEIs, the dual administrative structure of HEIs is also identified as one of the weak points of Chinese HE system (Altbach, 2009). Altbach (ibid) has conducted an analytical critique of China's higher educational system in terms of academic freedom and effectiveness, academic corruption, and equality. First of all, because of the dual administrative system, especially censorship from the Communist Party and the government, there are restrictions on academic freedom. Certain research in social science and humanities are 'off limits'. Secondly, China's HEIs also face elements of corruption, which mainly concerns plagiarism and the misuse of data. Furthermore, Altbach also raises the issue of equality of access to higher education. He suggested that it is necessary to view this problem from the perspectives of 'gender, socio-economic inequalities, rural and urban disparities and ethnic or other minority groups' (P. 25).

However, where equality is concerned, the National College Entrance Exam (NCEE) deserves more attention. The NCEE is something that Altbach (2009) does not shed light on, yet it is one of the most distinctive features of China's higher education system. It is highly debated whether it is the right means to achieve equal access for everyone so that they might partake in higher education. On the one hand, it reduces the chance to use privilege to gain the access to HEIs, which usually

benefits people with higher socio-economic status. On the other hand, it cannot offer an all-around perspective in the evaluation of candidates. In addition, the form of exam-based selection used, rather than encouraging talented students in different disciplines to perform independently, critically and creatively, rewards repetition rather than innovative thinking.

Some Chinese scholars also comment on the weak points and negative consequences of the expansion. The massification of higher education is an important criterion by which the extent of modernisation of a nation can be evaluated. Clearly both – massification and modernisation – go hand in hand, and it would not be incorrect to say that the latter presupposes the varied existence of the former. However, compared to other developed countries, the expansion of higher education in China has taken place without sufficient reference to the economy of the labour market. The immaturity of this expansion is demonstrated by its speed and processes of decision making (Sun and Zhou, 2010). Firstly, the speed of the expansion of Chinese higher education is seen to be too fast. Since 1999, when the Chinese government decided to expand higher education, student recruitment had already increased 47 per cent that year. After that, recruitment has expanded by over 30 per cent each year. By the end of 2002, the number of students from Chinese higher education institutions (HEIs) reached 16 million, which was the first time China outnumbered the US in terms of student enrolment. China has since become the largest recruiter of students to higher education in the world. However, outnumbering other countries' college/university students has taken the US up to 27

years to achieve (Sun and Zhou, 2010). This decision to expanding higher education in China has been made hastily without due thought. In 1999, it only took 20 days to decide to expand the recruitment of HEIs, from holding the conference for a detailed plan to the execution of the plan itself. The hasty execution of the plan for expanding the recruitment of Chinese HEIs resulted in unfulfilled teaching objectives and the overlooking of the practical needs of students. HEIs found themselves unprepared and lacking in terms of the number of teaching staff and resources and equipment. Expansion has thus led to the reduction of quality of HE (Sun and Zhou, 2010). As a consequence, the quality and employability of its graduates has been said to decreased, or at least has been doubted by various scholars (Farrell and Grant, 2005a, 2005b; Altbach, 2009; Sun and Zhou, 2010).

To sum up, from the Open Door Policy in 1978, China's higher educational system has been undergoing a period of intense reform and expansion. Significantly more people have the opportunity to receive higher education. There is also a positive correlation between the economic boom and the expansion of higher education. Nevertheless, HE is still facing significant challenges and problems, one of which is about the nexus between the HE and the labour market. The next section discusses how well the higher education system is connected to the labour market, and current situation of Chinese graduates' employment.

2.4 Graduate employment in China

Graduate employment in China shares similar attributes with the international graduate labour market. For instance the change of occupational structure (Elias and Purcell, 2003), under-employment, the mismatch between the experience of higher education and desired occupational professions (Tarsh, 1992; Dolton and Makepeace, 1992; Belfield *et al*., 1997), and the potential devaluation of HE qualifications as a result of rapid expansion (Purcell *et al*., 2005). Aside from these more internationally recognisable features, China's labour market also has very peculiar features and problems of its own, which result from its specific history and economy. Given the sheer number of graduates produced every year (see above), questions have been raised over whether China's labour market has the ability to absorb such a large number of graduating students and whether Chinese graduates are adequately prepared to enter the labour market.

First of all, the 'Chinese College Graduates' Employment Annual Report 2012' (MyCOS, 2012), which is based on 227,000 questionnaires retrieved from newly graduating students in 2011, investigated the employment status of graduates within six months of leaving university. It shows that the overall employment rate of new graduates in 2011 is 89.6 per cent, which is higher than 86.6 per cent in 2009 and 85.5 per cent in 2008. It is even higher than the pre-financial crisis era (87.5 per cent) in 2007. Graduates who studied Engineering achieve the highest employment rate (93.3 per cent), whereas graduates from Law suffered the lowest

rate (86.7 per cent). The average monthly income[2] for graduates in 2011 after six months of graduating is RMB 2479, RMB 349 higher than in 2009. The most substantial increase occurred in the cohort from '211' universities, whereby income increased by RMB 649 compared to 2009. The increase of income can be seen resulting from both the large demand of the labour market as well as inflation. In terms of subject area, the highest income is found among graduates from Economics (RMB3023/month) and Engineering (RMB 2953/month), while the lowest salary is made by graduates of Education (RMB2491/month). The most popular type of job is sales (12 per cent), which is followed by accounting/auditing/taxing (9.6 per cent) and finance/banking/securities (8.8 per cent).

Although the MyCOS report shows a rather positive situation regarding the employment rate of graduates in China, it also shows that 34 per cent of graduates left their jobs within six months after graduation, mainly because of a mismatch between their expectations and the reality of the occupation, compounded with a lack of interest. Considering such a high rate of termination of graduate labour contracts, and within only half a year of graduation, the ability of the Chinese labour market to absorb graduates has been placed in doubt. Given the high turnover rate, MyCOS (2012) suggested that changing jobs frequently is not very beneficial for one's career development. Based on survey samples of those who graduated in 2007, they came to the conclusion that three years beyond graduation,

[2] According to the report, monthly income refers to all the cash income including salary, bonus and other welfare in cash.

the more employers one had, the less income they made. The result of graduates in 2007 shows that those who stick to one employer make the highest income (RMB5463/month), while those who changed employers for five or even more times make the lowest income (RMB4624/month). Nevertheless, this survey result only sees a three year difference, which is a rather short period of time and the first three years could be very unstable for graduates in the labour market. Secondly, it only evaluates career development within the perspective of financial benefit. Some other benefits, such as training opportunities have not been covered.

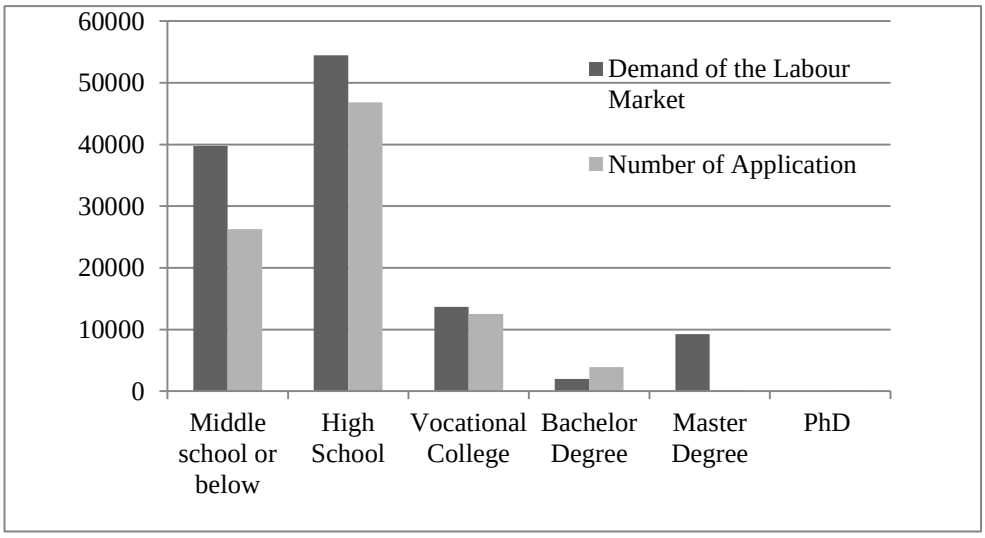
Other Chinese scholars have suggested that changing jobs within three years after graduation would help them to form a better plan for their career development. Zhang Libin, a researcher from the Labour Study Research Institute (an academic institute subordinated to the Ministry of Human Resources and Social Security) took this standpoint during an interview with a journalist from the website China's Employment[3] (Zhao, 2013). She suggested that shifting between jobs was a very common social phenomenon for graduates. Although graduates learn academic knowledge and skills from universities, they still lack practical understanding of society. According to her, it takes at least two to three years of experiencing the real society before they can settle down and adopt a stable path. During this process of switching between jobs, they will find their own position in the society and in turn

[3] China's Employment Website (formerly China's Labour Market Website) is established by the Ministry of Human Resource and Social Security, in collaboration with China Employment Training Technical Instruction Centre.

develop a clear career plan.

In contrast to the positive employment rate shown in the MyCOS report (2012), some scholars are worried that China is facing an imbalance between labour supply and demand (Fladrich, 2006; Sun and Zhou, 2010), whereby graduates are now confronted by fierce competition in the changing and challenging labour market in China (Lau and Pang, 2000). Take Beijing as example, according to the '2012 Third-quarter Human Resource Supply and Demand Investigation Report' from Beijing Human Resource and Social Security Bureau, there is an oversupply of graduates holding Bachelor degrees in the Beijing labour market.

Figure 2-2**:** Mismatch between demand of labour market and the supply of HE 2012



Source: Beijing Human Resource and Social Security Bureau (2012)

Figure 2-2 shows that oversupply occurs among PhD as well as Bachelor degree holders. By comparison, there is a significant shortage of human resources at the lower end of the education spectrum. It should be mentioned that data from this report is generated from only employers and job applicants who registered with the

public human resource institutions in Beijing. Thus those organisations, as well as individuals, who recruit and job hunt independently from local institutions are not being calculated (a huge cohort). However, the result of this report could still indicate a competitive trend in graduate labour market.

The oversupply of graduates is not the only thing that worries academics. Another source of contention is the quality and employability of graduates. This has been raised as a significant issue for the HE, especially in terms of the labour market. In 2007, 4.5 million students graduated from HEIs in China. However Farrell and Grant (2005a, 2005b) argue that few of them are capable enough from the standpoint of those employers in international business. Although there is no clear definition of what makes a graduate student suitable to the labour market in their articles, there are some general areas they point to: practical experience in projects or teamwork; foreign language skills (especially English); communication skills; and a level of understanding of other cultures. They suggest that the low suitability of Chinese graduates results mainly from their lack of quality and lack of mobility. University rankings play a crucial role in China's labour market, and graduates from top universities are considered better educated and more suitable for the labour market due to the rich resource they received from top universities (Ripmeester, 2004). However, less than one third of the 1.7 million graduates in 2003 studied in top 10 university cities[4] (Farrell and Grant, 2005b), which implies

[4] 10 university cities in China: Beijing, Shanghai, Wuhan, Guangzhou, Xi'an, Tianjin, Changsha, Nanjing, Zhengzhou, Chongqing, which based on city's population and its share of colleges. See also, Farrell, D. and Grant, A. (2005b) 'Addressing China's Looming Talent Shortage' McKinsey Global Institute and McKinsey & Company's China office.

that only a small proportion of the graduates are likely to be considered as highly qualified candidates for China's labour market. Secondly, a lack of mobility is evident from the low interprovincial flows of Chinese graduates. Farrell and Grant (2005b) point out that those who move to other provinces for work constitute only around thirty per cent of all Chinese graduates.

Although the research done by Farrell and Grant in 2005 provides a relatively sound analysis of problems to do with graduate employment in China, there are three weak points in their studies. Firstly, they never defined the term 'employability' properly. In the 'Chinese College Graduates' Employment Annual Report 2012' (MyCOS, 2012), it defines employability in two parts: general/basic working ability (基本工作能力) that applies to all kinds of jobs, and specialised/professional ability (职业工作能力) for each different post in certain fields. It takes over ten thousand measurements to evaluate the specialised/professional employability of graduates in 721 different posts. In addition, in order to test the degree of the general/basic employability, the survey also uses 35 measurements, such as oral communicational skills, learning skills, and scientific analysis skills, and for each measurement it ranges seven levels from the lowest 1/7 to one (the result works out as a percentage). In the end, it also reaches the conclusion that the general/basic employability of new graduates (53 per cent) cannot reach to the standard required by the employers (62 per cent).

Secondly, Farrell and Grant's approach assumed that graduates from top

universities in China were highly qualified candidates for the labour market, with no evidence to support this claim. That said, research about the graduate labour market conducted by Hartog *et al.* (2010) can be used to back up this assumption to a certain degree. In terms of earnings and university rankings, their study examined over 2,200 participants from 12 provinces who received a university bachelor degree. 250 of the universities these participants graduated from are ranked from one to 500 in China. The results show a positive correlation between university rankings and earnings of graduates. The results also show that graduates from the top 100 universities earn 23 per cent more than those who graduated from a university that ranks between 400 – 500. Yet there is no substantial difference within the top 100, indicating that university ranking can be considered as a signifier of the quality of their graduates.

Thirdly, Grant and Farrell suggested that the immobility of graduates contributes to the mismatch between supply and demand in the labour market. However, some researches show that the employment problem is focused on the imbalanced distribution of graduates rather than their mobility, or lack-there-of. To be more exact, most of the graduates would opt for the east coastline to pursue a career path, for example in Beijing, Shanghai and Guangzhou ('*Bei Shang Guang*' in short). These well-developed, first-level megacities are thought to contain much better prospects in terms of resources and job opportunities for graduates. On the other hand, according to the Chinese Graduates Employment Annual Report 2012 (MyCOS, 2012), the middle-west area is the least attractive place for employment.

Only one third of the graduates who are originally from the mid-west would like to stay in their hometown. The result of this graduate employment survey (MyCOS, 2012) would then suggest that it is not immobility, but rather the imbalanced distribution of graduates that is creating concern about employment.

Regarding the graduate labour market, two issues contribute to the problems of graduate employment: the reform of China's human resource management (HRM) and the reforms in HE. First of all, China's labour market has seen a sharp shift from job assignment by the government to individual responsibility for one's own career management. Before the Open Door Policy at the end of the 1970s, university graduates were assigned a job by the government according to state planning. That was regardless of personal preferences. By sacrificing one's personal ability to choose and determine their career path, job security was guaranteed for all graduates. However, this policy led to several negative effects in terms of academic achievement, a substantial mismatch between education and employment, workforce mobility, and general productivity (Fladrich, 2006). Therefore, and in order to meet the needs of a new kind of market-oriented economy, job assignment and labour allocation by the state, as well as life-long employment, have all since been replaced by a competition-based labour marketplace. As a result, Chinese graduates are now forced into fierce competition with one another, and are required to take responsibility for their own 'career self-management' (Lau and Pang, 2000: 145).

Secondly, the low suitability and employability of Chinese graduates are to a large extent due to the weakness of the HE system in China. Chinese HE prioritises theoretical knowledge over practical experience. This method of student cultivation in China's educational system is usually called 'duck feeding' (*Tianya* in Chinese), and students are expected to memorize a huge amount of information and then provide the right answers in examinations. This eschews the practice of building up knowledge by themselves or solving problems through teamwork (Mohrman, 2003). Obedience, diligence and good behaviour are valued more highly than creativity, innovation and critical thinking. Thus a negative feature shared by Chinese graduates is a lack of creativity, critical thinking, problem solving skills, and oral presentation skills (Sato, 1982; Volvet and Renshaw, 1999).

However, China's increasing level of engagement and integration in the world market requires labour to meet global standards which not only focus on professional knowledge, but also on soft skills such as creativity, communication skills, critical thinking and teamwork. Hence the shortfalls in China's education system have negative ramifications for the employability of the supply of university graduates in the labour market. In addition, a well-functioning career service system is still missing in HEIs in China, which would otherwise equip students with a career strategy and help them to plan for the labour market (Lau and Pang, 2000).

Given the problems surrounding China's graduate labour market, Farrell and Grant (2005b) suggest some possible solutions from the perspective of universities,

companies and government. First of all, higher education deserves more investment and funding should concentrate on raising quality rather than quantity. As Heckman (2002) points out, compared to the investment in physical capital (30 per cent of GDP), China's investment in human capital only takes 2.5 per cent of its GDP, which is below average and even lower than China's peers such as south Korea (3.7 per cent). Although there has been a rapid increase in expenditure for tertiary education, there has been an even more rapid growth of the number of students. Therefore, the expenditure per student has fallen in recent years. In addition, funding should be distributed evenly throughout the country, not only for big cities, such as Beijing and Shanghai, but more importantly for those less developed (developing) areas.

Secondly, training in companies needs to be valued more highly. Certain talents for different purposes and needs can be further developed through training in companies, so that graduates acquire skills more suitable for the labour market. Thirdly, collaboration among companies, policy makers and universities needs to be encouraged when creating curricula throughout the higher education sector, so that it is more in line with the practical needs of labour market.

Finally, overseas students and returnees deserve more attention from China's labour market, as a relatively high proportion of them are more likely to be highly qualified and more suitable, working to internationalised standards that resonate with the requirements set by the world market. The government needs to encourage

and attract more overseas students to return to China, to help alleviate the talent shortage affecting the country.

2.5 Summary

In conclusion, there is a paradoxical problem involving the quality and quantity of the supply of higher education in China. Despite the huge in supply from HE, the labour market is still short of labour, and China needs to make graduates from local HE more suitable to the labour market. Another response to that is to use returnees. Where the resumption and expansion of overseas education is concerned, attracting overseas educated graduates to return home and maximizing their value in China's labour market is believed to be a key issue in alleviating the shortage of talent facing China's economic development. In addition to the mismatch between the demands of the labour market and the supply of higher education institutions, as well as the discrepancy between the large quantity yet lack of quality of graduates produced by HEIs, the utilisation of graduates in different organisations in terms of ownership has also become an issue for researchers. Venter (2003) has pointed out that Multinational Corporations (MNCs) were more likely to recruit graduates than State-owned Enterprises and Private Enterprises in China. However, this study was done a decade ago. The contemporary validity of this conclusion is therefore doubtful.

During the last 10 years, with the expansion of higher education, the provision of graduates is more than enough and human resource management systems in

State-owned and Private sectors have evolved. Access to graduates is equally shared between all kinds of ownerships. Taking the finance sector as an example, for both MNCs and SOEs, holding a Bachelor degree has become the minimum requirement of recruitment in recent years. This will be a subject in later chapters.

Considering that returnees might potentially provide a potential solution for the current shortage of talent in China's graduate labour market. The next chapter examines the evidence available on their career trajectories and effectiveness with which their potential is realised in practice. In a review of the previous literature on this topic, a particular gap in the literature will be identified and research aims and questions generated from this void.

3. Gap of Literature and Research Questions

3.1 Introduction

The higher education system in China has been criticised for its imbalanced evaluation of potential students (the NCEE or *Gaokao*), its dual administrative, politically managed structure and consequent lack of academic freedom, its limited curriculum, and its imbalanced development and distribution of HE opportunities. Considering the existing as well as potential problems that China's HEIs have and could face in the future, many students and their parents, especially those from a wealthy family background, opt to study overseas. Instead of going through the highly competitive national university entrance exam, according to which success is limited by a lack of opportunity, an increasing number of students now receive education abroad.

Simultaneously, the contradiction between the (over)supply of graduates and the relative shortage of talent required by the labour market indicates that the employability of Chinese local graduates is lacking. Thus some scholars suggest that attracting overseas students coming back to China and making use of this foreign-trained workforce may help to alleviate China's the shortage of talent, at least to a certain degree. Considering the fast increasing number of students opting to study abroad, as well as their potentially important role as returning students in a Chinese labour market, this chapter will inquire into the overseas education of Chinese students and returnees. By going through the literature around Chinese

returnees and their association with the labour market, this chapter further identifies a gap in what is otherwise a solid body of research. From this gap, a series of research aims and questions will follow.

Following the introduction, Section 3.2 gives the background of the overseas education of Chinese students in history and today. Section 3.3 discusses the studies done on the potential 'transnational human capital' possessed by returnees. After reviewing the previous literature, a gap has been identified in Section 3.4, which leads to the research aims and questions of this project illustrated in Section 3.5.

3.2 Overseas education of Chinese students and returnees

3.2.1 History of overseas education of Chinese students

Historically, overseas education dates back to the late Qing dynasty (late 19th century). However at that time only a small number of students were sent abroad. Students were sent by the government to countries such as the UK and France to learn specific military techniques and technologies, while an alternate group was sent to the US in 1860 to learn a wide range of disciplines. Shortly after, the overseas students were recalled due to alarm over their rapid westernisation (Hayhoe, 1989).

In 1847, Rong Hong was the first overseas student in modern Chinese history. Rong Hong, who studied at Yale in America, came back to China with a Bachelor degree

in 1854. This made him the first 'Hai Gui'[5] (a Chinese saying for returnees) in modern Chinese history. After returning to China helped organise and pave the way for another 120 students to follow in his footsteps to America, establishing the precedent for further education overseas. From this point on, the 100-year history of 'Hai Gui' returnees played an important role in the process of Chinese modernisation. Retrospectively, they are believed to represent the social elite. As a result of the cultural and political turmoil between 1949 and 1976 however, overseas education was interrupted. From the establishment of the People's Republic of China (1949), few people had access to overseas education. Those who had a chance to study abroad were restricted to the Soviet Union and some other eastern European socialist countries (Altbach, 2009). During the Cultural Revolution (1966-1976), communication with the outside world was minimal; overseas education was out of people's reach.

In 1978, policy reforms and the process of 'opening up' took hold in Chinese politics. China then resumed its various programmes of overseas education. However, the development of overseas education of Chinese students and the return rate of expatriates was then negatively impacted on by the events of Tiananmen Square, June 1989. Students involved in the protest were harshly supressed by the army, and social stability became a factor in expatriates' reluctance to return to China after studying abroad (Zweig and Rosen, 2003). Due to the brain drain suffered between 1980s to mid-1990s, the Chinese government began to adopt

[5] Hai Gui, a Chinese way to call returnees. 海归 in Chinese.

policies to boost overseas education, as well as attract foreign-trained scholars to China as a means to alleviate this crisis of intellect (Zweig and Rosen, 2003). Alongside the economic boom and expansion of higher education occurring from the mid-1990s onwards, the number of Chinese studying abroad expanded six-fold, as did the number of graduate returnees. The latter are expected to contribute to the re-establishment of China's higher education system as well as bring fresh blood to its growing economy.

3.2.2. Overseas education of Chinese students today

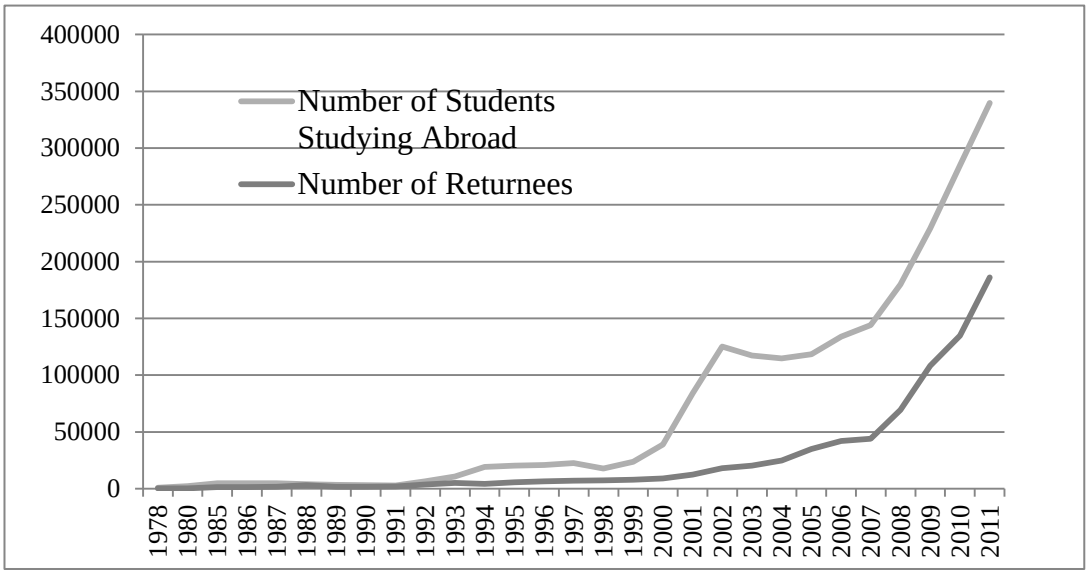
Modernisation has played a crucial role in the reform and development of higher education in China, and has led to the increasing international mobility of students. Theories of modernisation serve as a background theory to explain Chinese overseas education and international academic mobility (Pan, 2011). Modernisation theorists divide the world into two categories: modern society (more likely to be western countries such as US and UK, where industrial society has reached a highly developed stage) and traditional society (less developed/undeveloped countries or the Third World countries (Parsons, 1951; Pan, 2011). It has been predicted that values from traditional society would change and eventually be replaced by those typical to forms of modernity, such as capitalism and democracy (Rostow, 1990; Weber, 1992). During the process of such development, education can be considered a key factor facilitating the transmission of knowledge, skills and values from modern society to the traditional one (Parson, 1977; Inkeles and Smith, 1999).

Following this point of view, modernisation theory could provide some sense of understanding of the government's promotion and encouragement of overseas education. They hoped that advanced knowledge and skills would be 'globalised' back to China, spurring its developmental trajectory toward modernity.

In order to encourage internationalisation, the Chinese government 'encourages students to study abroad, supports them back and allows free entry and exit', which is the guideline of the policy towards overseas education of Chinese students in China (ACA-- Academic Cooperation Association, 2005: 3). Between 1978 and 2011, more than two million Chinese have studied or researched abroad (National Bureau of Statistics of China, 2012). According to the National Bureau of Statistics of China (2012), and as Figure 3-1 illustrates, there has been a dramatic increase in the number of returnees, from only 248 in 1978 to nearly 186,200 in 2011. This accords with the significant rise in number of people who studied abroad, from only 860 in 1978 to 339,700 in 2011 (National Bureau of Statistics of China, China Statistical Yearbook, 2012). The return rate[6] has risen from 14 per cent in 2002 to 55 per cent in 2011 during the last decade. This dramatic rise emerged especially alongside the economic boom from the mid-1990s onwards. Although in the beginning most students were government funded, 93 per cent of the Chinese students are now self-financed (ACA, 2005).

[6] Here the return rate is calculated as the number of returnees in each year/number of students studying abroad each year.

Figure 3-1: Number of students study abroad and those returning each year



Source: National Bureau of Statistics of China, China Statistical Yearbook, 2012.

There is an increasing diversity of study destinations for Chinese students. The UK, USA, and other English speaking countries such as Canada and Australia are the most popular, whereas non-English speaking parts of Europe are also becoming increasingly favoured. According to the survey, 'In Search of Chinese Returnees', conducted by the All-China Youth Federation, as well as '*Elite Reference*' in 2004 (*Elite Reference*, 2004), the UK has become the most popular destination for Chinese students, especially in terms of postgraduate study, because of its short study period (one year for a taught Master programme) and its long tradition of providing high quality education.

In the context of China, overseas education serves various purposes, to the country as a whole, as well as to individual students. For China, 'it means (1) to train a core group of specialists and experts, who must play a key role in the modernization drive in the country, (2) to attract advanced knowledge and technologies and (3)

alleviate bottlenecks in domestic education and training capacity' (ACA, 2005: 3). For students, it means '(1) to broaden their view and experience, (2) improve language and technical skills, and (3) improve career and life expectations'. In some instances, overseas education can also be considered a stepping stone for emigration (ACA, 2005: 3).

Although there is a sound basis for sending students abroad, there is also a risk of nationwide 'brain drain', in the sense that overseas students and scholars may decide to emigrate. From the standpoint of modernisation theory, particular researchers (Altbach, 2004a; Pan, 2011) argue that unequal exchange can occur during the process of international academic mobility, which benefits the most developed and modernised countries. In other words, developing countries see their human capital exploited. Leading universities are located in wealthier countries, where they 'have always dominated the production and distribution of knowledge' (Altbach, 2004a: 7). Countries like this will in turn compete to gain talent in terms of better academic resources and working conditions. As a consequence, many students will stay, leading to this condition of 'brain drain' for the developing countries from whence they originally came. Government sponsored students, who constituted the majority of Chinese overseas students in the 1980s, were obliged to return to home after their period of study and research abroad. However, since the mid-1990s, as the government loosened controls on study abroad programmes, self-sponsored students have covered up to more than 90 per cent of all Chinese overseas students (ACA, 2005). Whether this group of foreign-trained students will

come back to China is questionable. In fact, the return rate in the early 21st century is rather low. Only 14-15 per cent of overseas students became returnees in the early 2000s. In order to tackle this problem of 'brain drain', the Chinese government has released a series of policies targeting overseas educated graduates.

3.2.3. Returning Home

Acknowledging the risk of 'brain drain', the Chinese government has introduced a series of preferential policies to overseas educated graduates aiming to entice entrepreneurship as well as high-profile Chinese scholars back to China (Pan, 2011). There are now 'returning-student entrepreneurial parks' (留学回国人员创业园) being established. Returnees will be granted funding and certain tax exemptions for starting their own businesses. These businesses not only bring in western advanced technology and skills, but also create more employment opportunities to help digest other graduates. Secondly, the Chinese government has also focused on the recruitment of world-class overseas Chinese high-tech researchers. In 2008, the 'Programme of Recruitment of high-profile overseas Chinese scholars', also known as the 'Thousand Talents Programme' (千人计划) was launched. It aims to recruit around 2000 overseas educated scholars back to Chinese HEIs, in order to facilitate China's stated aims of strategic development (the goal of achieving cutting-edge science and technology). Because of the important role that governmental policies played in returnees' entrepreneurship and academic contributions, many studies about Chinese returnees are focused in these two fields. They will be discussed in

Section 3.3.

China's current preferential policies, together with its huge market, have opened up many opportunities for overseas educated graduates. This has subsequently led to an increase in the number of overseas Chinese students wishing return home after graduation. Overseas students and returnees are now a new social category commonly recognised by society. They have their own advantages in terms of knowledge, creativity, their international perspective, and their experience in global economics and rules (Wang, 2007). Thus there is an increasing emphasis on the utilisation of Chinese returnees, since returnees, after studying technical and professional skills and theories abroad, would bring in fresh 'blood' to stimulate China's growing economy (Bail and Shen, 2008). In addition, the return migration to China positively enacts a 'social transformation in terms of introducing western culture, ideals, and values, as well as international business practices and rules' (Iredale and Guo, 2001: 14). Recognising this contribution, Wang Yaohui (2007), deputy director of Western Returned Scholars Association, also suggested another two positive features of Chinese returnees. For one thing, compared to the older generation, one of the biggest differences of returnees of the new generation is their passion for entrepreneurship. The contribution of returnees who establish their own businesses is not just their potential to boost the economy, but to bring in new technology, modern management models, and fresh ideas through entrepreneurship. Secondly, Chinese returnees also internationalise Chinese local companies, opening up new areas for development and investment.

In Wang's book, *Contemporary Chinese Returnees* (2007), he discussed the potential contributions that Chinese returnees could make to the China's economy. However, his analysis is more like personal opinion, and is very general and broad. It lacks evidence from case studies, as well as data from the fieldwork to support it. In order to compensate for this lack of supporting evidence, this project utilises a case study designed to provide a detailed understanding of the career experiences of Chinese returnees, as well as to what degree they contribute to their company.

While there is belief in the contribution returnees could make to the development of China's economy, the merits of returnees also face doubt, stemming from a series of questions: It is questionable whether the knowledge and values acquired by returnees from abroad could be applicable to the Chinese labour market (Altbach, 2004a; 2004b); the barrier to successful contribution made by returnees to Chinese society could be constrained by the incompatible working conditions as well as biased opinions and resentment from locals against returnees (Zweig and Rose, 2003). In addition, returnees also experience various difficulties, especially in obtaining employment and integrating with the labour market (Chen and Yan, 2000; Zhang, 2007). Generally, it is highly debated as to whether the transnational capital obtained through overseas education can be transferred to Chinese labour market by returnees.

3.3. Is 'transnational human capital' transferrable?

'Transnational human capital' refers to 'value added to human capital by time spent overseas, including foreign knowledge, technology, networks and resources' (Vanhonacker *et al.*, 2005: 3). It is suggested that people who went abroad and 'became cosmopolitan' are more likely to have three C's assets: *'concepts* – the best and latest knowledge and ideas; *competence* – the ability to operate at the highest standards of any place anywhere; and *connections* – the best relationships, which provide access to the resources of other people and organizations around the world' (Kanter, 1995: 23). These are highly sought after assets in the economic and political world market. However, some researchers also point out that this elite image of returnees and their transnational capital is too idealized, since transferability can be 'constrained by domestic structures, norms and conditions of the society into which they are being transferred' (Vanhonacker *et al.*, 2005:3).

From questions about to what degree that returnees bear transnational human capital, and how well this transnational human capital can be made effective in the Chinese context, scholars conducted comparative research between returnees and their local peers in terms of academia, i.e. PhD degree holders in universities, as well as entrepreneurship. The results of these studies were as follows:

First of all, in the Chinese academic context, based on 183 surveys with both overseas PhD holders (86) and their local peers (97) in higher education institutions in China, Zweig and his colleagues (2004) found that, in comparison with their

local peers, overseas PhDs were more likely to bring in foreign technology and capital. Through their international connections, returnee PhDs showed their advantages in facilitating international projects as well as introducing foreign researchers. In addition, they also suggested that returnee PhDs were better at translating the knowledge and skills they learnt into practice than local PhDs. However the last argument was based on a self-evaluation rather than an objective measurement. There were 32 per cent returnees choosing 'very well' to the question about utilisation of one's skills, while only three per cent of domestic PhD holders chose the same option.

Nevertheless, since this is based on self-evaluation, confidence or modesty could have influenced the result. Thus the argument in favour of returnees' ability to transfer knowledge and skills into practice is not very convincing considering the flaws in its data collection method. Apart from the advantages that returnee PhDs have, they also enjoyed more and better opportunities than their local peers in terms of chances for promotion and gaining national-level project funding. This is an evident consequence of the preferential policies that the Chinese government has been implementing in order to attract more world-class Chinese overseas scholars.

Secondly, considering the business and management side of the Chinese context, there are also existing studies on returnees' performance when starting their own business (Vanhonacker *et al.*, 2005). The results of these studies show that returnee entrepreneurs' transnational capital manifests as the deployment of internationally

recognised cutting-edge technology (one third of the returnee participants) in their products. Even if it is not the latest worldwide technology, it is at least new to China (50 per cent). Local entrepreneurs, by comparison, rely more on social connections and personal networks (*guanxi*) than innovative practices, which returnees lack.

To sum up, in reflecting on the three C's assets theory, the empirical studies stated above suggest that 'Concepts' – the latest knowledge and technology, is the most valuable transnational capital that returnees acquire in both academic and business fields in China. Secondly, to what degree returnees possess 'Competence' is very hard to measure. Although Zweig and his colleagues (2004) tried to give a positive impression of returnees' competence in applying knowledge and skills in practice, the results are less convincing because of the level of subjectivity involved in the data collection process. Thirdly, the advantage of connections with international resources seems to work very well within academia, as opposed to entrepreneurship where local connections could play a much more crucial role in starting a business.

From these recent studies of Chinese returnees and transnational human capital, it is evident that research is mainly focused on two groups: returnees *qua* scholars and returnees *qua* entrepreneurs. This binary divide may have something to do with the target cohort of preferential policies from the government, which are focusing on 1) attracting returnees to start their own business; 2) world-class cutting edge high-tech scholars to help with Chinese HEIs. However, considering the graduate labour market and the development of China's economy, returnee graduates as well

as the evolution of various ownership types in China's labour market during the reform era also deserves attention. Thus, the following will shed light on the gap in the literature on overseas education and Chinese returnees associated with organisational settings.

3.4. Identifying the gaps in the literature and research aims and questions

Much research has been conducted on the issue of Chinese returnees in terms of their reasons for returning home (Zweig, 1997; Larmer, 2000; Chen and Yan, 2000; Iredale and Guo, 2001), the needs of the Chinese labour market, employment (Wang, 2002; Zhang, 2007), the success of overseas professional Chinese in China (Wilhelm and Biers, 2000), overseas training for management development (Sun and Ross, 2009), transnational human capital and the 'brain drain' (Zweig *et al.*, 2004; Zweig and Jianhai, 2005; Zweig *et al.*, 2008), and reverse culture shock and culture readjustment (Wu, 2008). However, few studies have explored the career experiences of returnees, or their utilisation and contribution associated with reform era types of organisations and ownership in China's labour market. Specifically, there is no study looking at the Chinese labour market in terms of a comparison between SOEs and MNCs in the employment of such graduates. This section underlines the necessity and significance of generating knowledge of Chinese graduate returnees and their organisational settings, specifically SOEs and MNCs.

Overseas educated returnees deserve attention for three reasons: Firstly, they are expected to be equipped with advanced knowledge, skills and cultural flexibility from their experience of overseas education. This potential value may be a partial solution to the paradoxical problem within the graduate labour market in China, which is stated previously. Secondly, since the resumption of overseas education in 1978, there has been a dramatic growth in the number of returnees. Therefore, there is an increasing emphasis on the utilisation of Chinese returnees. However, overseas returnees, compared to local graduates, are not always favoured for having foreign qualifications.

This is for two reasons. Firstly, concern about cost-effectiveness plays an important role in the process of recruitment. HR departments will evaluate whether it is worth paying more for overseas returnees when they could hire local labour cheaper. Their hesitancy revolves around the question of whether they will actually produce higher profits for the company concomitant with the higher levels of income they are paid (Chen and Yan, 2000; Zhang, 2007). Secondly, acculturation abroad (Burnett and Gardner, 2006) could contribute to cultural conflict in the workplace, particular in a company based on Chinese culture. This lack of adaptability to the Chinese environment of communication and the operating mode of the company as a whole could directly influence the performance of returnees. Hence, the employers' impression of returnees could be negative. The employment of Chinese returnees has become a hotly debated social phenomenon, which deserves further attention.

After explaining the significance of research entailing the study of graduate returnees at an individual level, the organisation level also deserves attention: the context of employment of such graduates, i.e. SOEs and MNCs. SOEs and MNCs are two main sectors in the context of China's economic reform. During the last three decades, SOEs in China have become corporatized and privatized in order to reduce the burden from government and improve their productivity and efficiency. Although the share of national output of SOEs has been declining due to the growth of the non-state sector, SOEs still play a leading role in China's economy in terms of employment growth and contribution to government revenue (Steinfeld, 1998). Meanwhile, the reform has been characterized as a significant growth of non-state sector. Evidence for this is cited as the emergence and rapid increase in the foreign funded sector. The contribution of MNCs to industrial output is growing. In addition, a more important role that MNCs have begun to play is in the transfer of technology and knowledge (Warner, 1995), as well as the absorption of returnees in China.

Given the significance of SOEs and MNCs in the employment and labour market in China, as well as the distinctive culture SOEs and MNCs produce (i.e. SOEs are rooted strongly in Chinese culture, while MNCs comprise of a more internationalised multi-culture), these two types of ownership provide a dynamic context within which to conduct a study on Chinese returnees.

3.5. Research aims and research questions

Given the importance of the knowledge of graduate returnees in China and their organisational settings, this study focuses on the utilisation and contribution of returnees who receive overseas higher education and return to China in pursuit of their career development in an SOE or an MNC. One thing needs to be clarified: it is recognised that there are different types of overseas education and returnees. However, this study only focuses on those returnees who received higher education abroad and gained degrees of Bachelor or above. The aims of this study are then two-fold, once at the individual level and once at the organisational level. Firstly, at individual level, it develops the understanding of the value of overseas education and early career experience of returnees in the labour market. In addition, by bringing in perceptions from HR managers towards overseas educated employees, the advantages and disadvantages of returnees can be perhaps better understood. Secondly, as a means to ascertain the actual utilisation of Chinese returnees, this project involves a comparative case study between an SOE and an MNC. This will contribute to an understanding of how different social and corporate settings embrace and value Chinese returnees. This in turn translates into the following research questions:

1. What are the career experiences of Chinese returnees in terms of motivation, adaptation and integration, and job satisfaction, in the light of the situations of locally educated employees?

(a) Why do employees choose/accept their current job/workplace?

(b) How were they required to, and how did graduate recruits adapt and integrate in their workplaces?

(c) To what extent are employees satisfied with their career experience in different working settings?

2. How do managers utilise overseas educated graduates? To what extent did the utilisation of overseas educated employees differ between SOE and MNC and why?

3. What are perceived as advantages and disadvantages for returnees working in SOEs and MNCs, considering the features of 'returnee' as well as the attributes and needs of different ownership types?

In order to generate a comprehensive understanding of the experiences of Chinese returnees, their situation in organisational structure, corporate culture and human resource management systems in either an SOE or MNC are closely examined, compared and contrasted. By exploring the career experiences of Chinese returnees, the value and contribution of Chinese returnees can be understood. At the same time, the parallel analysis of organisational structures, cultures and HRM in an SOE and an MNC in China will enable a discussion of the utility of returnees in different workplaces. This in turn can be translated into the conceptual framework, which is elaborated in the next chapter.

3.6. Summary

This chapter reviewed the literature on Chinese overseas education and returnees in terms of history, statistics, governmental policies, and the value of returnees, in connection with the Chinese labour market. Overseas education of Chinese students dates back to the Qing dynasty, when most of those who went abroad were sent by government. By comparison with today's economic boom period more than 90 per cent of overseas students are self-funded. With an increasing number of Chinese student going abroad, researchers point to the phenomenon of 'brain drain'. In order to avoid a loss of talent, the Chinese government has in turn released a series of preferential policies to attract overseas students to return back to China.

Whether foreign -graduates possess transnational human capital and how this applies to Chinese labour market has also been questioned. Many studies focus on returnees in academia and entrepreneurship. However, not much research associates returnees with their organisational settings, e.g. SOEs or MNCs. Given the importance of the relation between returnees and SOEs and MNCs in China's economic reform era, this research continues to explore the career experiences of overseas educated Chinese graduates between two different organisational settings: a state-owned enterprise (SOE) and a multinational corporation (MNC). Three research questions have been formulated. The next chapter formulates a conceptual framework within which to tackle them.

4. Conceptual Frameworks

4.1 Introduction

Chapter 2 outlined China's system of higher education and the labour market, before reviewing the literature related to those who travel overseas for HE in Chapter 3. The latter identified a lack of available evidence on an important aspect of economic and social development relating to returnees, i.e., the experience of returnees who start their careers in organisations that differ markedly with regards to their corporate structures and roles in relation to Chinese reform: state-owned enterprises and multi-national corporations.

Much of the research and policy literature on education and economic growth uses the term 'human capital'. Its focus is on the acquisition of educational qualifications and other forms of certified competence via training systems of one kind or another. Yet the underpinning of human capital theory (Becker, 1964) which, in principle, is available to the policy community does not always play a very prominent part in the discussion of research findings and their implications for policy. This also applies to part of the literature covered in Chapter 3. Moreover, for returnees there are other theoretical perspectives that offer important insights into how to think about returnee educational and labour market experiences.

A theoretical framework of some kind or another is necessary to avoid falling into the trap of simply generating description without meaning (Hartley, 1994; Meyer,

2001), and to make sense of the fieldwork observations. However, as is discussed in Chapter 5, there are different approaches to the role of theory in empirical research. For the moment, the emphasis is placed on research aims and this chapter will outline the conceptual framework that will inform this research. It will additionally discuss the relevance of theories that will be used to provide explanations to the research questions. Figure 4-1 provides a diagrammatic representation of the structure of the research questions and areas of investigation within this conceptual framework.

Figure 4-1: Conceptual framework: overview of research design

The last chapter referred to the concept and theory of human capital, discussing the relationship between investment in overseas education and economic growth and academic development in China. Drawing on previous literature and the gap identified, this research is designed to explore to what extent Chinese returnees contribute potentially innovative human capital to China's labour market, and how different organisational settings (SOE and MNC) utilise Chinese returnees as transnational human capital holders. This design can be conceptualised at two levels (see Figure 4-1): the individual level and organisational level. Adopting this two-level structure, this chapter builds a framework for each level.

Within the individual level, Bourdieu's set of concepts (different forms of capital, habitus, and field) form partly the conceptual framework within which the values of overseas higher education and its influence on returnees' performance in the Chinese labour market can be analysed. However, Bourdieu's theory has been criticised for its reductionism (Alexander, 1995; Sayer, 1999), where people's organisational behaviour is assumed to be simply the product of the relations between the actors and ideas within a field of production: the organisational setting itself. Problematically, this edits out a whole series of dynamic externalities, most importantly the impact of the political and economic world market on the structuration of SOEs and MNCs in China (if we were to assume the Boudieusian perspective). Thus, I operationalise Bourdieu's concepts in a slightly different way because of the limited applicability of Bourdieu's theory of practice, which despite this retains analytic utility within this research project. This is fully elaborated in

Section 4.2.1. In order to relate Bourdieu's concepts (reconceptualised) and theory to the empirical practice, individual career experiences are examined according to a time sequence from 'pre-entry', 'entry' and 'post-entry' stages, which correlate to 'motivation', 'adaptation' and 'integration', and finally, job satisfaction. This is explained in Section 4.2.2.

Organisational settings of various types of ownership with different styles of management lead to distinctively different ways of utilising graduates. In order to find out how overseas-educated employees are utilised, and to what extent they actualise and reproduce the capital they possess, it is necessary to examine each organisation. Thus Section 4.3 discusses the literature and theories surrounding organisational structure, culture and HRM, which can be used to make sense of the specific cases in this project.

4.2 Individual level

While human capital theory stresses the positive relationship between education of labour and productivity contributing to the economic development (Lucas, 1988; Perotti, 1993), this research also requires a method to explain various forms of capital that are not instrumentally productive, but which nevertheless are resources possessed by returnees that enable achievement irrespective of productivity. For this reason, this study draws on Bourdieu's theory at the individual level to examine the characteristics and values of employees who experienced overseas higher education. To what extent did they possess social and cultural capital prior to their

overseas experience, and to what extent was their social and cultural capital, in connection with the Chinese labour market, enhanced by their overseas educational experience? To what degree did this vary, if at all, between the two different organisational settings? In order to answer these questions, individual career experiences were explored in depth. This was achieved through examinations of their accounts of different stages of employment - motivation, adaptation and integration - and their subjective satisfaction/dissatisfaction with their jobs and career path. Accounts provided by their employers, managers, and locally graduated counterparts were also taken into account.

4.2.1 Operationalisation of Bourdieu's theory of practice

Capital is a cornerstone of the French sociologist Bourdieu's (1986) outline for a theory of practice. He divides capital into three fundamental forms: economic capital, social capital and cultural capital. Economic capital refers to financial resources, which equate to either money or wealth in the form of institutionalised property rights and assets. Social capital then refers rather abstractly to the kinds of relations in a social network – preferential treatment, *quid pro quo*, etc. - which enact capital, whereas cultural capital exists in embodied, objectified and institutionalised states, such as mind and body, books and educational qualifications, and refers to concrete non-financial assets that enable higher levels of social mobility beyond economic means. These three forms of capital cross-cut the notion of *habitus* and are convertible into each other within a respective field

(social capital begets economic capital, for example, when financial transactions become a function of *quid pro quo*).

Bourdieu's discussion of capital is very much related to social class and access to advantages and power. The accumulation of various forms of capital can potentially facilitate social upward mobility. Capital as a whole is reproduced through the class system, which is itself reinforced by capital, or more accurately differentials in levels of capital accumulation between different people (made into classes). This type of social stratification leads to a historical situation wherein the class with the most capital is able to dominate another (thus in a very real sense, Bourdieu's theory is essentially a poststructuralist reformulation of Marx's theory of class struggle as the prime mover of history).

There is extensive use of the concept of social capital across different disciplines, where the definition of this concept varies between different scholars (Coleman, 1988; Putnam 1995; Portes, 2000; and McClenaghan, 2000; Burt, 2002). In general, social capital (and perhaps all of Bourdieu's theory of education) is deemed 'a metaphor about advantage' (Burt, 2002: 149). This study uses Bourdieu's (1986) concept of social capital to understand the impact of returnees' socio-economic background on their level of educational attainment and subsequent career development. For our purposes:

> 'Social capital is the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition…' (p.249)

Social capital is then defined by Bourdieu (1986) as resources that depend on a network of connections made through mutual cognition and recognition (Bourdieu, 1986; 1998). The concept instrumentalises these connections, 'noting that people intentionally build their relations for the benefits that they would bring later' (Portes, 2000: 2; see also, Bourdieu, 1986). Here, the concept of social capital is very similar to '*guanxi'* (connections/networks) in Chinese culture (Smart, 1993), which operates in much the same way and which is a topic of the sub-section on 'Organisational Culture' later in this chapter. Because of its closeness to '*guanxi*', the concept of social capital can help us to arrive at a sympathetic understanding of relevance of culture in Chinese SOEs and MNCs. It can explain the forms of social resources that Chinese returnees possess, which enable access to their employers and which make it possible to accomplish their career goals.

Similarly, cultural capital, when it refers to non-economic social assets, forms of knowledge, skills, education, and advantages that a person possesses, can explain the social mobility of different participants (Bourdieu and Passeron, 1977; Bourdieu, 1986). In this study, cultural capital takes the form of the previous accumulation of locally-acquired educational credentials and skills, together with overseas educational qualifications, knowledge of other cultures, and linguistic skills. The concept, of course, encompasses aspects of social advantage that are shared with local graduates as well as aspects that distinguish returnees from local graduates. In comparison to locally graduated peers, the cultural capital obtained

through education abroad might be expected to bring in added value to returnees' career trajectories. This study explores the extent to which returnees actualised their cultural capital in different organisational settings. Speaking of these settings, the concept of '*habitus'* is used to clarify socialisation and the socialised nature of individuals. This *habitus*:

> 'is a set of dispositions, reflexes and forms of behaviour people acquire through acting in society. It reflects the different positions people have in society, for example, whether they are brought up in a middle-class environment or in a working –class suburb. It is part of how society produces itself' (Bourdieu, 2000: 19).

Habitus includes social class, family background, and the surrounding environment which continuously forms the development of an individual's perceptions and disposition towards the world (in this sense, *habitus* is the internalisation of external and the externalisation of the internal). It influences one's ability to function and operate effectively in a particular *field* of production. A field is 'any system of social relations which functions according to a logic of its own' (Boschetti, 1988: 3), within which actors struggle for the dominant position using specific types of capital. Within this struggle/competition the potential dialectic or power relationships between two or more different groups of actors/institutions is conducive to the evolution of the field itself (Bourdieu and Wacquant, 1996). In this study, the organisational settings of SOE Bank and MNC Bank constitute fields with their own logics, which provide a dynamic space for returnees to compete in using their capital, where they make decisions about which capital is more useful than others.

Combining the three forms of capital, this study aims to reach to an understanding of returnees' *habitus* and its generation of capital gains within social networks defined as different organisational settings. This type of approach to the returnee situation examines the *habitus* of returnees, their social capital, and their cultural capital, as well as the impact of these have on returnees' career trajectories. It requires an exploration of returnees' individual career experiences. The following section is based on a time sequence of employment experience looking at three things: motivation, integration and adaptation, and job satisfaction.

4.2.2 Motivation and job satisfaction

Bourdieu's concept of social capital is an instrumental interpretation, stressing people's intention to establish and maintain connections in order to enact beneficial outcomes (Portes, 2000). How returnees actualise and reproduce the capital they possess then originates from their motivation. Motivation reflects an individual willingness to do something, based on the strength of motives underpinning action (Hersey *et al.*, 2008). It can be defined as 'needs, wants, drives, or impulses within the individual and are directed toward goals that may be conscious or subconscious' (p. 17). The following discussion of motivation is based on different understandings of the hierarchy of needs (Maslow, 1943 and 1971; Nevis, 1983; Gambrel and Cianci, 2003).

Maslow (1943, 1971), compartmentalised human needs into five levels:

physiological, safety, social, esteem, and self-actualisation. However, although Maslow's hierarchy of needs provides a systematic way to evaluate different levels of need, one of the main criticisms of Maslow's theory is made by Hofstede (1984: 396), who criticised Maslow's ethnocentrism by putting self-actualisation at the top of the hierarchy (reflecting Maslow's 'mid twentieth century U.S. middle class values', i.e. individualistic values). The applicability of Maslow's human needs hierarchy to countries with collectivist cultures therefore needs to be questioned (Nevis, 1983; Hofstede, 1984).

Considering the collectivist cultural background of China, Nevis (1983) developed a 'Chinese hierarchy of needs', which makes three significant changes to Maslow's. First of all, instead of physiological and safety needs, belonging came as a primary foundation at the bottom of the hierarchy, stressing that '[Chinese life] is consistent with the massive, equivocating effort to achieve group loyalty and national unity at all costs' (p.261). Secondly, he proposed an alternative definition of 'self-actualisation' to fit China's social context. He believed that, in China, individual competence was usually associated with the superordinate goals in order to achieve societal development as a whole. Therefore, instead of 'self-actualisation', he suggested 'social confluence' as an alternative term to put at the top of the hierarchy. Self-actualisation here refers to 'the submersion of individual desires for superordinate goals, or working toward a truly collective consciousness' (p.255). Thirdly, one of the major alterations made by Nevis is the elimination of esteem needs from the hierarchy. Due to the collectivist and

communist ideology and the ‘group orientated definition of self’ (p.261), he believed that ‘esteem needs’ is no longer valid category within the Chinese hierarchy of needs. However, he admitted that esteem needs may arise in the Chinese context under circumstances of cultural change as well as the satisfaction of previous needs.

Nevis (1983) was trying to raise the awareness of cultural background in terms of the establishment of a certain hierarchy of needs. He tried to construct a new model in relation to the collectivist culture of China. However, two things deserve attention. Firstly, he used a survey study done in 1980 in order to support his model And parts of his analysis are questionable. For example, he associated the items, ‘to realize the four modernisations’, and, ‘belief in communism’, as ‘belonging needs’, and in turn suggested that the high value placed on these items by participants indicates belonging as the primitive need of Chinese people. Yet these items are more likely to represent the needs of ‘social confluence’, concerning his previous definition. Secondly, in the survey that he used to support his theory, there was a big difference between the opinions of Chinese workers and the opinions of graduate students. However, he only considered the Chinese workers’ sample, rather than graduate students’ views, which could have led to a completely different hierarchy of needs. Therefore, the definition of typology in Nevis’ Chinese hierarchy of needs is ambiguous, and he failed to factor in social class as well as educational background in his model (since Chinese workers cannot be highly representative of the whole population). In addition, Nevis’ model was designed three decades ago,

and given the transformation that China during the last 30 years, the applicability of this model deserves further test. Although there is a more recent study conducted based on the review of Maslow's hierarchy of needs and Nevis' Chinese model (Gambrel and Cianci, 2003), it only used Nevis' model as an evidence to prove a lack of applicability of Maslow's hierarchy of needs to a collectivist culture, rather than developing or critically analysing the validity of Nevis' Chinese hierarchy of needs.

Previous psychology and organisational studies have indicated that employees' motivation was highly related to their job satisfaction (Locke, 1991).
In order to test the applicability and relative importance of items related to the satisfaction of these needs for contemporary Chinese graduates in terms of career development, I formed a table (Table 4-1) of taxonomies developed by a combination of Maslow and Nevis's hierarchies of needs to assess their applicability as well as participants' career experiences. Both local graduates and overseas educated graduates were asked in the online-survey to rank the importance of each item and the degree to which they were satisfied with each factor. These results are presented in Chapter 7.

Table 4-1: 14 Items associated with employment needs

Motivational needs	**Items of motivational factors in employment**
social confluence	contribution to society
self-actualisation	help to future career potential of promotion training opportunities
esteem	social status autonomy of work personal interest
belonging	work/life balance interrelationship
safety	job security fringe benefit
physiological	income working condition/environment working hours

Source: adapted from Maslow (1943) and Nevis (1983).

4.2.3 Integration and adaptation

After individuals decide to accept employment at a particular workplace, they face a new environment offering new experiences. The initial matching period of employment is important both for the employee and the organisation in connection with the individual's career development and the organisations' human resource management. Integration and adaptation then become the second challenges at the individual level and are explored in terms of practical factors and psychological factors. Practical factors refer to the skills and knowledge an employee is required

to be equipped with in order to handle a certain type of job. This study examines how these practical factors learned during higher education helped employees to integrate at their workplaces, and whether returnees, compared to locally educated employees, appeared to have acquired any distinctive practical factors from overseas higher education.

In addition to practical factors, the psychological factors of socialisation and individualisation contribute to the employees' adaptive process of integration (Steers, 1981). Socialisation within organisations occurs when organisations place pressure on individuals to shape them into the 'ideal employee', whereas individual employees also consciously or implicitly make efforts to fit in to the work setting in order to realise their own needs. The latter is called individualisation. The two processes interact with each other continuously, by which the work place is created.

This study uses these two elements - socialisation and individualisation - as components of a dualistic model to analyse and evaluate the adaptive process employees passed through, to address the question of how organisations help employees become more involved in the workplace and investigate how employees themselves had made an effort to integrate.

4.3 Organisational level

This study focuses not only on the individual career experiences of Chinese returnees, but also on the interaction between these overseas educated employees

within their organisation and how this kind of human resource is utilised in work settings. As talked about previously, organisational settings, in Bourdieu's terms, can be seen as fields - dynamic spaces with various forms of capital and its holders competing with one another for legitimacy and rewards (recognition). The logic of each field constrains the actualisation of different forms of capital. In order to understand better the existing logic of the fields, it is necessary to examine the organisational settings with their organisational structures, organisational cultures and approaches to human resource management.

4.3.1 Organisational structure

There are varying definitions of 'organisation'. A useful one for the purpose of this analysis (Etzioni, 1961:4) considers organisations as 'planned units, deliberately structured for purpose of attaining specific goals'. When considering the concept of organisation, it is important to bear in mind the organisation structure.

> 'Organisation structure refers to the way in which an organisation organises (or structures) its human resources for goal-directed activities. It is the way the human parts of an organisation are fitted together into relatively fixed relationships that largely define patterns of social interaction, coordination, and task-oriented behaviour' (Steers, 1981: 34).

In this study, the concept of organisation structure draws on the implications of Weber's (1947) Rationale- Bureaucratic Model (Blau and Meyer, 1971; Jaffee, 2001) and analyses of organisation structure by Edgar Schein (1980). According to Weber's ideal typical model of bureaucracy (1947), organisation structure is comprised of three parts: the horizontal division of labour and responsibility, the

vertical arrangement of hierarchy of authority, and the co-ordination of effort. Division of labour and responsibility describes the organisational arrangement of divisions and sub-divisions and the specialisms they contain. Thinking of overseas education experience as the development and acquisition of a form of expertise, this study examines how the organisations maximised returnees' expertise of this kind in connection with job allocation and deployment. Hierarchy of authority signifies the top-down power structure of an organisation. This has an impact on the degree of closeness between employees and their manager, and consequentially leads to certain organisational behaviour and career experience. Co-ordination of effort refers to the interaction between vertical and horizontal structures in order to achieve commonly set goals, in connection with the organisation's framework of rules - the degree to which bureaucratic measures (i.e. official rules and standard operating procedures) regulate the work activities of employees. This can vary according to different types of ownership. This study will compare and contrast two organisations in terms of organisation structure through this three-dimensional framework.

4.3.2 Organisational culture

Organisational control can be deconstructed into two dimensions: utilitarian forms of compliance based on economic rewards, and normative and cultural models based on emotional commitment and moral attachment (Etzioni, 1961; Jaffee, 2001). The focus has progressively moved towards the latter forms of compliance,

in recognition that organisational culture plays a leading role in affecting strategies for the organisational success. Rather than imposing external constraints on employees, cultural and normative control internalises a moral commitment, which increases employee motivation (Etzioni, 1988; Denison, 1991; Alvesson, 2002).

A useful definition of organisational culture is provided by Schein (2004):

> 'A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problem (p. 17)'.

Schein (2004) proposed a three-level model to explain the various layers of organisational culture. Artifacts constitute the first layer and refer to tangible and observable aspects of organisation, such as written documents, physical layout and dress, etc. Espoused values constitute the second layer and refer to the beliefs of organisation members about what should happen in an organisation and how members should behave properly. These values usually can be found in the form of public statements and pronouncements. Nevertheless, espoused values do not necessarily correlate to actual organisational behaviour, which is more likely to function according to basic assumptions. Basic underlying assumptions are actually the last layer of organisational culture. By contrast with espoused values, 'basic underlying assumptions' refers to behaviour and actions guided by taken-for-granted premises. These assumptions are the foundation for standard operating procedures that lead to a certain way of doing and achieving. They are

rarely challenged.

Schein (2004) attempted to build a model of organisational culture that would have universal applicability. However, Hofstede *et al.* (2010) point out that 'theories, models, and practices are basically culture-specific; they may apply across borders, but this should always be proved' (p.338). Hofstede and his colleagues stress the need for an awareness of national cultural context when developing theories of organisations since 'nationality defines organizational rationality' (p.337). This is the reason why it has been important in this study to take account of China's culture background.

Chinese culture is highly influenced by Daoist and Confucian principles, which are the two traditional leading ethico-legal and philosophical systems (Dong and Liu, 2010). Confucianism underlines hierarchical interpersonal relationships, whereas Daoism concentrates more attention on harmony - harmony between human being and nature, harmony in the society, and harmony within individual human beings. With the establishment of the P.R.China, egalitarianism originating from the political philosophy of socialism and communism became highly influential (Dong and Liu, 2010). Today, Chinese culture is grounded in these different strands of philosophy and has had a profound impact on the management of organisations in China.

Underlying social interactions between Chinese people are common values associated with Chinese culture. Four key aspects of Chinese culture have been

identified by Lockett (1988) and developed by Bjorkman and Lu (1999). These values strongly reflect Chinese traditional philosophies, such as Confucianism and Daoism, and themselves been highly influential in the practice of organisations:

(a) Respect for age and hierarchical position

(b) Concern for 'face' and harmony

(c) Group orientation - collectivism

(d) The importance of social networking (*'guanxi'* in Chinese)

First of all, respect for age and hierarchical position is evident by 'power distance' within an organisation as well as the reward and promotion system (Lockett, 1988). It has been pointed out that there is a relatively large 'power distance' (Hofstede 1980) between leaders and subordinates in Chinese enterprises. Chinese managers expect that they will be very clearly distinguishable from their subordinates (Lockett 1988).

Secondly, 'face' and harmony play a crucial role in Chinese social life (Bond, 1991). It is very difficult to give a precise definition of 'face'. One possible explanation is that face is the recognition of one's social status and position by others (Lockett, 1988). Therefore, it indicates the maintenance of one's own dignity through the cultivation of respect from others. Chinese people's style of communication is often indirect and modest so as to minimise the loss of face and maintain harmonious relationships (Gao *et al.,* 1996; see also Bjorkman and Lu, 1999). Thus 'saving face' is a way to preserve dignity by an individual, while being harmonious is the ideal

situation for a group, an organisation or even a society as a whole, which makes it difficult to challenge or criticise colleagues and, even more, super-ordinates. The maintenance of stability and harmony as a goal are consequently become a greater priority than efficiency or productivity.

Thirdly, due to the beliefs associated with communism and socialism in China promoted during the establishment of the PRC, popular political philosophy emphasises the values that individual interest should be sacrificed for in favour of the collective interests if necessary. Therefore, group orientation and collectivism is a feature of Chinese culture compared to western individualism (Lockett 1988; Hofstede *et al.*, 2010). However, scholars also argue that Chinese people's concern for collectivistic interest is mostly limited within familial and social networks (Tse *et al.,* 1994; Lew, 1998; Pan *et al.,* 2010). Group orientation is more directed towards a pragmatic aim, which is to achieve harmony and preserve a sustaining personal relationship within a certain group rather than for the sake of group interest as such.

Fourthly, personal relationships and social connections ('*guanxi*') have been recognised as one of the most distinctive characteristics of Chinese culture and play a significant role in 'getting on' in Chinese society (Lockett, 1988; Warner, 1993; Bjorkman and Lu, 1999 and Dong and Liu, 2010). Although it is hard to precisely translate '*guanxi*' into an equivalent English word (networks, social connections, social ties, etc.), it is still possible to provide a

reliable description. It is defined by Redding *et al.* (1993: 656) as 'a network of personally defined reciprocal bonds' mainly based on social interaction and the exchange of social resources between two individuals (Dong and Liu 2010). *Guanxi* is 'based implicitly (rather than explicitly) on mutual interest and benefit. Once *guanxi* is recognized between two people, each can ask a favour of the other with the expectation that the debt incurred will be repaid sometime in the future' (Yang, 1994: 1-2; cited by Gold *et al.*, 2002:7). In terms of career trajectory, a well-developed *guanxi* will not only help start a career, providing access to job opportunities (Huang, 2008), but also aids in promotion and further career development (Chen and Francesco, 2000). Compared to the west, it is believed that *guanxi* have a significant impact on doing business in China since it has been used by Chinese managers in the exchange of information and negotiations with planning authorities, overall accelerating decision-making processes (Dong and Liu, 2010). Thus '"who you know" is still very useful in one's working life and career' (Warner 1993: 47).

Social capital theory is also applied to understand *guanxi* in China (Bian, 2001; Gold *et al.*, 2002; Smart, 1993; Li, 2007; Lin and Si, 2010). 'In a very general sense, *guanxi* resembles Bourdieu's concept of "social capital"' (Gold *et al.*, 2002: 7), for both emphasising establishment of connections for reciprocal benefit and interest, and intention of converting into other forms of capital. However, Gold *et al.* (2002) also suggested *guanxi* differentiates

itself from social capital due to its 'indigenous Chinese category' (see also Yan, 1996: 14) and the role that affect and sentiment play in *guanxi*. Firstly, *guanxi* depicts social connections based on specific rituals and rules in the Chinese context. Secondly, with the admission of instrumental attribute of *guanxi*, (which is similar to Bourdieu's concept of social capital), there are also affective and sentimental factors involved sometimes. *Guanxi* based on kinship is more likely to have the affective attribute, whereas it is more instrumental oriented in terms of business and profession (Hwang, 2012). From this point of view, *guanxi* can be considered as the Chinese norm for personalised social capital (Li, 2007). Although it is widely recognised as the 'informal norm to "bend the rules"' (Li, 2007: 65) , it can lead to both positive judgements for its efficacy in the market (Lovett *et al.*, 1999) and as a form of social capital, or negative judgements surrounding issues of bribery and corruption (Smart and Hsu, 2008).

According to the features of organisational culture discussed above, this study explores the degree to which these features are found in the research sites encountered here. Meanwhile, it also allows space for alternative cultural dimensions to emerge from the primary data.

4.3.3 HRM in China undergoing transition (SOE and MNC)

Studies of HRM between China and western countries have been widely discussed in terms of convergence theory (Warner, 1993; 2002; 2003; 2009; Cooke, 2009; Cai

et al., 2011). At the macro level, the convergence model suggests that the forces of internationalisation are more likely to lead HRM in China to converge with western styles of management, whereas studies at the micro level also underline the heavy involvement of Chinese features in the existing management system (Cai *et al.*, 2011). Using two case studies, this research answers the questions: to what degree has HRM in China been westernised and to what extent do Chinese features of management remain in the system? The following elaborates the features of HRM reform in China in terms of different types of ownership.

a. Reform of HRM in SOEs

The reform of SOEs involves developments in three systems: labour contracts, remuneration, and welfare. First of all, the life-long labour contract was replaced by fixed duration labour contracts. Secondly, a new wage system was introduced in accordance with performance, post and skill levels. Thirdly, the new welfare system requires contributions both from employers and employees to five funds: pension, industrial accident, maternity, unemployment and medical insurance (Warner, 1996a; Cooke, 2005).

The most dramatic reforms of SOEs happened between 1998 and 2002, during which time 27 million workers were laid off from SOEs (Cooke, 2005). Retraining for re-employment was urgently needed and still has not been well developed in China. In addition, a motivational mechanism was established which functions through a reward system by linking individual performance to reward. To sum up,

China's SOEs have undergone a reform over the last two decades in order to improve their productivity and efficiency. Yet although images of the paternalistic ideology of SOEs and the SOE as an 'iron rice-bowl' are being modified, there are still traditional features embedded in the structure of modern SOEs.

b. HRM in Multinational corporations (MNCs) in China

The emergence and rapid increase of the foreign funded sector is a crucial part of Chinese economic reform. By the end of 1997, the amount of foreign direct investment in China had reached more than 222 billion USD. Although MNCs have not played a major role in producing industrial output, their importance has mainly shown in the transfer of technology and knowledge (Warner, 1995). MNCs have also played an important role in absorbing overseas educated returnees. Surveys (*Elite Reference*, 2004) have shown that half of overseas graduates prefer to work in MNCs, while one third were working in MNCs. The preference shown for MNCs is mainly due to the HRM system and organisational culture, which is perceived to be favourable by returnees.

In comparison with SOEs, there are several features of MNCs in terms of employment and human resource management which explain why returnees prefer MNCs. Firstly, MNCs are more likely to recruit people with experience regardless if they used to work for other companies beforehand. SOEs, by contrast, mainly utilise new graduates as human resources (Goodall and Warner, 1997). Secondly, in the MNCs there is a primary emphasis on appraisals which strongly relate reward

and promotion to performance (Morris *et al.*, 2009), while in SOEs social networking and a 'correct political attitude' plays a very crucial role (Child, 1994). However, SOEs have their own advantages when it comes to job security. Although there is a significant reduction in job security in SOEs since the start of the reform, job security is still relatively high compared to MNCs, where flexible employment contracts are more common. Even if they have the right to do so, it is less likely for SOEs to dismiss employees, as SOEs are expected to shoulder the responsibility to help the state absorb the available workforce and retain societal stability (Child, 1994; Warner, 1995).

A more recent study of HRM in China gives a more detailed comparison between SOEs and MNCs in China (Gamble, 2003). However, this is a case study based on one MNC, therefore the validity of generalisations based on its conclusions deserve further testing.

This study draws on the various conclusions offered by these previous studies discussed above (see Table 4-2) to compare and contrast HRM in different organisations with different types of ownerships.

Table 4-2: HRM practices in SOEs and MNCs in China

HRM dimensions	**SOEs**	**MNCs**
Recruitment	Graduates	Graduates -- also with working experience
Reward system*	Fixed rates	Mainly fixed for lower levels
	Few performance related rewards	Company profit bonus
	Limited differentials within and between categories	Mostly graduated differentials but some exceptions (e.g. expatriate managers' compensation package)
Non-wage benefits*	Canteens	Meals benefits provided after much debate
Promotion Criteria	Network	Deep functional experience
	Correct political attitude	Excellent performance record
	Good 'moral' practice	
Training	Minimal and mainly enterprise-based	Increasing provision of off-the job training
Job Security	less likely to dismiss employees	Flexible employment contracts
Communication with workforce	Secretive, information retained by higher levels and within departments	less disclosure
Hierarchy*	Multi-layered	Flat hierarchy
	Formal, hierarchical	Casual, informal
	job titles	first name terms
	remote managers	accessible managers
	offices enclosed	open-plan offices
	previously single-status uniform for all employees	same uniform for all employees
Employee representation	Trade Union	Trade Union
	(SOEs invariably have TU)	(MNCs are legally committed to establish a union if requested by employees)

Drawing on the literatures: Gamble (2003: p.377), Goodall and Warner (1997: p.571) and Child (1994).

* derived from case study, validity of generalisation deserves further test

4.4. Summary

This chapter has relayed how certain conceptual frameworks can be adapted and combined so as to address the outlined research questions put forward in Chapter 3. The research design identifies two levels to be looked at: the individual level and the organisational level. First, Bourdieu's theory of practice is used to define overseas qualifications as a form of cultural capital which has the potential to confer a competitive advantage on its holders in the labour market. In addition, the research explores the extent to which other forms of social capital, akin to *guanxi*, is influential in the opportunities accessed by returnees and locally educated graduates in the organisations studied.

After critically analysing both Maslow's (1943) hierarchy of human needs and Nevis' (1983) modification of this as a Chinese hierarchy of needs, these models are also deployed to assess Chinese graduate employees' motivation and job satisfaction. There are14 items of job characteristics (Table 4-1) are used as indicators of different motivational needs. This is also used as a way to test to what extent Nevis's model can be applied to contemporary Chinese graduates. In addition, graduate employees' process of adaptation and integration is evaluated in terms of practical factors as well as psychological factors. They were asked about how well they had be able to handle work tasks, in connection with the time it had taken them to fit in to the workplace.

As for the organisational level, this chapter considered the previous literature on organisational structure, culture and HRM strategies. Drawing on the literature review, this study explores different organisational structures by comparing the division of labour, hierarchy of authority, and co-ordination of effort within the two types of organisations studied. Secondly, the analysis is undertaken on the understanding that national culture shapes organisational culture (Hofstede *et al.*, 2010). Major aspects of Chinese culture – respect for hierarchy, 'face', harmony, collectivism, *guanxi* - originating from Confucianism, Daoism, and egalitarianism were discussed. This study examines to what extent management and organisational culture reflects these cultural practices.

Last but not least, the literature review on the transformation of HRM in China illustrated that HRM practices adopted by SOEs and MNCs differ in relation to recruitment, training, salary, reward system, promotion criteria, communication within and among departments, and forms of hierarchy. Based on the case studies presented here, a new comparison of HRM strategies in SOEs and MNCs will be generated, from which can be seen the difference between these two types of ownership as well as the characteristics of the more widely occurring transformation in the reform era. This is presented in table form, which assists in answering research questions about the reasons for the different ways of utilising overseas educated graduates. It also helps to explain what attributes were perceived as advantages and disadvantages in these two organisational settings.

5. Methodology

5.1 Introduction

The research aims and questions, as well as the conceptual framework that guides this project, necessitate an exploratory methodological approach to investigating the career experiences of Chinese returnees in SOEs and MNCs in China's labour market. This chapter outlines the research methods and data collection process used to carry out the bulk of empirical research. First, the notion of 'objectivity' in the social sciences is considered, questioning the degree to which social investigation can achieve this kind of neutrality. The potential paradigms within which the research questions might have been asked are considered and the choice of constructionism explained and justified as he most appropriate paradigm to provide the foundation for this research. Based on this philosophical and epistemological underpinning, potential research strategies are discussed before presenting an argument for the case study as the most suitable methodological approach.

The philosophical groundwork for this methodology leads to Section 5.3, which sheds light on the practical design of this project. A table is used to show how different research methods were used to address particular research questions, along with justifications for the selected methods and their appropriateness for this case study approach. This section also sets out the criteria on which choices of appropriate research sites, populations and respondent samples were made. Finally, ethical questions raised by the project are discussed.

The rest of this chapter discusses the data collection process by a reflexive analysis of the field research conducted. Research methods are reviewed mainly in terms of the recruitment of participants in two banks and different forms the interviews took. Obtaining access to appropriate respondents through managers as gatekeepers and in addition, taking a 'snowball' approach had different effects in each case (MNC Bank, SOE Bank). Section 5.5 accounts for this in terms of the different role that power structures and social networks play in the two types of organisation. In addition, the practices of face-to-face and telephone interviewing are analysed, which leads to a discussion about the relationship between researcher and researched; the former's stance and the distance between the two.

5.2 Philosophical stance -- constructionism

Epistemologically, constructionism plays a foundational role as an explicator of 'the nature of knowledge, its possibility, scope and general basis' with regard to this research project and its methodological approach (Hamlyn, 1995: 242). Epistemological positions can be divided into three categories based on understandings of how far objectivity is possible in the social sciences. These categories are objectivism, subjectivism and constructionism (Crotty, 2012). Objectivism suggests that 'meaning, and therefore meaningful reality, exists as such apart from the operation of any consciousness' (Crotty, 2012: 8). Positivism is the ideational correlate of this outlook, arguing (in a language evocative of the natural sciences) that object of scientific research exists independently of the

subject, or researcher. Thus objective phenomena can be studied, measured, quantified, standardised, generalised, and so on, without significant alteration by the subjectivity of the observer (Henwood and Pidgeon, 1992).

This research does not adopt a positivist paradigm, because positivism does not take into account, in addition to material and structural variables, the interpretations made by human beings when they are engaged in the world (Watson, 2003). The aim of this research project is to investigate the individual career experiences of Chinese returnees in the labour market in China. To gain an empathetic view of this cohort, this study's methodological approach needs to be able to perceive the subjective dimension, and will rely substantially on accounts provided by individual respondents. Thus, the positivist paradigm does not fit very well for this project.

Unlike objectivism, which stresses the objectivity and independence of the meanings and reality from human beings, interpretivism suggests that 'meaning does not come out of an interplay between subject and object but is imposed on the object by the subject' (Crotty, 2012: 9). Interpretivism is a philosophical perspective that takes 'social reality [as] the outcome of people's interactive and interpretive activities' (Watson, 2003:15). Yet although it recognises the subjective dimension of created meanings and social reality, it also risks being too reliant upon subjective accounts and perceptions and underestimating objective structural contexts within which interpretations are formed.

Given the limitations of both objectivism and subjectivism and the two-tiered (organisation/individual) theoretical split made by this project's conceptual framework, it was concluded that constructionism is a stance better suited to this study. A constructionist paradigm is based on the understanding that 'truth, or meaning, comes into existence in and out of our engagement with the realities in our world' (Crotty, 2012: 8). Constructionist does not consider objective truth as existing independently, to be discovered by human beings (as positivism does), nor does it suggest that meaning is solely derived subjectively in the course of human experience of the material and social worlds they encounter (as in interpretivism). A constructionist perspective stresses the interaction between human beings and the world-out-there, whose relation constructs knowledge and meaning 'developed and transmitted within an essentially social context' (Crotty, 2012: 42). In other words, the concept of social context resembles that of 'field' constructed by Bourdieu to explain this relation of human beings (the internal) to the world-out-there (the external).

In the case of this PhD project, 'Chinese returnees' are variables re-considered as social constructs. The identity, 'returnee', emerges by the shifting and interrelation of different social contexts, i.e. foreign countries and China, which encompass experiences of different education, cultural backgrounds, ideology and the economic systems, and the interpretations put on these experiences by them and by others. The complex differences and interrelation between such social contexts

work to construct both the concept and distinct characteristics of returnees in this sense. Upon returning to China, their identity is shaped by a new social context. Particularly in this project, this social context is China's labour market, or to be more exact, the SOEs and MNCs encountered in the labour market in which they participated.

This study explores the emergent interaction between these 'social construct' (returnees) and social contexts (MNCs, SOEs) so defined. In other words, the focus is the dynamic between Chinese returnees and the opportunities, obstacles and relationships encountered in the two distinct organisational settings studied. What role do Chinese returnees play in the labour market, put in terms of these two different social contexts? How do those organisational settings influence and shape career experiences of Chinese returnees?

The constructionist paradigm is commonly associated with qualitative research methods, which provide richness and depth of understanding of data. The following justifies the use of case studies as an approach to generate what Clifford Geertz (1973) once referred to as 'thick description'. Thick descriptions are those that explain not just the subjectivity of individuals (i.e. returnees), but their contexts (i.e. their organisational settings) too, so as to make their interaction meaningful to those doing the describing. The research design and data collection strategy, as well as the choice of specific cases and participants together with ethical concerns, constitutes an ethnographic approach to case-study enquiry.

5.3 Qualitative case study and research strategy

5.3.1 Case study

Case study as a research strategy focuses on the detailed complexities of relationships and processes within a certain social settings. It allows in turn a more holistic view of certain social phenomena, since it offers an opportunity to look at the interaction of different aspects in a given context rather than dealing with isolated factors (Denscombe, 2003; Yin, 2003). Considering the features and advantages of the case study, as well as the nature of this research project, it is suggested as a suitable research strategy. In particular, Yin (1993: 59) suggests that the case study 'investigates a contemporary phenomenon within its real-life context and addresses a situation in which the boundaries between phenomenon and context are not clearly evident.' Thus organisational studies in sociology and industrial relations are more likely to use case studies since it facilitates analyses of settings and processes involved in the phenomena being researched (Hartley, 1994; Meyer, 2001). In this project, the career experiences of Chinese returnees constitute the key social phenomenon to be studied, which tightly associated with - constantly being constructed as well as constructing - their organisational settings.

The qualitative case study shares some characteristics with other qualitative approaches like grounded theory and ethnography (Glaser and Strauss, 1967; Strauss and Corbin, 1990), which may be considered as alternative approaches to be adopted in the research. However, the key difference that makes qualitative case

study particularly suitable to this project is that it 'is open to the use of theory or conceptual categories that guide the research and analysis of data' (Meyer, 2001: 331). However, grounded theorists expect theoretical perspectives to be 'grounded in and emerge from first hand data' (Meyer, 2001: 331). By contrast, this research acknowledges pre-existing knowledge of the graduate labour market and the field of organisational studies to guide the conduct of research through the adoption of a theoretical framework that reduces the risk of generating description without meaning (Hartley, 1994; Meyer, 2001). Considering the important role the conceptual framework (see Chapter 4) plays in this project, and the time and resource limitations of a PhD thesis study, ethnography and grounded theory would have been less suitable than a case study.

In conclusion, consideration of the nature of this research project, which focuses on the interaction between Chinese returnees (as social constructs) and their social contexts (SOEs and MNCs in the Chinese labour market) led to the conclusion that constructionism would be the most appropriate epistemological stance; one which necessitated a structured but essentially qualitative methodological approach.

A conventional critique of the case study approach concerns its limitations in terms of validity and capacity for generalisation: 'one cannot generalize on the basis of an individual case; therefore, the case study cannot contribute to scientific development' (Flyvbjerg, 2006: 221). However, Flyvbjerg (2006) argues that this is a misunderstanding and oversimplification, for it underestimates the value of

concrete, practical (context-dependent) knowledge in comparison to general, theoretical (context-independent) knowledge. It has been asserted that generalisation from a case study can be achieved through either increasing the number of cases (Giddens, 1984), or through the strategic choice of cases (Flyvbjerg, 2006). Generalisation is never a main reason for case study research, the strength of which lies in the capacity to undertake holistic internal investigation and analysis which, in revealing the patterns and interpretations of social interaction in a specific context, contributes to scientific knowledge about the variables that determine human behavior, in itself, regardless of how for the research design as a whole produces findings that may have wider applicability. Although this research is based on a limited number of cases, the cases have been strategically chosen in order to maximise the potential understanding of the career experiences of overseas educated Chinese graduates that might have relevance beyond the organisational settings where it was carried out in general.

5.3.2 Data collection methods

Data collection in this project consequently involved the use of multiple methods, including: a) documentary analysis, encompassing annual reports and the human resource records of two organisations, as well as existing surveys on overseas education; b) a survey of overseas educated employees; c) a survey of locally educated employees; d) interviews with overseas educated employees; e) interviews with locally educated employees, and; f) interviews with employers and

managers. Table 5-1 illustrates how these methods address each of the research questions, with justifications for use.

Table 5-1: Research methods associated with research questions and justification

Research Questions	**Methods**	**Justification**
1. What are the career experiences of Chinese returnees in terms of motivation, adaptation and integration, and job satisfaction, in the light of the situations of locally educated employees?	Sample survey of relevant employees;	The survey on employees provides information on individual career experiences in different two workplaces.
(a) Why employees choose/accept their current job/workplace?	Interviews with survey respondents;	The follow up interviews with returnees generated more in-depth and detailed individual accounts of returnees' experiences in their workplaces.
(b) How were they required to, and how did graduate recruits adapt and integrate in their workplaces?	Documentary, survey and interview data: (i) existing studies on HRM, organisational culture in SOEs and MNCs in China and	Documentary analysis provided an understanding of the different workplace according to their ownership, which will further assist the analysis of returnees' experience in different contexts, and helped formulate the questions used at both empirical stages of the research. The survey responses and interviews helped to clarify the relationship between company policy,

(c) To what extent are employees satisfied with their career experience in different working settings?	(ii) annual reports, HR records and records of meetings, etc. from research sites; (iii) questions at both the questionnaire and interview stages.	management perspectives and employee accounts of their experience.
2. How do managers utilise overseas educated graduates? To what extent did the utilisation of overseas educated employees differ between SOE and MNC and why?	Interviews with managers/ employers	The interview with employers reported their experiences of employing returnees and their views about the returnees' performance, their value and weaknesses associated with their own perceived requirements.
	Documentary analysis on annual reports from research venues	This allowed for a comparison between two different organisations in terms of organisational structure, culture and HRM.
	Existing studies on SOE and MNC in China and on China's labour market and economic reform.	These provided the wider context within which the two case study organisations operated and provided previous research evidence from China with which to engage or build on in this study.
3. What are perceived as advantages and disadvantages for returnees working in SOEs and MNCs, considering the features of 'returnee' as well as the attributes and needs of different ownership types?	Existing studies on SOE and MNC in China and on China's labour market and economic reform.	This provided a foundation for the research design to facilitate further analysis of different features in SOEs and MNCs in terms of organisational structure, culture and HRM, and evaluations of their wider context.
	Documentary analysis on annual reports from research venues	

	Survey and interviews with returnees	Evaluation of the perspectives on these questions of both the returnees themselves and those in similar posts who had been wholly educated in China, to investigate these and assess the extent to which returnees, compared to local graduates may have distinctive features.
	Survey and interviews with locally educated employees	
	Interviews with employers (HR managers and managers of returnees)	Provided insight into the skills and characteristics sought and appreciated in the organisations.

a. Secondary data analysis

Secondary resources, (e.g. annual reports, human resource data, and surveys on overseas education) provide the most accessible and up-to-date general picture of the labour market profile of Chinese returnees and the recent development of the Chinese labour market, clarifying the context of the employees being studied.

b. Online survey

It was decided to conduct a small-scale survey based on an online-questionnaire in each company in order to generate primary data and create samples for interviewing. The Chinese online-questionnaire software, ‘Wenjuanxing’, was used to carry out the survey during field research. At the end of the questionnaire, each participant was asked whether or not they were willing to follow-up their responses with an interview, which was how interview participants were recruited.

c. Semi-structured interviews

Although multiple methods are used in this study, interviews were the main method of achieving the two-fold aims of this research. This was deemed appropriate since this is an exploratory study that included two case studies in two particular settings, with the task of producing an empathetic and deep understanding of the utilisation and contribution of Chinese returnees in two workplaces. Unlike quantitative research approaching the world 'out there' in specialised research settings, qualitative research is, according to Flick (2007: x), designed to 'understand, describe and sometimes explain social phenomena "from the inside"' by analysing the experiences of individuals or groups as well as interactions and communications in the making. Furthermore, 'the qualitative interview constructs a key venue for exploring the ways in which subjects experience and understand their world. It provides unique access to the lived world of the subjects, who in their own words describe their activities, experiences and opinions.' (Kvale, 2007: 9). By interviewing, the more concrete and specific thoughts and career experiences of returnees, in comparison with locally educated employees in these two organisations, can be investigated for analysis and synthesis. In addition, interviews with the human resource department and managers of employees reflect the needs and requirements of the labour market.

Structured but open-ended questions were used in the interviews. While structured questions make it easier for researchers to control the whole process of interviewing,

they are more likely to narrow answers. Open-ended questions, however, can open up the horizons of the interviewee and allow participants increased space to think deeply, amplifying the depth of questioning. Prepared questions were divided into two categories according to 1) the career experiences of research participants, and 2) their opinions and experience of overseas education. Those respondents without overseas education were also asked about their opinions about its value, in general and in relation to their experience of working alongside overseas educated colleagues. These questions were structured in terms of work performance and career development.

With regard to 1) the career experiences of research participants, specific questions were asked about each participant's personal career experiences, such as their experiences of recruitment, their reasons for choosing a certain type of organisation, their process of integration, the organisational culture they were embedded in, and their career path and plans for the future. This part of the interview was designed to gain more in-depth understanding of graduates' career experiences based on general information already acquired from the questionnaire.

With regard to 2) their opinions and their experience of overseas education, more open-ended questions were asked. These questions encompassed returnee participants' personal experiences with overseas education, their thoughts about its impact on their career trajectory, and their personal life. As for local graduates, these questions also related to their opinions of overseas educated graduates in

China's labour market and the work performance of their returnee peers. Interviews with managers were designed to gain information about the Human Resource Strategies of each company, as well as returnees' job performance and career development from the perspective of a managerial level. To enable follow up questions and allow for diversity among answers given, questions were left open to changes to their order and form.

5.3.3 Research context

This study involved two organisational case studies, and the choice of cases had to meet the following criteria: firstly, sector significance, in the sense that the organisation to be studied must operate in and as part of a sector – financial, commercial, etc. - popular enough to attract graduates (and itself popular enough to attract a share of them as employees); secondly, the sector must provide enough variation to contain different types of graduates and ownership. According to a survey conducted by People's Daily (2007), China's financial sector was voted as the most popular sector to work in by returnees and overseas students (32 per cent of their participants). The scale of this survey (over 3000 Chinese returnees and Chinese overseas students took part in the survey) provides a picture of overseas educated graduates' preferences in terms of their career choices, and justifies this study's concentration on the financial sector.

Thus, the research was carried out on two finance sector organisations. One is a state-owned commercial bank and the other a multinational commercial bank.

State-owned enterprises (SOEs) and multinational corporations (MNCs) are two types of ownership typical to reform era China. This study compares and contrasts Chinese returnees' career experiences in these two different organisational settings and refers to them throughout as SOE Bank and MNC Bank.

The two case studies were conducted separately in SOE Bank (Beijing Branch) and MNC Bank China (Beijing Branch)[7]. The choice of these two research venues was made as a result of the following considerations: Firstly, SOE Bank is one of the top five state-owned commercial banks in China. In 2004, SOE Bank underwent a transition from a wholly state-owned commercial bank to a state-controlled shareholders bank, which makes SOE Bank a prototypical exemplar of China's socialist economy in the midst of economic reform. According to the manager of the HR department in SOE Bank, there are 380 sub-institutions subordinate to the Beijing branch, totalling 11000 employees. The annual intake was reported to be generally around 300. For example, in 2009 260 graduates were employed within which number 50 were returnees. In 2010, 30 returnees were employed with another 270 local graduates. Considering the scale of this bank and the intake figures from these recent years, SOE Bank was deemed to be an ideal research field that would provide a rich context for the generation of an interview samples.

MNC Bank, by comparison, is one of the largest banks and financial service organisations in the world. MNC Bank (China) was established in 2007 as a wholly

[7] Both parties signed a confidentiality agreement forbidding their names to be used. 'SOE Bank' and 'MNC Bank' are pseudonyms for the two research sites.

foreign-owned bank. MNC Bank is one of the largest investors amongst foreign banks in mainland China. The service structure of MNC Bank China is mainly composed by its banking system, encompassing personal financial services, commercial banking, global banking and markets, transaction banking and private banking. It also contains entities that specialise in insurance, private equity, global resourcing, and shipping. In Beijing, there are eight sub-branches under the MNC Bank China Beijing Branch. Although MNC Bank China has an all-encompassing service structure, the sub-branches in Beijing only concentrate on personal and corporate banking services. Therefore, the interviews took place mainly with the employees in these two areas of activity.

5.3.4 Research participants

The survey aimed to provide an overview of the career experiences of employees in these two banks, and a sample from which interviewees could be selected for more detailed interview. The target participants were graduates recently employed within the last five years[8], with either the experience of overseas higher education or Chinese higher education qualifications. All of the questionnaire respondents from SOE Bank were recruited through the company's internal emailing system. The questionnaire was distributed by the HR manager via email, to be returned directly to me, the researcher. It was hoped that although the survey was supported and circulated by management, its online format and the fact that it would be returned to me rather than via management, would enable respondents to be confident that their

[8] Notably, the field research started in 2010. Therefore, the entry time of participants here is after 2005.

responses would be confidential and independent of their employer.

The same recruitment method was applied to MNC Bank to stimulate the response rate. However, the response rate was not as good as in SOE Bank. This could be explained by the different corporate culture between these two types of organisations. In SOEs in China, employees are more likely to accomplish the tasks assigned at the managerial level, regardless of their relevance to their job responsibilities. In MNCs, the working environment is more target-oriented by comparison. Things that are not job-related are less likely to be taken into account by employees. One other possible explanation could be that the fiercely competitive working environment of MNC Bank keeps its employees very busy and does not allow much space and time for them to do anything other than their own work.

Using managers as gate keepers, therefore, did not lead to the same results in both banks. It worked much better in SOE Bank than MNC Bank. To compensate, the method of snowballing participants from friends and acquaintances was used to recruit a larger sample in MNC Bank. A more detailed, reflexive account of the different results in terms of the recruitment of participants is presented in Section 5.5.1, involving a comparison between SOE Bank and MNC Bank's different organisational structures, cultures, power structures and types of social networks. In the end, 92 filled-out questionnaires were accumulated, of which 63 were gathered from SOE Bank and 29 from MNC Bank. Forty-four are returnees and 48 are local

graduates. The gender split is equal. Consequently, the survey served its second objective better than the first, and the results from the survey must be regarded as indicative rather than as robust quantitative evidence.

From a historical perspective, the revolutionary era effectively demolished the traditional division of social class associated with the long history of dynastic rule. Yet observations suggest that, during the last three decades, a new, rising middle class has subtly established itself. This middle class can be separated into two variants – a political elite and a business elite - that correspond to the different types of ownership considered here. A political elite refers to those descendants of the bureaucratic class that led the establishment of P.R.C; those who are 'well connected' in a political sense. By contrast, the business elite's status and wealth follow from success in entrepreneurship and private sector profiteering. Although it is never written about in academia, most Chinese urbanites are aware of this distinction. Popular slang on the internet provides definitions of these two categories of social class: 'fu er dai' (the second generation of the rich) and 'guan er dai' (the second generation of the politician).

As a function of the relationship between SOEs and the government, top managers of SOEs almost exclusively belong to the former political elite, whereas their counterparts in MNCs are often associated with the latter business elite. Participants who took advantage of '*guanxi'* to gain employment opportunities were very often associable with these two categories of class background,

depending on which bank they worked for. Although I did not feel I could risk losing rapport with the participants by asking about their parents' occupations, there were sometimes indications of the participants' backgrounds during interviews. It was evident that participants in MNC Bank had parents that either owned their own company or were otherwise well connected in the private sector. Transcripts demonstrated the (literal) richness of their backgrounds through the accessories they wore or when they mentioned their parents' savings. while most respondents from SOEs did not relate such information with the exception of one, Chong. Chong's and others' cases revealed that, despite the strict and rigorous recruitment process that effectively masks (on paper) the importance of *guanxi*, personal connections with top managers was rather essential，or at least extremely helpful, for aiding one to be taken on by SOE Bank. Participants from SOE Bank, it was clear, were very likely to be well connected to a political elite. Both of Chong's parents, for example, worked in top-end state-owned banks in highly ranked positions. He mentioned this in the interview, also commenting on how he took advantage of his parents' *guanxi* to obtain his job.

5.3.5 Ethical considerations

This study was carried out in line with the British Sociological Association's (BSA) code of ethics and the University of Warwick's ethical scrutiny procedure. Steps were taken in advance to ensure that the research process would be transparent and all research participants were well-informed about the research. Consent forms

were provided along with leaflets containing information about the research, with clear information about the rights of participants and the responsibilities of the researcher. Confidentiality was also a concern, so all data was stored and provided anonymously.

5.4 Data collection process

5.4.1 Access and recruitment of research participants

From 2010 to 2012, I visited Beijing three times in order to gain access to the field and conduct research and collect data. In 2010, I stayed in Beijing for three months from June to September, in order to negotiate access rights and begin a pilot study. I had an advantage. My family's social network enabled contact with the senior HR manager from SOE Bank, Beijing Branch. The HR manager agreed to assist in the distribution of online questionnaires by using their internal emailing system. However, I have no access to this email system. It was made clear to me that it was against the regulations to provide an 'outsider' with access to the internal system, but apart from this the HR manager agreed to be as helpful as he could, to be interviewed, and to enable access to employees who would have the option of completing my questionnaire.

Gaining the same level of access to MNC Bank was more difficult because I did not have the same pre-established links with people inside the company. I began by contacting one of the customer relations officers, hoping to gain the contact details

of the HR manager through her. She agreed to introduce me to their HR manager from the beginning. However, she then said that the HR manager had been sent to Shanghai to take over a colleague's post. The customer relations officer then suggested she take the questionnaire and be an interviewee herself. Faced with a situation hardly ideal, I made further use of my family's social network to acquire the contact details of the assistant president of MNC Bank, Beijing Branch, who was instrumental in helping to distribute questionnaires through their internal emailing system. Nevertheless, not many who responded to the questionnaire agreed to be interviewed afterwards. I tried to employ the snowball method during interviews with the few who did, but, despite my optimistic expectations, employees from MNC Bank were not inclined to open up to 'outsiders'. They seemed very concerned about confidentiality. Most of the interviewees refused to identify potential interview subjects because they were worried that information about, for example, their salary or future career plans, would find its way to their colleagues. In MNC Bank, monthly income is confidential and mostly based on sales performance. SOE Bank's salary system is mostly based on a set system according to one's highest degree, length of employment in a certain post and length of employment in the bank. Thus competition between employees is relatively high in MNC Bank compared with SOE Bank. Each employee has their own customer base and their own personal salary only known to themselves and payroll. Because of this, they were less willing to disclose personal information in order to help someone from the outside gain access to more participants.

After failing to recruit enough participants from MNC Bank on my first field trip to Beijing, I decided to adopt a different strategy during the second stage of data collection. I decided to shift from attempts to gain official access to a more personal approach. I began to take greater advantage of my social network, and was able to recruit participants through friends. In this way, I found the participants were more relaxed and more likely to open up to me and talk more about their actual thoughts and feelings during interviews.

5.4.2 Data collection process

The pilot study was carried out in July and August of 2010. I conducted questionnaires and interviews with friends who work in state-owned, private and multinational banks. None of them worked in MNC Bank or SOE Bank. The pilot survey was instrumental in helping me to make corrections to the design of the questionnaire. By doing pilot interviews, it was possible to test the time the interview would take, identify optional responses and the advantages and disadvantages of alternative structure of questioning and technical considerations concerning the use of a digital recorder.

Primary data collection took place across two periods: from January 2011 to the end of February 2011, and during the first three month of 2012. During the first period, I collected most of the data from SOE Bank, whereas only 10 questionnaires and four interviews were managed with people from MNC Bank. That is why I went

back to Beijing in 2012 the second time and tried to recruit more participants from MNC Bank; to balance the two research sites. Eventually, the whole process of data collection resulted in 92 questionnaires and 32 interviews. All of the questionnaires were distributed through email and created using online questionnaire software. Interviews were conducted in two ways: face-to-face, and by telephone. All of the interviews were tape-recorded after permission was given by the participants. All of the interviews were transcribed in Mandarin Chinese. The next section reflexively analyses the methods used as part of the data collection process, i.e. recruitment of participants and different forms of interviews.

5.5 Data collection review

5.5.1 Power distance at work vs. social network in private – different approaches for recruiting participants in SOE Bank and MNC Bank

The process of recruiting participants greatly varied between SOE Bank and MNC Bank. Although during the first stage of data collection the same strategy was taken for both banks, using managers as gatekeepers to distribute questionnaires with the internal email systems, the results were very different. There were 63 questionnaires and 20 interviews (two HR managers, 11 returnees and seven local graduates) collected from SOE Bank, whereas only 10 questionnaires and four interviews (one assistant president, one returnee and three local graduates) received from MNC Bank. This different reaction can be explained by ‘power distance’ in these two banks. By contrast, SOE Bank’s immediate and hierarchical structure

produces a higher level of respect for one's superiors. Even if the task assigned by the superior (i.e. a manager) is not highly job-related, employees are thus more likely to work to carry it out. Respect for this hierarchy is evidenced by the 'power distance' within the organisation, as well as the reward and promotion system. Power distance is 'the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally' (Hofstede, 1994: 2). It is suggested that there is a relatively strong 'power distance' (Hofstede, 1980) with subordinates in SOE Bank. Chinese managers are more likely to make a clear distinction between them and their subordinates (Lockett, 1988). This is also evidenced by the field research conducted in SOE Bank.

In SOE Bank, first names are not usually used in daily conversations; rather the title of one's post becomes an attached social signifier of identity. Instead of using first names, employees always call their supervisors by their job title, such as 'Manager Song' or 'Tutor Wang' (in contrast with western customs, Chinese people use the full name in casual conversations as opposed to just the first name). Subordinates are referred to by their full names or their family name attached to the prefix, "little", e.g. "Little Zhang" (*Xiao Zhang*). This sounds friendlier and also indicates age as well as the hierarchical structure of power at the same time.

Apart from 'power distance', the reward and promotion system in SOE Bank also engenders respect for age and hierarchical structures of power. Multi-layered wage

and promotion systems are primarily based on length of employment. In order to climb the ladder, graduates have to have accumulated time in employment to move from one level to another. This is called ‘passing time’ (*ao nian tou* in Chinese) in state sectors in China. Centralised decision-making and the reinforcement of the hierarchy is the final result of this respect for age and authority (Bjorkman and Lu 1999).

In order to compensate for the lack of respondents from MNC Bank during the first stage of data collection, the second stage of field research took a different strategy. Instead of using the manager to spread out the questionnaire, personal friendships were used to recruit research participants. At last, completion of another 19 questionnaires and seven interviews (all of them returnees) were made possible. The effectiveness of this recruitment strategy reflects the importance of social connections (‘*guanxi’* in Chinese) in the Chinese society. The importance of *guanxi* is a reasonable factor that explains the more effective results of using friends, rather than the manager, as gatekeepers to snowball in MNC Bank. The two different recruitment processes show that personal social networks facilitate better access to respondents in MNC Bank, bearing in mind the problems associated with SOE Bank’s intensely hierarchical structural of power.

After gaining access to these two organisations, interview respondents were selected through the online surveys. According to selected interviewees preferences, face-to-face and telephone interviews were used. The following section compares

these two types of interviews, together with discussion on the stance of researcher.

5.5.2 Face-to-face interview vs. telephone interview

Using two different sorts of interviews enables a comparison of the strengths and weaknesses of telephone interviews and face-to-face interviews. Generally speaking, qualitative researchers rely more on face-to-face interviewing when conducting semi-structured and in-depth interviews (Sturges and Hanrahan, 2007), while the telephone interview is more appropriate for short (Harvey, 1988), structured interviews (Fontana and Frey, 1994). However, these guidelines are too simple for a number of different and complex situations. Both means of interviewing have their own advantages and disadvantages.

Conducting an interview by phone allows access to respondents who are reluctant to participate in face-to-face interviews (Fenig and Levav, 1993). Some of the participants in my study chose to do telephone interviews because they found it easier and more convenient to partake in an interview via phone rather than attending a meeting. In addition, 'partial anonymity granted by the telephone may increase the validity of responses by reducing the embarrassment involved in responding to emotionally or socially loaded questions in a face-to-face situation' (Fenig and Levav, 1993: 1).

The distance created by the telephone interview reduces to a certain extent the negative influences that the interviewer and the interviewee have upon each other.

To be exact, the interviewer is able to take notes without distracting interviewees (Miller, 1995; Sturges and Hanrahan, 2007). In the process of my study there was the possibility that the notes I took might influence their answers and perspectives if they were accidently seen by the interviewees. Therefore, the validity and objectivity of the data can be negatively affected by face-to-face interviews. Conducting an interview by telephone eradicates this problem.

Nevertheless, telephone interviews lack visual cues, which are otherwise present in face-to-face interviews. Face-to-face interviews capture information through body language and eye contact, which enables a more sensitive and accurate understanding of respondents. In addition, the face-to-face interviews were always longer than those conducted via telephone, which provided a chance to learn more about the informants. Normally the interviews are about 30 to 40 minutes long on average, while face-to-face interviews usually last for over an hour. Respondents and I often chatted before and after the interview. Although those were informal talks, they still related to the topic of this study in some sense. In the end, information collected through these informal talks proved useful.

This ‘extra gain’ is partly enabled by the close communication in face-to-face interviews and partly due to the comfortable leisure settings and surroundings of different cafes and bars in which I conducted the face-to-face interviews. However, this type of setting has its own disadvantage. Conducting interviews in a Caf é with loud music or in a restaurant at peak time is not suitable or convenient for an

in-depth interview. Because of the noisy surroundings, 'it was often more difficult to keep track of areas to probe with the face-to-face participants' (Sturges and Hanrahan, 2007: 39). The tape-recording quality was also affected by the surroundings. Thus the setting of face-to-face interview is a very important element, which has a great influence on the outcome of this qualitative research method.

5.5.3 Reflexive process

The whole process of interviewing was not just a means of collecting data, but also a reflexive process, which helped me to improve the interviewing technique while also making me aware of some issues that may greatly affect the result of the research. Telephone interviews made the process convenient and partially anonymous for participants, which increased the chance to recruit respondents. From my experience, however, validity is not always concomitantly increased as a result of partial anonymity because respondents were aware that the interview was being recorded. I found it difficult to inspire respondents to share information in telephone interviews, whereas in face-to-face interviews visual cues were by comparison a useful method of generating information. The degree to which information was gathered depended on the setting of the interview as well.

a. The Setting of the interview

The setting of the interview played an important role in the process of the

interview itself. As noted above, the environment where the interview took place influenced the level and degree of interaction and communication between interviewer and interviewee. It can be difficult for the interviewer to break the ice in a place too constrained or too formal, such as an office, and to further establish a highly interactive relation. However, when the settings are too loose and noisy, for example in a crowded pub or café with loud music, interviewees are easily distracted and lose focus. The most desirable setting was one equalling a stable environment in which a dialogue could take place between researcher and respondent, which allowed for privacy without setting too formal an atmosphere.

It was noticed that, as interviews took place in an office (customer relationship managers have their own office), and when it came to topics requiring responses in the form of opinions about other colleagues, interviewees usually looked at the door to double-check if it is closed, or if there was anybody close by. In addition, the interviewees in such conditions tended to lower their voice. By contrast, when an interview was arranged in a restaurant or a café, the ice was more easily broken. As time went by, the interview became more relaxed. Some of the interviewees also said they found the process very interesting, in particular because they had not expected some of the questions and found them interesting food for thought.

Apart from physical settings, those in proximity to interviewees also were a factor in the outcome and quality of interviews. Answers to certain questions were highly influenced by people close by. For instance, when Tony took the interview,

the friend who introduced me to him was also there with us. Even though the setting was a very relaxed restaurant, he still turned down questions about his plans for the future of his career. Instead of saying he did not have any plan in mind he said he did not want to answer the question. After Tony left, his friend told me he thought his appearance may result in the reluctance of Tony to answer certain questions since they share the same personal network of friends who work in the same bank. He may have thought that sharing such personal plans would cause inevitable competition in the future, especially in terms of promotion or better job opportunities in other companies.

Drawing on these various experiences, it can be surmised that both physical settings as well as the people in them have the potential to influence the quality of interviews.

b. The stance of the researcher

Within qualitative, interview-based research, the interviewer is the main instrument in acquiring knowledge. Therefore, the importance of the researcher as a person is magnified (Kvale, 2007), especially the stance of the researcher. Interviewing is interactive, involves close interpersonal interaction between interviewers and their subjects. It is crucial to keep a balance between maintaining professional distance and building up a close personal relationship. ‘Ties to either group may lead the researcher to ignore some findings and emphasize others to the detriment of an investigation of the phenomena being as comprehensive and

unbiased as possible (Kvale, 2007: 29).'

However, during the process of researching, it became difficult to find a middle ground. Keeping a degree of professional distance from participants turned out to be more of an obstacle to the aim of developing more interactive communication. In order to promote interaction and inspire respondents, I instead began to share my personal experiences with them. For instance, I told my informants about my own experiences with overseas education as well as some personal experiences or opinions of when I was abroad. Interaction then improved to a certain extent (- a finding reported frequently in research involving the exploration of relatively intimate areas of investigation; for example. Oakley (1981) reporting on research on motherhood. However, it led to another problem. It led to the danger of interviewer bias, for instance, in leading the participants to adopt my perspective than express their own opinion. In this sense, the extent to which a comprehensive and unbiased investigation is achievable is closely related to the awareness of the stance of the researcher while researching. However, as a young overseas-educated Chinese woman, it would have been impossible to eliminate the possibility of this fact influencing responses, and I concluded that taking a more friendly and open approach to interviewing would, on balance, have a positive rather than negative effect. As I analysed the data, I was nevertheless aware of the importance of evaluating the extent to which personal involvement, or vice versa professional distance, may have led to either biased or restricted information in each interview case.

5.6. Summary

This chapter follows from this study's research aims, questions, and conceptual framework, focusing on a related methodological approach, research design, and the research methods used in this study. Evincing the constructionist stance of this project, the notion of 'Chinese returnee' is viewed as a social construct embedded in different organisational settings in the context of the Chinese labour market. The methodology of the case study is adopted in this research because of its capacity to explicate returnees' differing contexts, while recognising the importance of a guiding theoretical framework. The case study approach also allows for multiple methods, which in this study comprise of online questionnaires, documentary analysis, and semi-structured interviews.

After describing the data collection process, research methods were reflexively analysed in terms of recruitment methods as well as the different forms interviews took. Also discussed was the influence of the physical setting and the people within it on the interview process itself, in connection with the stance of the researcher in the field. It is very difficult, yet a requirement, to try to find a balance between maintaining professional distance to avoid biased responses while building up a close personal relationship that might lead to higher quality information.

Considering the hierarchical structure of power in SOEs in China, using a manager as a gatekeeper proved more effective than in MNC Bank. In MNC Bank, social networking played an important role in recruiting participants. This hints at a

distinction between these two different types of organisational setting. The next chapter further compares the two.

6. Organisational Settings: SOE Bank and MNC Bank

6.1 Introduction

The last chapter explored methodological approaches and research strategies, whereupon a case study was then adopted as a primary method. This case study encompasses two specific sites of research, which constitute contextual settings within which returnees are situated. This chapter details the operations of each of these two organisational settings – the Beijing branches of SOE Bank and MNC Bank – with the result of capturing the key distinctions between two companies as they come to affect the recruitment and deployment of graduates in the labour market.

As noted in the last chapter, in 2004 the government started to loosen its control over this particular SOE Bank, transforming it into a state-controlled shareholders bank rather than a wholly state-owned one. In this chapter, the impact of this transformation is examined through a series of questions: How did the way in which the corporation is governed change to reflect the policies of the reform? From the perspective of 'convergence theory' (Warner, 2002, 2003, 2009), together with the evidence from this study's case example, to what degree has the Chinese SOE been made corporate and increasingly Westernised? How does this change affect the recruitment and deployment of graduates?

In contrast with the history of this particular SOE bank, with its past position in a Chinese command economy, and with its seeking to adapt to Western management models in the face of increasing globalisation, the MNC bank in question is a reverse case scenario of a Western company attempting to 'blend in' to the Chinese local market. Taking root in China in 2007, this bank's management strategies will become the focus of the second part of this chapter's exploration of how talent is managed across these two, very different types of institutions that have thrived in China.

This chapter is then ultimately a depiction of the organisational structure, culture, and HRM strategies of two separate companies, with explanations of the constitutive elements that compose each setting. This explication is based on documenting and interviews with senior managers from both banks, as well as interviews with graduate employees used to paint a bigger picture. Following this detailed description, the rationales that underscore each company's management and recruitment practices will be analysed for consistency and the level of tension between stated objectives and potential outcomes in the future. The section will conclude on a discussion of how different elements in the organisational context of each bank might provide for graduate employees in different ways.

6.2 Management in SOEs in China--- case study in SOE Bank

At the economy-wide level, the economic reforms of 1978 marked the beginning of the shift from a Marxist 'command economy' to a pseudo-market economy incorporating capitalist elements intertwined with authoritarian centralised control (Goodall and Warner, 1997; Warner, 2002; 2003). At the organisational level, SOEs in China were the backbone of its economy so were deeply involved in the series of transformations that ensued. Whereas once the Chinese system of management in SOEs was intensely planned and controlled by government, it has increasingly become much more corporatised and westernised (Child 1994; Cooke, 2005; 2012; Warner, 1995; 2002; Smyth and Zhai, 2010). The life-time employment system adopted by old SOEs is often associated with weak management, factor-immobility and inefficiency, which is considered as wasteful and holding back economic development (Warner, 2002; 2003). Concerning the problems caused by the traditional employment system and HRM practices and surges of economic growth, reform of SOEs was highly desirable. Warner's (2002, 2003) thesis suggests that, due to the impact of the wider forces of industrialisation, foreign trade and globalisation, managerial systems in China are in a process of 'relative convergence' towards a combination of features associated with the traditional Chinese model of management with others more suggestive of Western HRM practices. Westernisation and corporatisation of Chinese SOEs is attributed to a shift towards financial autonomy, a similar form to the 'limited company' system in western

economy. A series changes occurred in the reform of managerial system in SOEs: recruitment no longer depends on government allocation, but has become more market oriented; various types of labour contract have been established that do not necessarily guarantee life-long security; reward and promotion systems have shifted to become performance oriented rather than egalitarian. All of these changes are presented in this case study.

While the case-study of SOE Bank presented here exemplifies, to a certain extent, convergence theory, it is important to recognise that the model's applicability is limited. Although there are changes indicative of a process of westernisation, many purely Chinese characteristics can still be found embedded in the practice of managing SOEs in China (Cooke, 2005; Warner, 2009; Cai, *et al.*, 2011), which linger in the essence of the management model in SOE Bank. Many changes have only occurred to a surface degree. This argument will be a subject in the following section.

6.2.1 Management model and organisational structure

The traditional Chinese mode of management is well-known and understood by its heavy dependence on governmental administrative authorities. Even writing over a decade after the reform process began, Child (1991: 95) commented:

> 'Their managements are accustomed to looking for top-down initiative and approval. This vertical emphasis carries over into the structures of state enterprises which usually have many hierarchical levels, a functional mode of organisation, with many departments and superfluous posts, and bifurcation between executive management and party officials each owing loyalty to their

> own higher organs. There is usually a high degree of specialization, albeit with overlapping responsibilities, and poor horizontal communication and co-operation'.

In this passage, Child (1991) identifies several key characteristics of the Chinese model of management. He highlights a dual administrative system of management (involving a 'bifurcation between executive management and party officials'), a vertical hierarchical structure comprising many levels, a high degree of specialisation, and vague division of responsibility. However, management systems in SOEs have evolved during the last 20 years. How far this has gone as opposed to systems remaining the same as before is explored below in some depth using examples from the case-study of SOE Bank.

a. Dual administrative system and the Party Committee

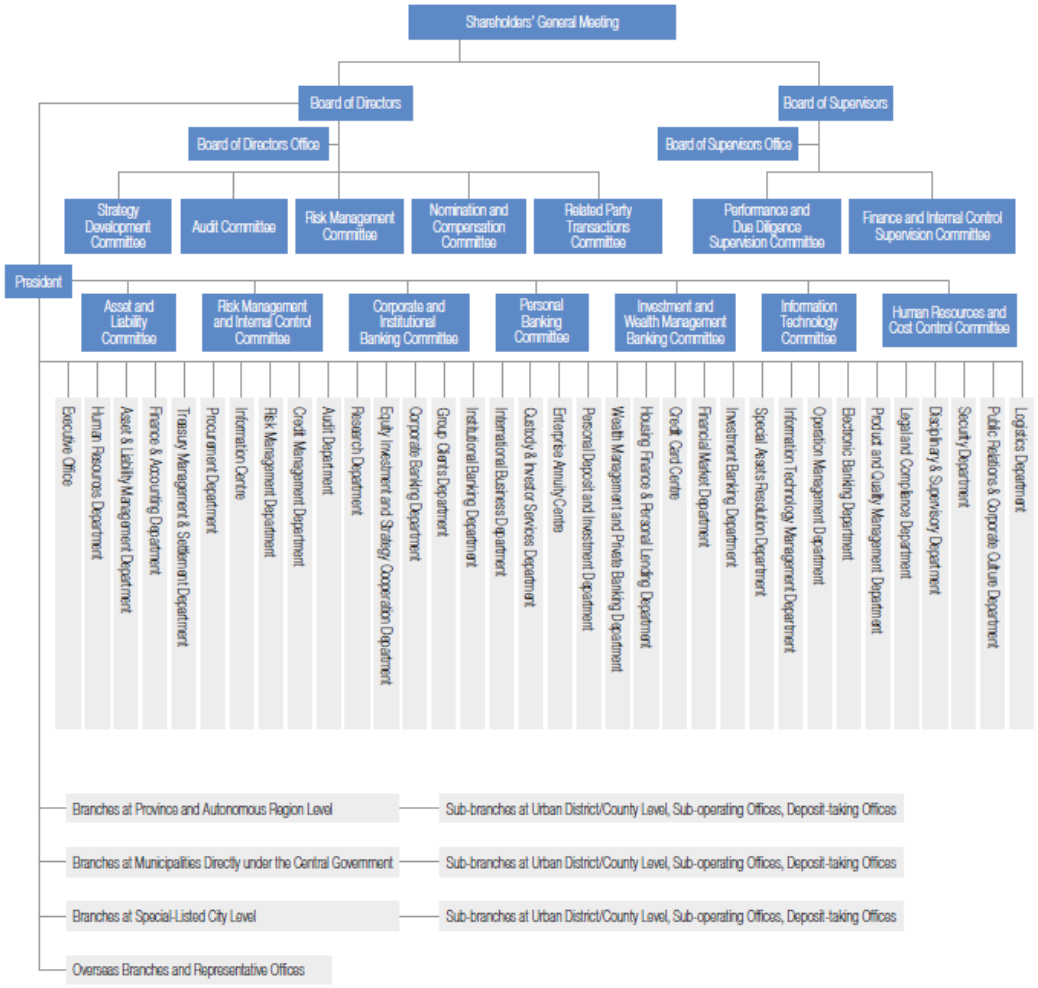
As evidence of convergence hypothesis (Warner, 2003; 2002), SOEs in China use a combination of state-owned management and a modern Western system of corporate governance. A basic function of the latter is to limit power through the establishment of a checks-and-balances mechanism of rules of procedure, and the specification of a reasonable division of responsibility amongst members of the board of directors, the board of supervisors, and at the general meeting of shareholders. This has been stated as being required by this SOE Bank in their Corporate Social Responsibility Report 2009.

However, the absolute leadership of the Communist Party in SOEs in China should not be underestimated and, despite reforms, should still be considered an overriding

attribute of the Chinese dual administrative system. As discussed in the literature review, it is usually held that there are two systems at large and which operate side by side in the Chinese organisation structure: the business system – that is, including the conception of the modern Western system of corporate governance - and the Chinese Communist Party system. In fact, in the SOE Bank, the Party system was functioning in a different, more complex and overarching manner. Within this state-owned commercial bank, the Party Committee was no longer an independent department at the level of senior management – i.e., at the headquarters, it was totally embedded in corporate governance. More than this, Figure 6-1 shows that there was no longer a 'Party Committee' existing as such, but rather (according to the senior HR manager) '*in practice the chairman of SOE Bank also shoulders the responsibility allocated to the secretary of the Party Committee'*. The chief supervisor similarly doubled as the deputy secretary of the Party Committee, while the president from Board of Directors was also a member of the Party Committee. In other words, therefore, the Communist Party was still in a position of an absolute leadership and control in the management of state-owned commercial banks in China. '*This is so-called "management with Chinese characteristics" –"the Party manage the managers"'*(in Chinese: *dang guan gan bu*[9]).

[9] In Chinese: 党管干部.

Figure 6-1: Organisational structure of SOE Bank



Source: SOE Bank Social Responsibility Report, 2009

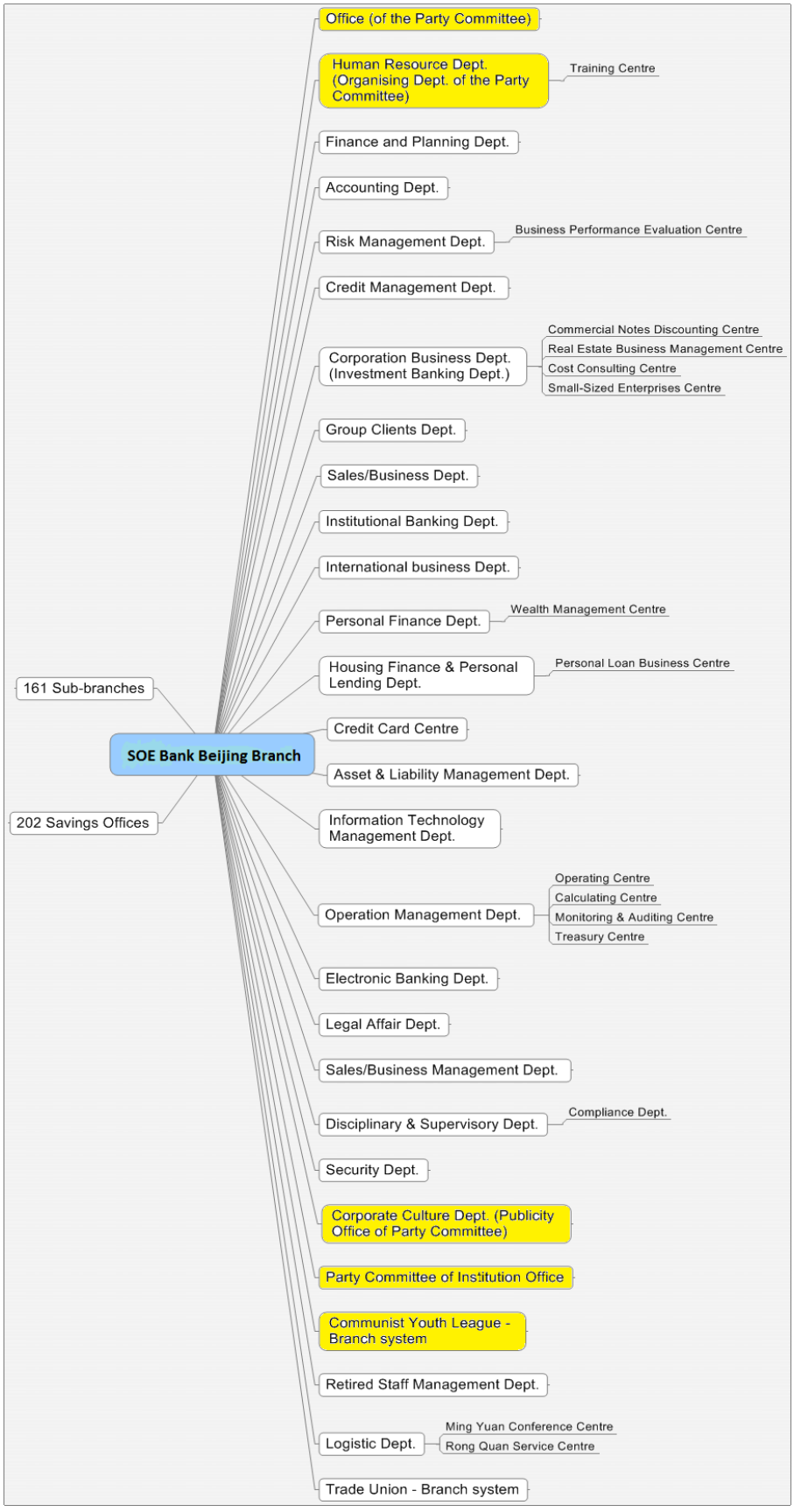
In SOE Bank, senior managers were selected by the central government to fill positions at the highest levels of the managerial hierarchy. This means that the Party gets to decide who becomes president, chairman or chief supervisor, none of whom in consequence are elected from the bottom up or progress through promotion or direct recruitment in a conventional western fashion.

However, outside the headquarters and among the branch banks of SOE Bank, the

style of management was still strictly a dual-administrative affair. From Figure 6-2, managerial and business departments inside this bank (Beijing Branch) can clearly be seen operating at a parallel organisational level to that of the Party Committee (highlighted departments). Even so, the existence of this dual-administrative system was problematic. For example, the HR manager at SOE Bank said:

> '*It's very hard to keep the Office of Party Committee, the Publicity Office of Party Committee, and the Communist Youth League at a balance with the other managerial, business and operational departments, especially since there is no way to quantify the achievement and evaluate the performance of these offices of the Party Committee. However, due to the absolute leadership of the Party, you cannot make them lower than the others in the hierarchical structure*'.

Figure 6-2: Organisational Structure of SOE Bank Beijing Branch – Horizontal division of labour



b. Organisational design

Apart from SOE Bank's dual-administrative system, their HR manager also provided a systematic rundown of the structure of the company's organisational design and general management system. Accordingly, a mechanistic design has for some time been adopted as the primary mode of management in state-owned commercial banks. This mode of management emphasised hierarchical levels and tight control and required that power be exercised from the top down, from the headquarters to the branches and to various other sub-branches.

Apart from SOE Bank's mechanistic design, another management style based on a division of labour, different categories of business, and various levels of risk was also partially in use to assist in the execution of the former. As the HR manager reasoned in the interview:

> *'The mechanistic design is not professional enough nor detailed enough to cover the whole structure. Nowadays, the management system here tends to shed more light on horizontal specialisation. However, due to the long history of hierarchical management in China, though it is at the stage of transition to organic design by emphasising horizontal specialisation and functional departmentalisation, the mechanistic design is still deeply embedded in the management of state-owned commercial banks in China'.*

The HR manager also pointed out that one of the major problems with this hierarchical management structure, with its great number of levels and increasing degrees of specialisation with responsibilities that overlap each other, was poor horizontal communication and a lack of efficiency in decision-making processes.

> *'It always takes a long time to make a decision. For example, if we want to*

slightly change a part of our HR regulation we have to make a report first, submit it to all the levels above our branch HR department, and get all the signatures and stamps from different managers in various departments. It can take a very long time to get through this procedure. Sometimes you think it's unnecessary, but nobody wants to risk being responsible for the potential problems that arise. Thus everybody just wants to get approved from their supervisors. That's why we need to collect all the signatures'.

Therefore, although the management system has undergone a series of changes, there were still problems that require attention. 'This kind of structure is not conducive to good communications, a broad corporate perspective or a willingness by employees to accept responsibilities outside a narrowly prescribed field' (Child 1991: 95).

6.2.2 HRM strategies

Over the past three decades, human resource management in China has undergone a series of transformations. These are considered below in relation to SOE Bank. The HR manager from SOE Bank Beijing branch introduced some details of human resource management, notably in terms of recruitment, labour contracts, training, and the wage and promotion system in SOE Bank.

a. Recruitment

The process of recruitment in SOE Bank was mainly divided into three parts: an online application, a paper-based exam, and two rounds of interviews. The exam was used to examine candidates' general competence, professional knowledge and foreign language skills, whereas the interview process was intended to directly test an applicant's social skills, intellect, professional accomplishments, and cognizance

of the organisation. The process of recruitment also involved some psychological testing, covering personality and characteristics test.

As was stated previously, for the last five years SOE Bank has adopted a policy of only recruiting new graduates so as to provide a means to absorb the overwhelming number of graduates produced by universities each year in China. However, there were some other factors to take into account that also impacted on the recruitment process. The HR manager at SOE Bank gave a number of alternative reasons why this state-owned commercial bank has only employed new graduates during the last five years. They are as follows: First of all, '*New graduates without any working experience can be considered "a piece of blank paper", which is easier to shape into the way you want'*. Secondly, '*social recruitment*[10] *is more costly, while handling the basic level of the work can be trained in a short period of time. It is not necessary to cost too much on social recruitment*'. He explained that training new graduates to master the frontline job was much more cost-effective than carrying out social recruitment process. Thirdly,

> *'SOE Bank's low turnover rate reduces the bank's demand for greater in-take of employees. Thus the annual campus recruitment fair already offers a perfect enough supply for our demand'*.

Moreover,

> '*mid-level managers are internally selected from bottom up, and candidates for each post are all from our bank. We want these managers to have gained*

[10] Social recruitment, (社会招聘) other than campus recruitment (校园招聘) where new graduates being recruited, refers to the type of recruitment when candidates are not new graduates, usually with employment experiences.

more experience in different areas of our bank from the bottom level, which makes them more familiar with the way in which the system operates and also with our corporate culture. We used to recruit externally, turning to head-hunters, ask them for candidates for some managerial posts at the middle level or even higher, but this proved to be unsuccessful. They had experience, but were not suitable for our bank. Thus we stopped doing that.'

Last but not least,

'*managers at the highest levels are all centrally allocated by the government, meaning there is no need to take a higher-than-usual risk and spend more money to use head-hunters to fill these posts*'.

b. Labour contract

The old employment system of SOEs - the so called 'iron rice bowl' of life-long employment, income and benefits - has now been replaced by the labour contract system for both managers and workers. In the case of SOE Bank, once the candidates were hired, the labour contract would be signed in two ways according to the employee's highest degree: three years labour contract for Bachelor degree, five years for Master degree or above. Extension of the first labour contract meant adding another five years. After that, they would be employed according to an open ended labour contract.

c. Training

According to the senior HR manager, the training of employees in SOE Bank can be categorised according to three levels: trainings organised by the internal training centre, external training sessions from famous universities and professional training institutions, and training resources located abroad as well as exchange programmes

with banks that qualify as strategic and co-operative partners. The various three levels of training were open to employees based on cost and funds, and on the level of the post/position they occupy in the company. In this sense, the type of training was a function of the position/post itself, rather than of the employee's individual status. Internal training was available for all employees. For instance, the orientation and induction training was mandatory for all. External trainings, by comparison, were mostly intended for higher level personnel and foreign training and exchange programmes are exclusively for senior managers.

According to interviews with the graduate employees in SOE Bank, orientation training was regarded as useful, necessary and efficient. All the interviewees, regardless of being returnees or local graduates, reported specifically that the one-to-one orientation training had been one of the most helpful factors during the adjustment period. The instructors allocated for the new employees helped them to better adapt to the newness of the working environment, not just in terms of added help developing professional skills and knowledge, but also (and perhaps more importantly) in terms of their ability to integrate socially.

> *'Usually, they* [the instructors] *are very patient. Whenever you have problems or you don't know what to do, you can always ask your instructor…This one-to-one coaching is very important for me to be able to adjust properly to the new job. It makes it a lot easier for the new employees to fit in in the new environment.'*

This was what Tao said when asked how she managed to adjust to the organisational setting over a short period of time (one to three months). Similar

things were said by most of the interviewees, which implied that this one-to-one coaching at the beginning of a person's career played an important role in helping new employees to integrate in different working environments. However, some of the employees also expressed a desire for better-quality training.

> *'Learning how to count money fast is not enough for me. Once you finish the basic steps, there is not much* [*training*] *available. If you want to learn something, you have to find a way to learn it on your own. Our bank doesn't have many resources for us.'*

Ning, a returnee who studied in Germany for four years, complained about the lack of quality training in SOE Bank, which was reported as a source of job dissatisfaction. This will be further discussed in Section 8.4 in Chapter 8.

In conclusion, one of the characteristic problems of training in SOEs in China summarised by Cooke (2005) is evidenced by SOE Bank's training style, which is the 'elite system in which the more education and training one receives, the more one will (be expected to) have' (Cooke, 2005: 101). Although basic orientation training for employees in SOE Bank seems successful, to qualify for management and professional training and development one must already be at a managerial level, and therefore then given far more priority than lower-level employees.

d. Wage and Promotion System

According to the interview with the HR manager, the wage and promotion system in this SOE Bank can be also labelled as characteristically Chinese. He explained the pricing of the total wage for each year:

'For SOE Bank as a whole, the pricing of annual total wage is regulated by the Ministry of Human Resources and Social Security, by which the growth rate is constrained, while the redistribution by the branches is mainly based on the fixed total amount from the headquarter, last year's performance and previous pricing experiences. The key criteria for the evaluation of company performance are EVA[11] [Economic Value Added], KPI[12] [Key Performance Indicator] and the number of newly recruited employees for each year.'

From his interview, it appeared that due to the absolute leadership of the Communist Party of China, SOE Bank was highly influenced by various government policies. Thus the government played a crucial role in the establishment of SOE Bank's employee reward system. The organisation did link to the market, as it is a listed company in Hong Kong and Shanghai stock markets since 2005. It was accountable to investors and share-holders from the market rather than solely to the state. Wages also took note of EVA and KPI. Nevertheless, it was not fully market-oriented, considering that the fixed total and growth rate of wages were all highly dependent on government regulation. The HR manager also explained that '*the present reward system has been established according to state policies and plans and only aims to balance cost with profit from within the organisation.*' The system has been built up with the intention of maintaining a balance within the bank itself, rather than in connection with the market. The salary levels were made internally, and did not follow changes in the market. '*We have to admit that so far we don't really have a market-oriented salary system*', said the HR manager.

[11] Economic Value Added or EVA, is a measurement of one company's economic profit, which is the value produced in excess of the required return of its shareholders.
[12] Key Performance Indicator (KPI) is industry terminology for organisations to evaluate their success.

Figure 6-3: SOE Bank Beijing Branch organisational structure – vertical hierarchy

SOE Bank Beijing Branch		
Bandings	*Administration*	*Sales*
4	Branch Manager	
5	Vice Branch Manager	Senior Customer Relationship manager
6	Departmental Manager/ Sub-branch Manager	Advanced Customer Relationship manager(1)
7	Vice Departmental Mg./ Vice Sub-branch Mg.	Advanced Customer Relationship manager(2)
8	Line Manager/ Sub-branch Departmental Manager	Customer Relationship Manager (1)
9	Sub-branch Departmental Manager	Customer Relationship Manager (2)
10	General Staff Class 1	Customer Relationship Manager (3)
11	General Staff Class 2	Customer Relationship Manager (4)
12	General Staff Class 3	Assistant
13	General Staff Class 4	Assistant
14	General Staff Class 5	Assistant
15	General Staff Class 6	Assistant

As for the finer details of the wage and promotion system in SOE Bank, the HR manager provided some general information. To begin with, there were 15 post bandings and 67 salary scales covering the whole structure of this bank in China (see Figure 6-3). Beijing Branch began the highest level from Banding 4.

According to ‘years worked’ in this bank, employees with a post level below seven were upgraded on the salary scale by one year. However, after post level seven, upgrades in salary occurred less frequently, happening only once every two years. The promotion between different post levels was based on evaluations of working performance, and there were two ways in which to get promoted. The most common way was for a candidate to be referred for a vacant post by the post manager. The HR department then acted to evaluate the suggested candidate and made a decision. The less common way involved the open selection of certain post once or twice a year. Information regarding a vacant post and its criteria were released by the Human Resource Department and employees then applied for it. Both of these processes of promoting staff were based on a quantitative performance index and qualitative evaluation. Quantitative performance index was adopted to evaluate to what degree one achieves their target, such as a sales target. The qualitative evaluation examined a candidate’s performance from different people’s perspective. They were judged by both their supervisors and subordinates on their effectiveness in all areas (Meng, 2000: 83; Walder, 1989).

This promotion system in SOE Bank can be deemed representative of promotion in SOEs in China, since it is greatly in line with former literature and studies (Child, 1991; 1994; Warner 1996b, 1996c, 1995; Cooke, 2005) on management in China: ‘Promotion tends to depend on length of service and compatibility with the organisation as a social unit. Performance criteria include socio-political aspects as well as economic ones’ (Child, 1991: 95).

e. HR manager's evaluation of HRM practices

The HR manager expressed his ultimate views on the advantages and disadvantages of human resource management in SOE Bank. The following are what he considered advantages:

> *'Firstly, the high level of job security means it is easier for the company to develop long-term plans which will not be disturbed or interrupted by changes in the rate of employment. Secondly, compared to the short-term benefit, employees will value more long-term benefit. Thus, it will minimise the extra unnecessary cost resulted from the pursuit of short-term benefit. Thirdly, job stability also contributes to a high level of cohesion among employees, which encourages them to face and overcome different problems. Employees in SOEs are more likely to feel safe in terms of job security.'*

Alternatively, a disadvantage was that

> '*SOEs are usually conservative and less open-minded, looking for stability rather than creativity and innovation. Thus we are not so good at innovating knowledge and skills and tend to suffer from a lack of creativity. This increases the demand for fresh blood, which tends to inspire the aging human resource management system to improve*.'

With regard to the HR manager's identity and status in SOE Bank, his comments on the advantages of HRM in China may be considered more accurate than his opinions about disadvantages. Since he occupied a senior management position in one of the biggest state-owned commercial banks in China, when facing an academic researcher he may have been concerned about the company's public image. His thoughts on the weaknesses of management in SOEs in China, therefore, possibly underestimated the extent of the particular disadvantages he mentioned and were sometimes leading to a paradoxical situation. He stressed the demand of

fresh blood by the ageing and conservative system. New graduates may bring in creativity and innovative thinking to this environment. On the other hand, the very first reason he gave for exclusive recruitment of graduates without employment experience was that they were supposed to be 'easy to shape', which indicated a scenario where fresh blood being trapped and melted into the rigid surroundings rather than bringing in the freshness.

6.2.3 Organisational culture

This section expands upon the organisational culture inside SOE Bank. All the interviewees from SOE Bank were questioned about their experiences of the bank's corporate culture. To begin with, accounts from general employees will be looked at. This is followed by the perspective of the senior HR manager.

a. From the experience of Employees

Based on the interviews with SOE Bank's employees, the bank's organisational culture contains three aspects: 'risk control', 'team work' and 'innovative thinking'. First of all, risk control was highly valued in SOE Bank. '*Steady'* and '*conservative'* were the two words mentioned most by interviewees when they were asked to describe the organisational culture in SOE Bank. As Ning described,

> *'I think this bank is going for steady advancement and is rather conservative in terms of development. This is what I've experienced here. The bank maintains strong control over risks. Risk is the major premise'.*

Secondly, team work was highly recognised as a primary dimension of the bank's

culture. Ling said, '*the whole atmosphere is very positive. Team work is highly valued*.' She said she enjoyed this positive working environment, and her thoughts were echoed by Rui's view. Rui said, '*I feel like this is a place for collective effort, and is clearly goal-oriented. I think the bank is very concerned with job satisfaction of employees.*' The high value attributed to team work may have something to do with traditional Chinese cultural values, i.e. collectivism and harmony.

In addition to the bank's preoccupation with risk control intended to achieve steady development, and also clear goal-oriented team work, innovative thinking was an aspect repeatedly raised by employees who considered this one of the distinctive cultural features of organisation in SOE Bank. Yue, who worked in the personal banking sector, argued that her department underlined innovative thinking as essential since personal banking was entirely customer-oriented and innovation was thought to contribute to the production of the increasingly better services needed to survive in a highly competitive environment.

> *'Innovative thinking is usually seen from customer services. Sometimes, you have to work out some new ideas. Maybe it's not successful the first time, but when you raise new ideas, supervisors will pay more attention to them. They'll ask you to try it out first. If it works, then it's great. But even the effect turns out bad, supervisors would always encourage you to raise more suggestions. Because nowadays there's fierce competition between banks in the personal banking sector, each bank has to develop services innovatively. Otherwise, if it's too formalized, you'll lose your competency'.*

Apart from the existing three cultural dimensions raised above, there was another interesting phenomenon that deserves attention. Out of 11 returnee interviewees, five of them refused to answer questions concerning organisational culture. Some

found they had nothing to say, while some thought organisational culture too sensitive a topic to talk about. Compared to the response rate of all of the questions on the questionnaire, the question concerning organisational culture had the lowest number of responses among the participants from SOE Bank. Again in comparison, interview respondents from MNC Bank did not mind talking about the organisational culture at all. No one from MNC Bank avoided or attempted to avoid questions about its corporate culture. This will be further discussed in Chapter 8. The following section is put forward from the HR manager's point of view of organisational culture in SOE Bank.

b. From the perspective of the HR Manager

Before introducing the HR manager's perspective, it is useful to note the official literature published by SOE Bank concerning its own corporate culture. According to *The Corporate Social Responsibility Report 2009*, SOE Bank's corporate culture was consists of a vision, a mission and some core values. They are listed in English and reproduced below:

> *'Vision: To be a pioneering force during China's period of economic modernization, always striving to the status of a world-class bank.*
> *Mission: To provide better services to our clients and customers; to increase value for our shareholders; to build up broader career paths for our associates; and to assume full responsibilities as a corporate citizen.*
> *Core Values: Integrity; Impartiality; Prudence; Creativity. '*

During the interview with the senior HR manager, he gave a rather detailed but official account of the company's core values.

'Yes, "Integrity, Impartiality, Prudence, and Creation": these are the core values of [SOE Bank]. They provide spiritual motivation and cultural support for [SOE Bank] in its mission to become a first class bank in the world-banking market. Integrity refers to the professional moral code of employees here. Impartiality is to foster cohesion between all the employees here. We strive for prudence in execution, and to be creative and innovative in order to strengthen competency. I think these core values have been widely recognised and taken up by the employees here. Setting these things as the foundation of the culture here at [SOE Bank] is a very important strategic move. We also have a systematic mind-set in terms of management, service, risk control and talent. Management is market-oriented and customer-centred. When it comes to the services that we offer, the customer is number one and should be treated with etiquette. Concerning risks, it is necessary for us to have a good understanding of our client-customers and the market, and to focus on the key points [integrity, impartiality, prudence, creation] *as a team. For talent evaluation, we value comprehension coupled with efficient and practical working performance.'*

SOE Bank's HR manager then proceeded to offer a more detailed interpretation of the bank's core value system by breaking down its slogan into components and discussing each individually. He explained that impartiality was deemed to be a key part of the moral code for employees to abide by. In order to develop and maintain cohesion amongst employees, all should be treated impartially, which yielded a fair and unbiased working environment for everyone. Although this senior HR manager gave a rather detailed explanation of each core values, it still sounded rather dogmatic and lack of connection to the reality. Therefore, I asked him how these cultural dimensions have been applied in day-to-day practice. He answered in the following way:

'[SOE Bank]'s corporate culture - its strategic vision, mission, core values, and also its mind-set - have already been made to form an integrated system, which has since been recognized from top to bottom. But when it comes to how these cultural dimensions are actually implemented and applied relative to

operations in the bank, there's still something of a gap. They still need time to translate in practice, and into every employee's mind. There is still some weakness in the link between the [SOE Bank]'s ideals and its practice, in terms of employees' likeliness to exhibit these values spontaneously during daily work.'

The HR manager admitted that although the bank's corporate culture had already been systematically established, integrated and settled, there was still tension between theory and practice in the realisation of the company's ideals. With regard to continuing attempts to help bridge the gap between ideal culture and [SOE Bank]'s daily operations, he had this to say:

'Between the orientation training…and daily routines, there are also some tangible things going on, such as the organisation of seminars,…topical columns in the bank's magazine, or some themed activities, etc. We use all of these to try to input SOE Bank's corporate culture into the employees' minds. We try to influence the employee in a subtle way, which helps lead to a more integrated and culturally inspired working atmosphere.'

To sum up and combine the perspectives of both employees and the HR manager, it can be said that some of the official cultural dimensions from SOE Bank's publications have been felt and carried through to employees' everyday work. Yet the HR manager recognised a gap between culture in theory and culture in practice. However, he hoped that training and other various other activities might be an effective way to bridge this void.

6.2.4 Summary

In conclusion, SOEs in China share similarities with other share-holding companies with regard to their desire to enhance corporate and market value, minimise

enterprise risk, and improve profitability and core competitiveness. This is especially true of state-owned commercial banks. SOE Bank – one of the five largest state-owned commercial banks in China – is an example. Drawing on the examination of the dual administrative management models, the mechanistic design, the rationale of HRM and social responsibility shouldered in the SOE Bank, it started to question the applicability of convergence theory, as the core essence of the management hierarchy, the control from the government, had never loosened. Rather than fading out, the power from the central government was actually hidden behind and reinforced by the management model. However, this was not to say that 'relative convergence' theory was not completely applicable, nor the trend of westernisation.

6.3. Organisational setting in MNC Bank

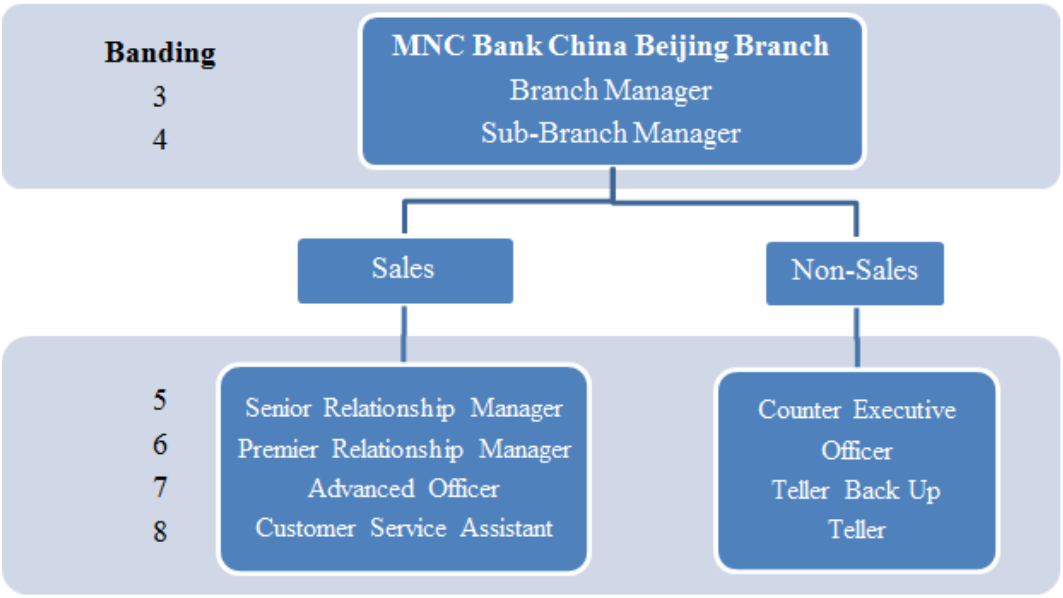
This section explores the organisational setting of the multi-national bank, MNC Bank, looking particularly at its organisational structure, the strategies it used to manage its human resources, and its organisational culture. The majority of this section is similarly based on interviews with both employees and managers inside the bank. The first subsection begins by illustrating the structure of the organisation in terms of its vertical hierarchy and its horizontal division of labour.

6.3.1 Organisational structure

Despite Figure 6-4, which only covers MNC Bank's Beijing Branch, MNC Bank as

a whole contained nine bandings, from zero to eight, constituting a vertical hierarchy. Banding level eight represents entry level - the lowest level - in contrast to zero which contained only CEOs at the top of the hierarchical structure. As for MNC Bank China, the top grade was banding level two, which only existed in MNC Bank's Shanghai branch where the headquarters were located. As opposed to Shanghai, the Beijing branch (see Figure 6-4) contains only 6 bandings, from banding level three to banding level eight. Banding level three was occupied by the Branch Manager, followed by the Sub-Branch Manager (four), and in Sales the Senior Relationship Manager (five), Premier Relationship Manager (six), Advanced Officer (seven) and Customer Service Assistant (eight). In Non-Sales, the Counter Executive, Officer, Teller Back-up and Teller similarly occupy bandings eight to five.

Figure 6-4: Organisational structure of MNC Bank China Beijing Branch – vertical hierarchy



From Figure 6-4, it is evident that, compared to the 12 post bandings in the SOE

Bank Beijing Branch, MNC Bank Beijing Branch had a flatter hierarchical structure. The number of bandings in MNC Bank was only half of the number contained in SOE Bank. Concerning the horizontal division of labour in MNC Bank (see Figure 6-5), the structure of MNC Bank was more compact than SOE Bank.

Figure 6-5: Organisational structure of MNC Bank Beijing Branch – horizontal division of labour

MNC Bank Beijing Branch										
Commercial Banking	Finance	Global Banking	Global Transaction Banking	Human Resources	Learning & Development	Legal & Compliance	Marketing	Retail Banking and Wealth Management	Risk	Technology and Services

6.3.2 HRM strategies

For purposes here, HRM can be discussed according to recruitment, training, salary and promotion. The following describes these with reference to MNC Bank.

a. Recruitment

Recruitment can be considered a foundational starting point in a series of processes

of human resource management. During recruitment, candidates were required to fill out an online application form, attended an interview, pass a paper-based exam, and, lastly attended another ('last round') interview. In MNC Bank, this recruitment process was conducted with one of two aims: 1) to look for general staff, or 2) to find potential candidates for the so-called 'Banker Development Programme'. The first was open to both graduates and candidates with previous work experience, while the latter was reserved for training graduates exclusively to become management trainees. Vivi gave a detailed explanation of this second process:

> *'MNC Bank has a set programme called BDP - Banker Development Programme. This programme is only open to recently graduated graduates. Of course, internal staff sometimes gets the opportunity, but it's very rarely the case. The programme aims to create "management trainees". Normally the application process starts at this time of the year [November], and it's a 2-year programme. Once you're recruited, you will rotate between different posts in order to learn all different kinds of business. During this period of time, trainees do not take on any of the real responsibilities of each position, and there isn't huge pressure. At the same time, it's well paid. After you finish the programme, the bank will determine which post is the best for you.'*

According to her statement, the BDP was in place to train and reserve management talent. Vivi also explained the difference between management trainees and general staff according to the application process:

> '*General staff like us can just submit a CV to HR, and then HR will see if there's any post available. If there is, you will be asked to attend interviews. This process is often determined by the head count of each recruiting department and its human resource needs. As a result, general staff recruitment takes place across and at any time of the year, since whether or not recruitment is "open" depends on the spaces that gradually become available as the year goes on.'*

b. Training

Based on the two systems of recruitment discussed above, training can be split into two categories: training for general staff, and training for management trainees. The latter were recruited into the Banker Development Programme (BDP), and generally had more opportunities to receive better training. A returnee interviewee, Jess, was one such individual selected for the BDP and had already been a management trainee at MNC Bank for two years. As a result, her experience enabled her to provide more information about the type of training available on the programme. To begin with, Jess said that the BDP first involved an intensive, two-week training period that constituted trainees' general introduction to the company, the kinds of business that the company engaged in, and the various posts that they would experience during the programme. Following this, the management trainees went through a period of rotation between different departments in the company, and this lasted for 10 months. Next, they had to engage in more in-depth training. Lastly, '*after the in-depth training, we were sent to branches abroad. For example, I just came back from Singapore. This kind of overseas working experience lasted for up to six months.*'

In summary, the BDP consisted of two-week intensive introductory training, a 10-month rotation period, an added month of in-depth training, and overseas working experience. Jess made it clear that this training procedure was exclusively for management trainees in the BDP, and that general staff would not be offered the

same opportunities.

Concerning general staff, the training opportunities afforded were comparatively limited. Interviewees also described the quality of the limited training available as questionable. There was induction day training for all new employees starting work at MNC Bank. In addition to this one-day training period, general staff also had the option of taking team-building type trainings. However, the quality of these trainings in particular was placed in doubt by some of the interviewees. Maggie in particular described her experience of induction-day training as somewhat disorganised, especially for new employees working in small sub-branches.

> '*You know what, HR called me the other day and asked me to take the induction training next Friday. Seriously, I've already worked here for almost five months. Now they asked me to take the induction training? It's supposed to be taken on the first day.*'

Maggie also complained that opportunities for her were limited since the sub-branch she works in was relatively small, and as a result dependent upon larger sub-branches for its training needs. By association the rate of recruitment of these larger sub-branches then determined the training schedules not just for those branches, but for smaller branches and for individuals like Maggie as well. Next to this, induction trainings appeared to be more of a bureaucratic necessity than an actual assist for new employees, and pales in comparison to the type of training that could be offered by larger departments.

In conclusion, management trainees were given relatively substantial, intensive and

well-organised training opportunities of different shapes and forms, whereas general staff complained that, by comparison, their training was limited, badly executed, and not particularly useful or fit for purpose. In the next section, we discuss the wage and promotion system in MNC Bank.

c. Wage and promotion system

The wage and promotion system is a major part of the machine of human resource management of banks. Unfortunately, I did not have a chance to interview the HR manager in MNC Bank. However, I was able to interview the Assistant President as well as graduate employees.

Wage system

According to the Assistant President, the criteria that set salary levels varied in two ways between new graduates and employees recruited with relevant working experience. '*For the new employees, if it's new graduate, we have a fixed rate of salary. But for those being recruited with relevant working experience, it will vary case by case.'* Unlike SOEs, which maintained fixed rates of salary for all employees, MNC Bank's wage system contained spaces for the negotiation of particular individuals' salaries, although new graduates still had to follow the fixed rate.

Promotion System

In addition to the salary system, the system of promotion in MNC Bank was also very different from that in SOEs. The Assistant President similarly provided

information about this in MNC Bank.

> '*For one's promotion, we will hold a meeting with the whole team in order to evaluate his or her working performance. The manager will collect all the comments from each team member and write a reference letter and submit it to HR and ask HR to set the banding and salary.*'

I then asked him whether the employees themselves could take matters into their own hands and apply for promotions into specific posts:

> *There were cases like this before. In theory, everyone has the right to apply for promotion. However, in practice, the company also has the right not to accept you. Therefore, it's still the case that each department submits the open posts to HR. HR will provide candidates, then we can take those we think are suitable for the job. Usually, the important departments will have the first pick, and the rest of the candidates will be selected by the less important departments.*

Judging from the Assistant President's overview of the promotion system in MNC Bank, we can conclude that, unlike in SOE Bank, where promotion was based on years worked and working performance, MNC Bank's system of promotion was highly determined by the level of demand for employees and the availability of posts in each department. This conclusion is also evidenced by interviews with employees in MNC Bank. Concerning the usual process of promotion, I asked employees whether they were being promoted according to length of employment. Without exception, all of the interviewees said that the length of employment was not a decisive factor in the process of being promoted. Tony remarked that

> '*It took one person seven years to get promoted to a particular banding, but for another, it only took one year. Of course, the longer you work here, the higher your chances of being put up for promotion. Yet, I don't think time has much to do with promotion overall.*'

While Tony suggested that the time it took for one to get promoted was not highly dependent on length of employment, Jess indicated that post vacancies were more of a decisive factor for those seeking promotion.

> *'There are no knowable standards, and it would be difficult to say otherwise. The difference from one department to another, from one post to another, is huge. Performance also varies in different ways under the leadership of different managers. However, if there is one standard, it's that if there's no-one leaving, no post available, then no-one gets promoted.'*

In addition to this procedural process of promotion, however, there was another way in which individuals might be promoted in MNC Bank, that is to say, through the 'talent pool' uncovered in the following section by Cathy.

Talent Pool

According to Cathy, there was a so-called 'talent pool' for HR to draw employees from to be promoted into managerial posts.

> *'Here* [in MNC Bank], *HR has a "talent pool", which means that before any employee is promoted to a new post, they must go through a kind of "testing" period to ascertain their suitability. Before you get into this talent pool, you need to go through interviews with HR and the sub-branch manager in order that they know what kind of post you're looking to apply for. For example, if you want to be promoted to the managerial level, then you need to explain why it is that you want to and what your advantages and disadvantages are. There will be a series of tests to ascertain this, where you often need to explain what type of management plan you would carry out* if *you got the post, and so on. After these kinds of interviews, HR will pool together a certain group of people as candidates and create a "talent pool". These candidates will then be asked to participate in training and in turn will be observed and evaluated. Of course, those who have been recruited into talent pool are already considered as being basically qualified. However, extra professional training is intended to make them even better prepared.*
>
> *So, if there's a new sub-branch being launched somewhere, and needs*

someone to take managerial posts there, then there will be two possibilities for this group of people – this "talent pool". One is that HR will instead recruit someone from outside; someone with abundant management experience. Or they will choose a candidate from talent pool. But then there will be more interviews with branch manager, since each manager has different taste and is looking for different kinds of people.'

Based on this description of MNC Bank's 'Talent Pool', combined with other HR strategies, it is clear that MNC Bank underlined the storing of talent for HRM purposes. In deploying human resources in various ways, from BDP training for management trainees to building up of the 'Talent Pool', MNC Bank has made efforts to keep an army of reserve talent in training for the organisation. After introducing the HRM strategies in MNC Bank, the following section will shed light on the organisational culture.

6.3.3 Organisational culture

a. 'Stingy'

'Organisational culture? What can I say? It's very stingy…It's a little bit similar to Huang Pu Military School[13]*: it doesn't treat talent very well, but the working environment is great. So it makes me feel it's very stingy. The pay here must be the lowest in the banking sector. Maybe it hasn't reached even half the average banking sector pay. Yet the standards here are definitely top.'* Tony said.

Tony said that MNC Bank provided a working environment of better quality and higher standard, since MNC Bank was the world top ranking bank, which allowed the employees to have abundant resources in terms of social networks and access to knowledge of different kinds of sophisticated financial products as well as the

[13] Huang Pu Military Academy was an officer training academy founded by The Nationalist Party of China in 1924. Over the course of many wars, including the second Sino-Japanese War and Chinese Civil War, the academy produced many prestigious commanders to serve China's army.

operations of various types of business. At the same time, he was of the opinion that individual talent did not equal expected pay. It would appear that employees who work in MNC Bank were forced to trade a higher income levels for a better working environment

> *'Why do we call it Huang Pu Military Academy? It's because here, like the military academy, is a place where talent is trained and produced. Once you've learnt what's required, you graduate.'*

And so Alex explained the reason behind MNC Bank's nickname. Unlike other workplaces, where you made money based on your performance, MNC Bank was a place where employees made use of rich resources to gain more experience in exchange for lower pay. It is believed by participants that once employees acquired the necessary experience from MNC Bank they would have a greater chance of 'graduating' from the bank, to be promoted into another. On a typical person's career path, MNC Bank was likely to serve as a staging post from which to acquire skills and experience before moving to somewhere new (and potentially better paid).

b. Internal control – conservative

Apart from complaints about the mismatch between workload and pay, MNC Bank was praised by some employees for its strict internal control mechanisms. These internal control mechanisms were recognised as being particular conservative, especially for a multinational bank. Speaking of internal control, Tony said:

'*Yes, I think as a bank, the internal control in MNC Bank can be deemed the*

best. I think the risk control here is very good. Whatever they do, they must do it cautiously. In fact, in terms of professional code of conduct, every bank should be like this.'

Betty and Sisley also agreed on this point. Betty said:

'*Here everything is very standardised. Every single procedure is very clear. Internal control is well-done. You see other multinational banks that get caught or something, but MNC Bank has basically never had big issues with things going wrong. It's because every official paper that is produced by MNC Bank has to be signed by different people in order for its policies to be in effect.'*

Sisley gave an example to explain how conservative it was in MNC Bank:

'*Internal control here is very strict. It's not at all radical. They try to keep risk to a minimum. For example, if the SAFE (State Administration of Foreign Exchange) releases something which the bank has the option of carrying out, then in most cases MNC Bank would rather choose not to do it. It's just conservative in this sense*.'

When asked if it was easy to fit inside this kind of cultural environment, Sisley answered:

'I think for young people this is a very good opportunity for them to learn things. It's like everything you learn is learnt in the most vigorous and complete fashion. Teaching is structured and standardized in the most extreme way. This is very good for freshers. but if it's someone joining MNC BANK with many years working experience, he/she probably thought this would be too rigid. Perhaps not flexible enough.'

c. A fair working environment

It has been also suggested that fairness was a primary aspect of organisational culture in MNC Bank. Vivi said:

'*The environment here is relatively fair. I think one of the most important*

reasons for this is that here there is little incentive. This increases the chances that the professional moral code will be kept, as well as interrelationships improved. We won't only go for sales, focusing only on the money. Thus the whole atmosphere is friendlier. We won't use sales figures as the only measurement criteria by which to evaluate people here. Of course, sales are still a crucial part, but it doesn't mean everything….Apart from sales, evaluation is based on the help you offer to your colleagues, responsible team work, and also the professional code of conduct.'

Vivi believed that the more just and comprehensive method of evaluation at MNC Bank contributed to a higher degree of fairness and friendlier atmosphere among employees. Cathy also shared this view:

'*The style of MNC Bank has always been rigorousness and cautiousness. The bank always follows the regulations step by step when it comes to decision-making. This signals to employees that they should not seize any chances by trickery, helping to create a fair and just platform. In addition, communication within or between each department is relatively effective and harmonious. Managers don't develop haughty or bureaucratic airs.*'

Cathy attributed this fair and just platform to a strict and rigorous style of management, whereas effective and friendlier communication within and between departments was seen to have partly resulted from the characteristics of the managers themselves. In addition to fairness being suggested as an aspect of organisational cultural in MNC Bank, Helen also raised a point about the change of managers or colleagues having a certain influence on the colour and the shape of the working environment together with its corporate culture.

'I have two points. Firstly, in this bank, how much effort you make determines how much you gain. This is very fair and just. Secondly - and I think this may apply to any corporation - it's once there's a change of manager or colleagues in your department that the style of management and the working environment accordingly is altered. When this happens, you have to adapt along with it, and absorb yourself in the change. This is a very subtle thing, but since you asked I

might as well mention it. Overall, this is not a huge part of organisational culture.'

Although Helen admitted that changes in the style of management or working environment (consequent of changes in human resource arrangements) were a subtle and small part of MNC Bank's corporate culture, it was noteworthy that this corporate culture was tied the personal style of its managers to the people who worked on the floor.

6.3.4 Summary

Based on the interviews with the manager and employees from the MNC Bank, the rationale for MNC Bank to recruit and deploy Chinese graduates is apparent. MNC Bank targeted talent, preferably with previous experience in the banking sector, who had the potential to be rapidly productive. In order to be cost-effective on human resources, training strategies varied depending on types of employees. Better quality and better organised training opportunities were provided exclusively to graduates recruited for the BDP, which aimed to preserve talent to become management leaders in the future. Comparatively speaking, training for general staff was routine and generic.

However, in general, the working environment had been praised by employees for being resourceful and practical, as graduates had a chance to access the knowledge of sophisticated financial products and the details of process of various business operations. To compensate for the cost of training and providing a resourceful work

environment, the pay for early-stage graduates was rather low compared to the average in the banking sector. This was a rationale for the cost control of human resources, but a consequence of this strategy was the bank's high turnover rate. The high turnover rate could also result from the unpredictable chance of promotion due to its flat organisational structure. Thus high turnover rate could become a major concern for MNC Bank in terms of the design of their HRM strategy in the future.

6.4. Conclusion

This chapter has closely examined the organisational settings of SOE Bank and MNC Bank, to answer questions posed in the introduction. It is concluded that westernisation and corporatisation in the case of SOE Bank is limited due to the fact of heavy involvement of the Party in its structure of corporate governance. Granted, the bank reformed itself as a shareholder's listed company, making it appear corporate and market-oriented, but the most powerful shareholder was still in fact the government, and this had implications for the validity of convergence theory. Not quite exemplifying 'convergence', the SOE Bank was highly constrained by government command and policy. By contrast, MNC Bank was much more market-oriented and profit driven. Consequently, the HRM strategies and organisational culture were very different from SOE Bank. Since the underlying aim of this chapter is to explicate an understanding of the different types of organisational contexts available in Chinese graduate employment, this section's conclusion will also compare and contrast these two settings in terms of their

impact on graduates' career trajectories.

First of all, compared to the 12-banding vertical hierarchical structure and the 28 departments of the SOE Bank Beijing Branch, the 6-bandings and 11 departments comprising the organisational structure of the MNC Bank look much more clear-cut and straight forward. Yet, when the scale and size of each bank is taken into account, the highly multi-layered structure of SOE Bank does make sense, as it has to embrace over 10,000 employees and 161 sub-branches. This structural design difference can also have an impact on graduates' career paths, which will be discussed further in a later paragraph when analysing both companies wage and promotion systems.

In addition to their organisational structures, HRM in these two banks clearly operated according to very different strategies. Unlike SOE Bank, which recruited new graduates exclusively, recruitment in MNC Bank was sourced from both new graduates and candidates with relevant employment experience. Furthermore, the candidates with previous experiences in the banking sector were more likely to be recruited in the MNC Bank. The rationale for the recruitment strategy of SOE Bank was that recent graduates without any working experience were 'easier to shape', whereas MNC Bank favours candidates whose relevant experience might lead to a boom in sales and the maximisation of profit for the company.

Both situations resulted from the differing rationales behind each bank's recruitment strategies, which dictate that the qualities of their respective graduate

employees should also differ. The SOE Bank, in particular, emphasised hierarchical power, whereas the MNC Bank stressed the maximisation of profit. In this sense, the SOE Bank valued staff development from entry (in order to ensure that they 'fit in'), while MNC Bank targeted graduate employees who can be quickly productive in the process of accumulating capital.

The wage and promotion system - another effective motivating strategy of HRM practice in organisations - also differs between each bank. Opportunities for promotion were mostly related to performance in MNC Bank. On the other hand, SOE Bank's set of promotion criteria was based primarily around the length of employment in a certain type of post. Thus, given the multi-layered structure of SOE Bank's hierarchy, career paths were predictable but especially time consuming. By comparison, the rather flat and compact structure of the MNC Bank compelled a competitive working environment. One employee suggested that the high turnover rate in MNC Bank resulted from this competitiveness, which led employees to seek job offers elsewhere once they found that promotion was difficult to achieve. Simultaneously, and even although the chance of promotion was not as predictable as in the SOE Bank, the flat hierarchy and highly performance-related system could be more appealing to graduates who prefer risk-reward.

In addition to the above, the organisational culture in MNC Bank had been variously praised by the employees for its strict internal risk control, as well as rigorous and standardised practical procedures and the clear-cut division of

responsibilities. This is conducive, as evident from the employees' dispositions, to a fairer and more transparent working environment. Because of its high reputation and global status, employees also appreciated the type of resources and opportunities provided by the bank. However, many employees also complained about the price one has to pay for this resource, which was a relatively low income compared with the workload. This is why MNC Bank was symbolised by 'Huang Pu Military Academy', where one can be well trained, gain various experience, and afterwards 'graduate and settle' elsewhere.

The corporate culture of SOE Bank shared similar features with MNC Bank, not least in terms of risk control. However, the level of transparency and standardisation of practical procedures was brought into question by the employees of the bank. All in all, the sharpest difference between SOE Bank and MNC Bank is that, by contrast with the Military Academy, where one is trained and leaves, SOE Bank carries on the traditional state-owned sector's character, which offers its employees an 'iron rice bowl'.

This chapter has so far summarised the existing management systems of both banks and the rationale behind them. Part of the rationale of each bank can be considered as facilitating reasonable and sustainable HRM practices, such as the relative convergence of Chinese management characteristics with western corporate governance in SOE Bank, instead of blind westernisation without consideration of local context. The division between general staff and management trainees is also

rational, functioning to maximise the benefit of the cost of human resources. However, tensions also emerge between stated objectives and potential outcomes in the future.

In the case of SOE Bank, the HR manager admitted that cognitive and intellectual ability from graduates was targeted and valued during the process of recruitment, which could contribute creativity and innovation to an aging management system. However, this expected positive effect of 'fresh blood' is considered only remotely possible because of the mechanistic design of the structure, the significance placed on hierarchical power, and a high degree of collectivism. This objective is also contradictory to the reason he gave for recruiting graduates without any employment experiences. Recent graduates were targeted by SOE Bank because they were perceived as 'easy to shape'. Thus they could be easily trained and to fit in with the environment. The space and autonomy for fresh blood is thus highly limited and constrains creativity to a large extent.

In the case of MNC Bank, loss of talent is still at risk due to the uncertainty of promotion. Even though MNC Bank provides a resourceful working environment and high quality training programme, especially for management trainees as a way to store talent, the flat organisational structure and reward system do not assure opportunity of promotion for graduates. Thus, MNC Bank still faces the challenge of a rather high turnover rate and the question of how to preserve the talent.

This chapter has given an overview of these two organisational settings, including

their potential benefits and the short-term pay-offs graduates receive. Based on the survey and interview findings, the following three chapters look at individual graduates' perspectives and examine their decision-making processes and perceptions of their employment experiences in these two organisations.

7. Questionnaire Findings

7.1 Introduction

In this chapter, the quantitative data collected by the online survey will be fully elaborated. Section 7.2 focuses on the research participants' process of job hunting process, notably in terms of their educational background, preferences with respect to the different types of organisations available, job-seeking information resources, and previous employment history. Section 7.3 takes the structure of a time sequence, comparing the expectations, integration process and job satisfaction between returnee respondents and their locally graduated counterparts. The survey result also has implication for the validity of Nevis's (1983) Chinese hierarchy of needs, which discussed in this section. After exploring the application process and employment experiences of graduate participants, Section 7.4 sheds light on overseas educational experiences and their influence on the employment of returnees.

Table 7-1: Overall characteristics of questionnaire participants

Characteristics	Value Label	Frequency
Total		92
Gender	Male	44
N=90	Female	46
Age category	16-20	1
N=90	20-25	28
	26-30	51
	31-35	10
Types of organisation	SOE	63
N=92	MNC	29
Educational level	Without college diploma	1
N=90	College diploma	2
	Bachelor degree	35
	Master degree	52
	Doctor degree	0
Types of graduates	Overseas educated	44
	Locally educated	48

The purpose of the questionnaire was to recruit interviewees rather than be representative (the sample has a very limited size, see Table 7-1), and the purpose of this chapter is to use the resulting quantitative data to facilitate understanding of participants' experiences across these two banks in relation to the topics discussed in the Chapter 4: Conceptual Framework, and the previous Chapter: Organisational settings. This chapter also informs the following two chapters of interview analysis.

7.2 Motivations, preferences, applications and job search

This section mainly focuses on the period of time when graduates applied for jobs. The preparation process and the preferences of Chinese graduates embarking on their chosen career path (again in terms of educational background, types of

organisations, and the information resource on their employer will be discussed. Within each sub-section, the general picture that applies to graduate participants will be given first, followed by a comparison between the overseas educated respondents and the locally graduated participants.

7.2.1 Education background

First of all, let us start with the educational background of all the graduate participants. The majority of the participants had completed higher education, and more than half had Masters degrees. None had a PhD. The high proportion of Master degree holders indicated that there was fierce competition among graduates. It illustrated the importance of higher education qualifications as an entry requirement for those planning to work in the banking sector in Beijing.

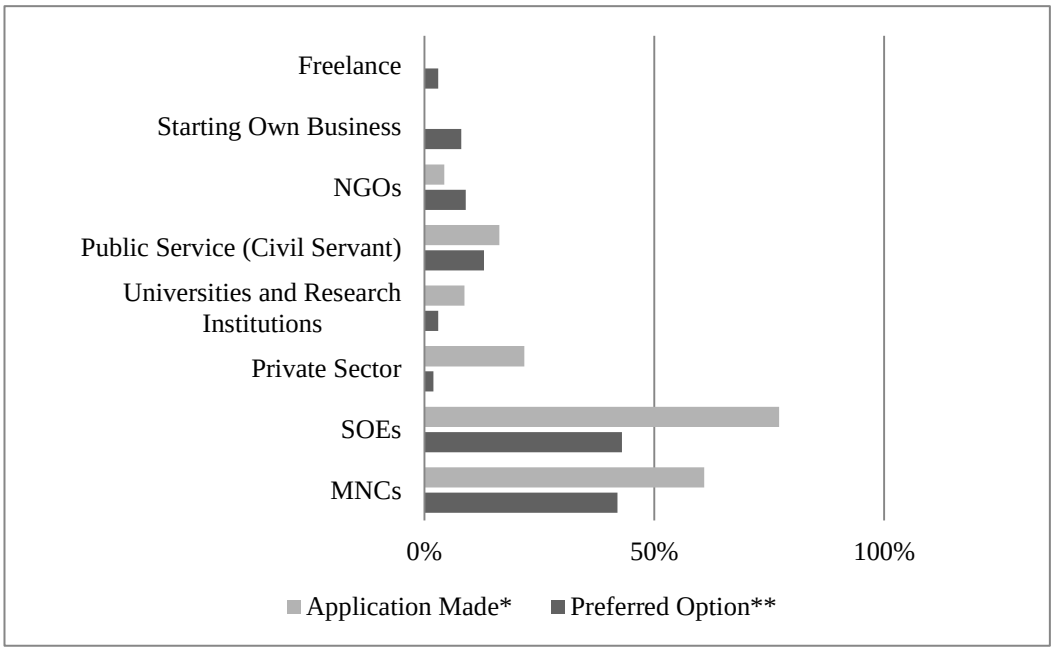
Of the questionnaire respondents 44 were returnees (21 male and 23 female). 48 were local graduates (23 male and 23 female). Two of the participants did not give their gender. In terms of qualifications, there was a difference in educational attainment between returnees and local graduates. The majority of returnee participants had Master degrees (82 per cent), whereas over half of the local graduates held a BA degree as their highest qualification. One third held a Master degree.

7.2.2 Types of organisations preferred and applied

Once graduates started looking for jobs, type of organisation became a major

consideration. Different organisations have different organisational cultures and structures as well as human resource management strategies, which can influence the career experience of graduates.

Figure 7-1: Types of organisations applied for* and preferred** by graduates



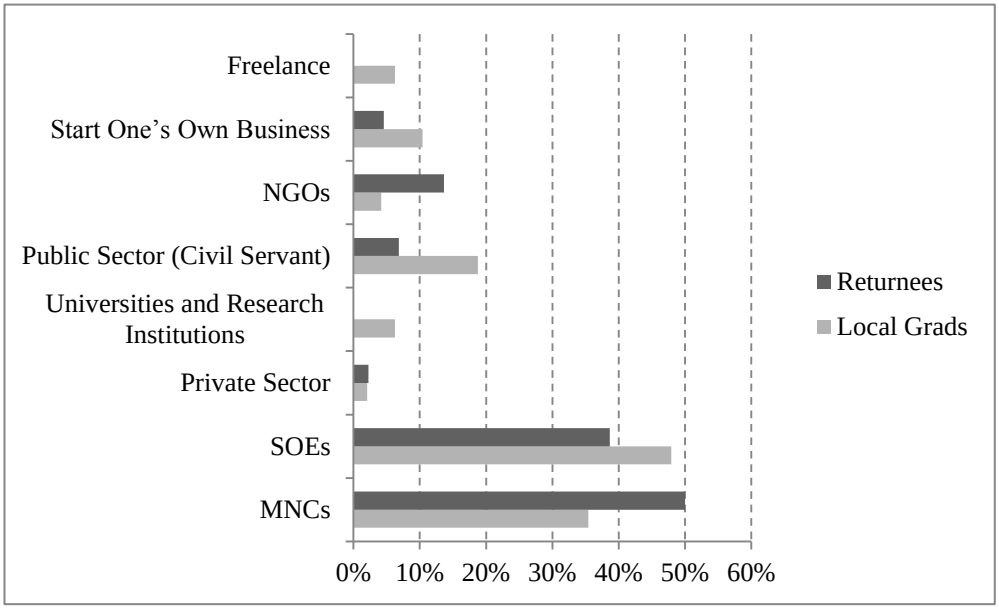
*Application made – multiple choices;

** Preferred option – single option.

According to Figure 7-1, when respondents were asked about their ideal type of organisation – i.e. the kind of organisation they would like to work for – SOEs and MNCs were almost equally favoured by most of the participants. A big gap occurs at the option 'private sector': while only two of the respondents said they would prefer to work in the private sector to SOEs or MNCs, one fifth of all respondents said they had applied for private sector jobs in the past. The private sector in China is growing very fast, which although was not the most preferable sector at the moment for participants, did provide potential career trajectories to graduates.

However, without wanting to downplay the significance of these data, the scope of this project is limited. SOEs and MNCs are still by far the two types of organisations most commonly applied to by the participants, and this data is much more relevant to purpose.

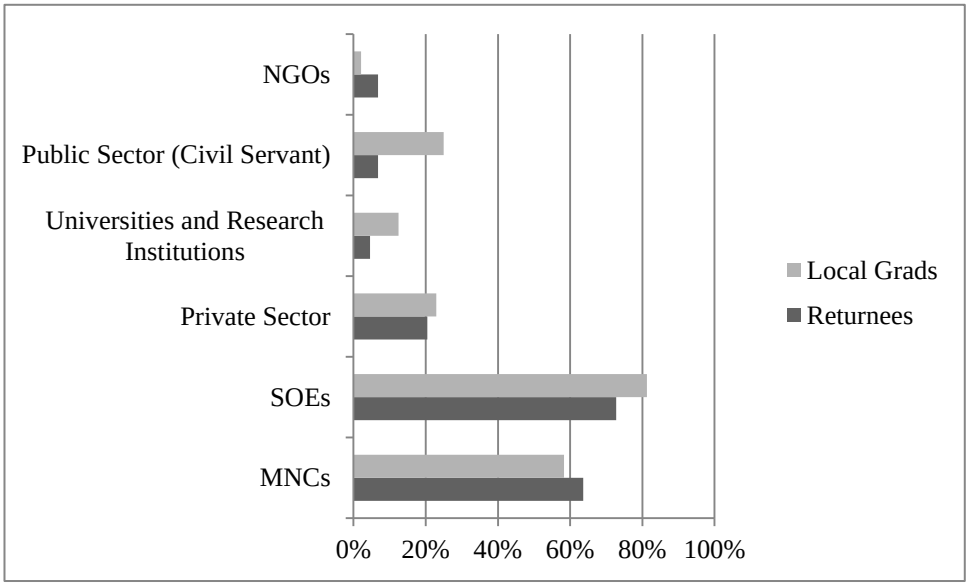
Figure 7-2: Types of organisations – preferred options



When it comes to the choice of organisation, there was a difference in preferences between returnees and local graduates. According to Figure 7-2, half of the returnee respondents chose MNCs that they prefer to work in, followed by SOEs, and then NGOs listed as the third preference. In comparison, most local graduates preferred SOEs, followed by MNCs. However, rather than displaying an interest in NGOs or similarly international organisations, Public Sector work (Civil Servant positions) was a popular choice favoured by local graduates. This difference in preference between types of organisations reflected their concerns about their career path in line with their educational background. SOEs and the public sector (Civil Servant)

have a reputation for having a high degree of job security. If we, like the local graduates, take this into account, we could suggest that they were simply more conservative and were more concerned about job security and stability than the returnees.

Figure 7-3: Types of organisation to which respondents made applications



Comparing to Figure 7-2, Figure 7-3 shows a consistency with locally graduated participants between their preferred types of organisation and those they applied, showing their great interest in SOEs, MNCs and public sector. On the other hand, although returnees were more likely to have said they would have preferred MNCs, they had applied more often for jobs in SOEs. This is likely to be attributable to the greater incidence of vacancies available in SOEs than in MNCs in China. After comparing the preferred and applied types of organisations between returnees and local graduates, let us find out more information about how graduates find out their current jobs.

7.2.3 Resource of information about jobs

Figure 7-4: How did you find out about this job? All graduate respondents

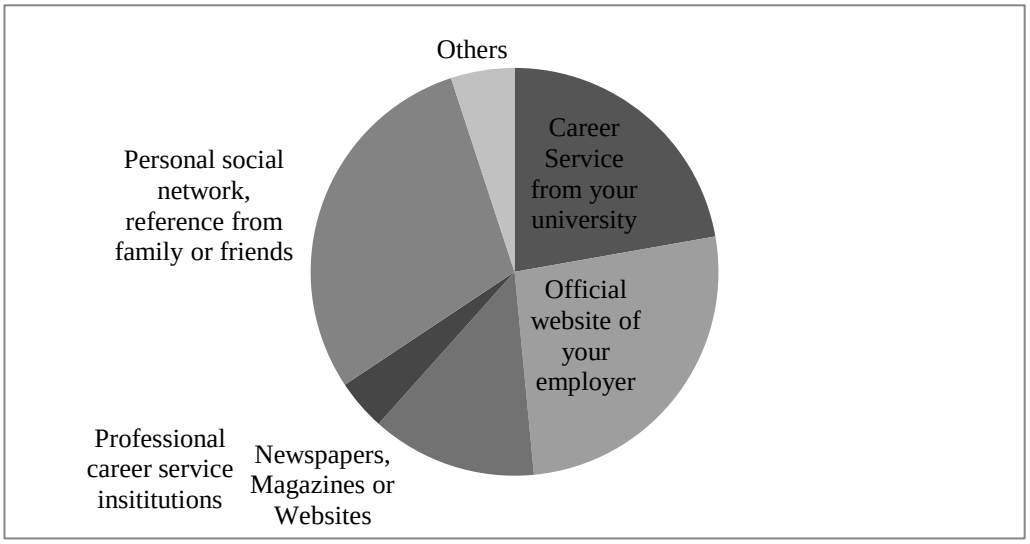
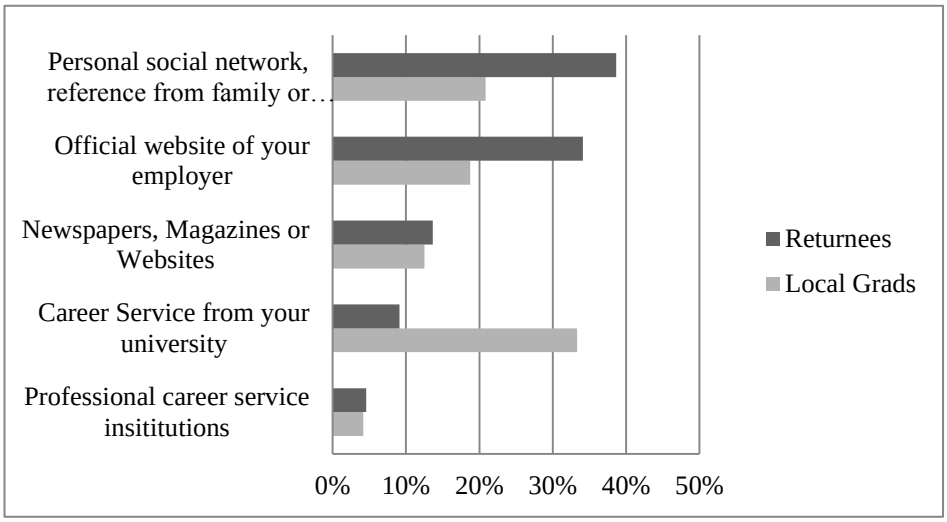


Figure 7-4 shows that during the process of looking for jobs, participants acquired information about potential employers and their recruitment practices via one of three available means: a) through familial social networks; b) via the employers' official website, or; c) from a careers service centre in their university. It is notable that the high percentage-share of a), which is in line with one of the distinctive features of modern Chinese culture - the importance of social network, or '*guanxi*', discussed in Chapter 4. This is further evidenced by interview analysis in Chapter 9. Many returnee interviewees from the MNC Bank reported they used the family network in order to gain the job opportunity.

Figure 7-5: How did you find out this job? Returnees vs. local graduates



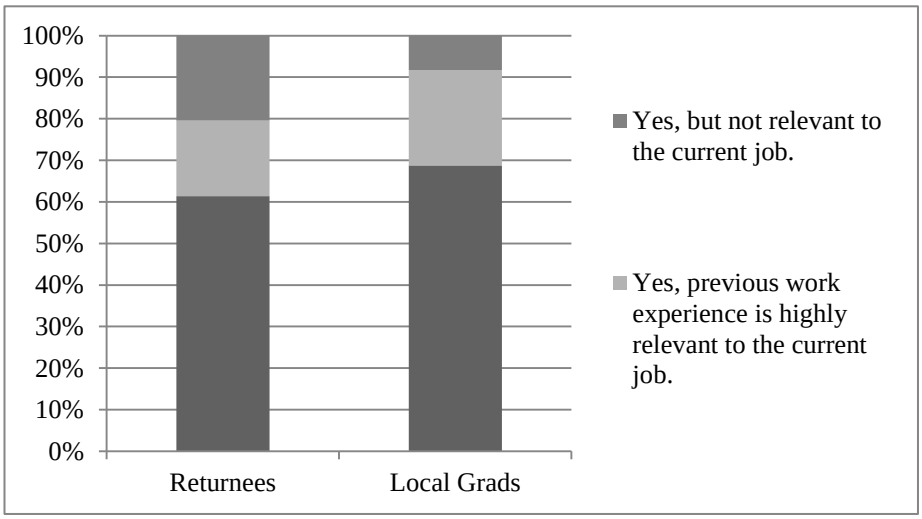
As for the methods by which the participants gathered information about their current employer, Figure 7-5 illustrates a certain degree of difference in the kinds of means and resources available to them. First of all, the main means of gaining information about their current employer by returnees was through social networks involving family and friends, which was a reason given twice as often by returnees as by the local graduates. This substantiates the belief of many of the interview participants that students who could afford to study abroad usually come from a socially-advantaged family background likely to provide access to better social networks and resources. On the other hand, the biggest gap between returnees and local graduates shown by this figure is the use of the information from their university careers service. This shows that in terms of career development locally graduated participants did benefit from local HEIs, whereas returnees needed to look for jobs further afield, which means more independently. The support given by the overseas HEIs had not always been very relevant or particularly useful for the

Chinese labour market. This could be considered one of the disadvantages of being a returnee in terms of job hunting in China.

7.2.4 Previous employment experiences

All of the participants were also asked whether or not they had work experience before starting work at their current company. If so, they were also asked if the work experience they had was relevant to their current job. Nearly two thirds of the graduates joined their current company without any prior work experience, whereas one fifth had relevant working experience. One thing that needs to be taken into account when statistics are analysed is that, according to the HR manager the SOE Bank only recruited recent graduates directly from HEIs rather than privileging those with employment experience.

Figure 7-6: Previous employment experience



As Figure 7-6 suggested, the majority of all the respondents said that they did not have any prior working experience. However, more local graduate employees had

relevant working experience than returnees. Conversely, students who studied abroad were likely to have taken part-time jobs in order to compensate for the high costs of overseas education coupled with living costs. That said, they appeared to encounter limited job opportunities as a result of visa restrictions[14], making it less likely that the part-time jobs they worked were related to their career plans. Most of the jobs they took were simply a means of generating income rather than a foundation for career development. Thus students who study abroad had a higher chance of having prior working experience compared to Chinese local students, but were less likely to have done jobs related to their future career paths.

In conclusion, this section has discussed the preparation and motivational factors relating to job acquisition based on results from questionnaires. Returnee participants had higher qualifications on average. Differences also occurred with respect to the types of organisations that graduates preferred to work in. More returnee participants would like to work in MNCs, whereas more local graduates preferred SOEs. However, similarities were seen across both groups in terms of the applications they made for jobs, as SOEs received the highest amount of applications from both groups. Information about their applied-to job was gained through different ways also. Most of the returnees acquired the recruitment information from their social network, involving family members and friends, while locally graduated participants benefited the most from the career service from

[14] As a student visa holder, there are several restrictions and conditions applied to work permit. Taking the UK as an example, student visa holders can only work under 20 hours per week. Due to these limitations, overseas student are likely to encounter difficulties in finding jobs in host countries.

their universities. As discussed in Chapter 2 Chinese HEIs were criticised by scholars for not having well functioned career service, but it was reported to be comparatively more functional for locally graduated participants than returnees in the findings of this study. More than half of all participants said they did not have any work experience before they joined their current bank. Yet, for those who had, locally graduated participants were more likely to have experience relevant to their current job than returnee respondents.

7.3. Prior employment experience, adaptation, integration and job satisfaction

The career experiences of returnee participants and locally graduated respondents are compared in this section, which is structured around a time sequence of their career path. This includes their expectations and motivational factors when searching and applying for a job, the learning process during employment, integration in the workplace, and job satisfaction.

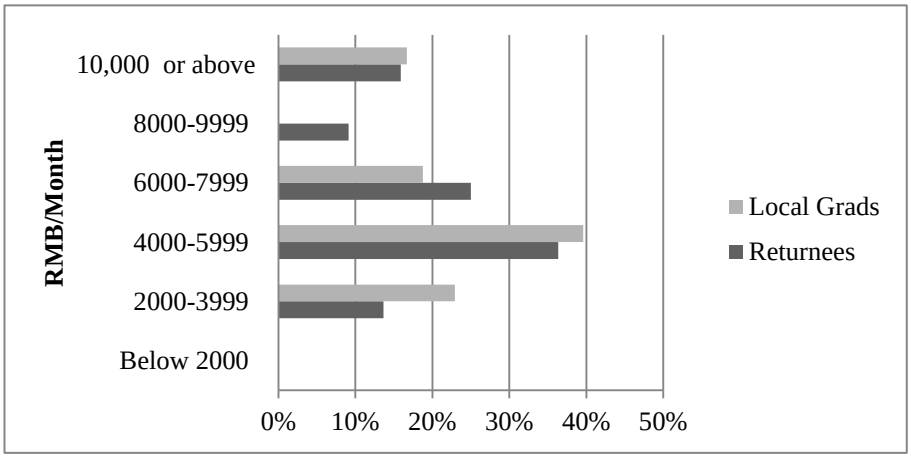
7.3.1 Expectation of income

During the process of job hunting, the most measurable expectation of one's future job is the expected salary. According to the 'Chinese College Graduates' Employment Annual Report 2012' (MyCOS, 2012), degree holders who graduated in 2007, after working in the financial sector for three years(banking, funds, securities etc.), made 7508 RMB per month on average, which was the highest

income in comparison with all the other sectors. The average monthly income for degree holders six month after graduation was 3213 RMB in the same sector. Based on statistics about the monthly income of graduates in the financial sector, graduate participants were offered a six-point scale asking them to estimate the income they had hoped to earn in the questionnaire.

The range that was chosen the most was 4000-5999 RMB/month. Compared to the national statistics (MyCOS, 2012) above, the expectation of income reported by the participants is much higher than the average income (3213 RMB/month) made by the graduates in reality. However, the statistics given by MyCOS (2012) was generated across China, whereas participants of this PhD project were located in Beijing. Since Beijing is one of the most metropolitan cities in China, the living standard and level of income can be much higher than many other cities in China. This needs to be taken into account when evaluating the higher expectations from graduate participants in this research.

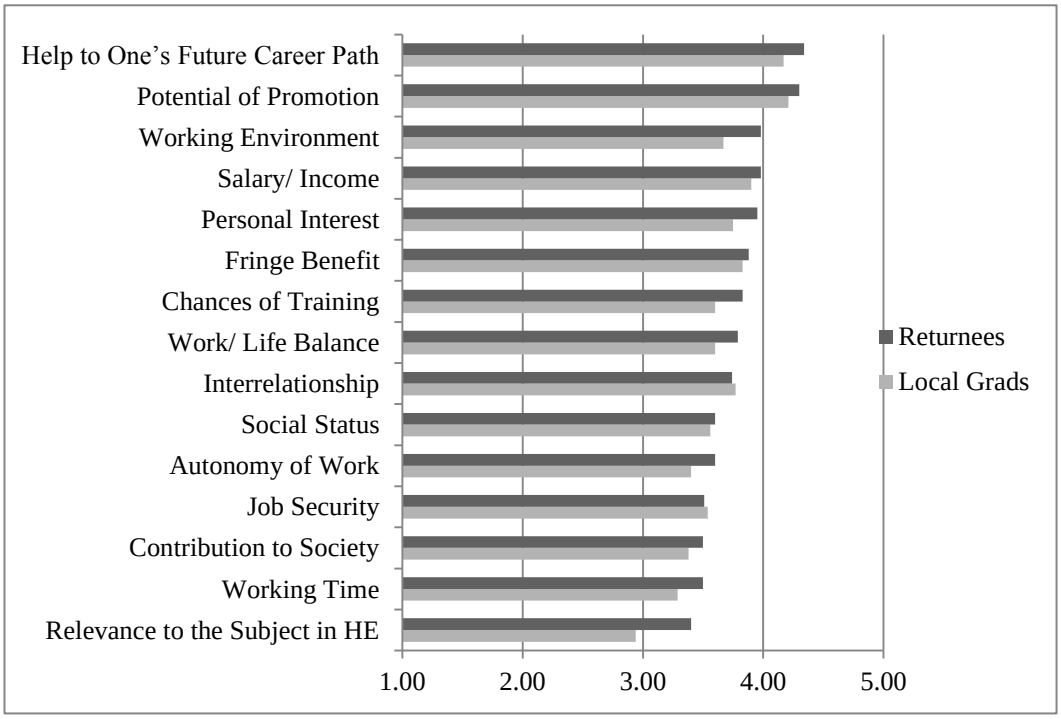
Figure 7-7: Expectation of income during the job hunting



Based on the data shown in Figure 7-7, the expected salary of returnees is slightly higher than local graduates. More returnees expected a salary higher than 6000 RMB/month when compared with local graduates, while most of the latter's salary expectations crowed in the 2000 to 6000 range. This may have something to do with their qualifications. Since returnees come from a relatively higher educational background, this may lead them to have greater confidence in the labour market, and higher aspirations with regard to occupational salary. No one chose the option 'below 2000', which is an indicator of the living standard in Beijing (relatively higher than most of the other cities in China). 2000 RMB/month was considered un-acceptable by graduates wishing to live in Beijing.

7.3.2 Degree of importance of various motivational factors

Figure 7-8: The importance of job motivational factors



In the questionnaire, all the participants were asked to scale the importance of 15 motivational factors from one to five; one meaning ‘not important at all’ and five meaning ‘very important’. Figure 7-8 gives the average scaling of importance of each item, which shows a rather high degree of similarity between returnees and locally graduated participants. Among all of the reasons for selecting an employer, the chance/potential of promotion, and contribution to and furthering of one’s own career path and goals were by far the most frequently occurring categories chosen by all the participants. In this sense, it implied that graduate participants were very concerned about the long-term development of their career.

On the other hand, occupation relevance to previous HE was the least considered of the lot when graduates decide to apply for a job. This is also in line with the interviews, where many interviewees said they valued soft skills acquired from HE much more than actual knowledge they learned from the subject matter. This will be considered further in the next two chapters.

Another purpose of this questionnaire question is to test the validity of Nevis’ ‘Chinese hierarchy of needs’ (1983) outlined in Chapter 4. Nevis stressed that social confluence played a crucial role in a Chinese hierarchy of needs when the collectivist character of the Chinese society is taken into account. Nevertheless, this study shows that neither overseas educated participants nor locally graduated respondents associate their career plan particularly with the level of contribution to society. It is arguably that, compared to other motivational factors, social

confluence was not a very highly valued dimension by graduate participants in terms of their career planning.

Table 7-2 Ranking order of the importance of each motivational factors

Items	**Ranking order**	
	Returnees	**Local grads**
Help to one's future career path	1	2
Potential of promotion	2	1
Salary/ income	3	3
Working environment	3	7
Personal interest	5	6
Fringe benefit	6	4
Training opportunities	7	9
Work/ life balance	8	8
Interrelationship	9	5
Autonomy of work	10	12
Social status	11	10
Job security	12	11
Working time	13	14
Contribution to the society	14	13
Relevance to the subject in HE	15	15

For the questionnaire design, I considered that ranking all 15 items directly in relation to each other can be much more time consuming than scaling each item's importance from one to five. The former is more likely to result in reluctance in finishing the questionnaire. Thus the latter approach was adopted. However, the latter way of design led to a tendency of scaling in the middle (3 or 4) by most of the participants. In order to have a clear idea of how each item was valued by the respondents, Table 7-2 gives the ranking order of each item by returnees and local graduates. It shows that local graduates took 'interrelationship' four positions more importantly than returnees. The emphasis on the relationship with others shows a more collectivist character by local graduates, whereas returnee participants showed less attention to bonding with others.

Another item that deserves attention is 'fringe benefit', which both groups of respondents ranked in the higher end, especially locally graduated respondents. 'Fringe benefit' refers to benefits not included in salary, such as various types of insurance, allowances, and other perks provided by the employer. In China, fringe benefits from employers, such as the 'Five Insurances One Fund' ('*wu xian yi jin*' in Chinese), functions as an implementation of the social welfare system, which insures employees' retirement, unemployment, work-related injury, maternity and medical expenses, and raises fund for housing. The rather high rating of 'fringe benefit' indicates that participants even in their early career path were already very aware of long-term life security. Fringe benefits provided by SOEs in China are well-known to be generous and all-inclusive. This will be further explained in

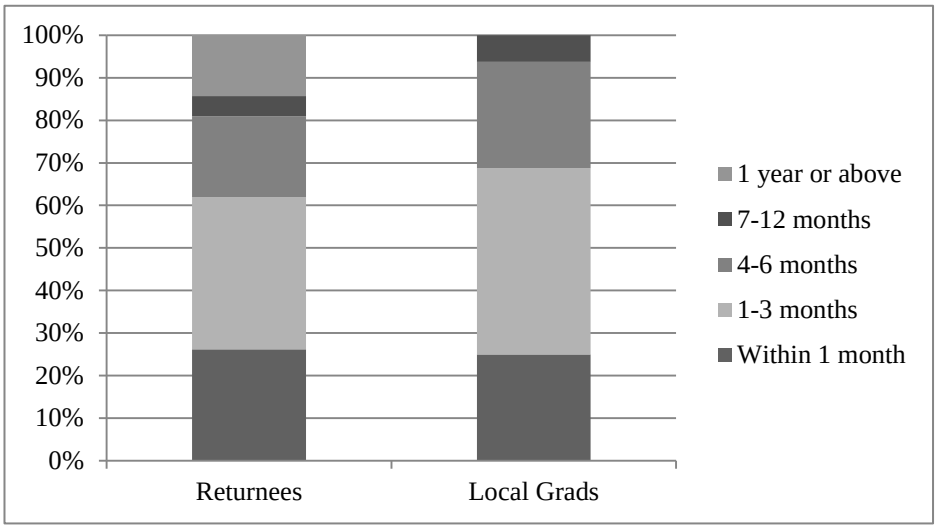
relation to the SOE HRM strategies in Chapter 10: Discussion. In Section 7.2, it was explained that SOEs were reported as the most preferable type of organisation for all participants. Thus the emphasis on fringe benefits by respondents can explain one of the reasons why they favoured SOEs.

Once a job application has been successful, the next stage is to integrate in the working environment. In the next section, the learning process surrounding work tasks and participants ability to social integrate into new places of work will be discussed.

7.3.3 Adaptation and integration

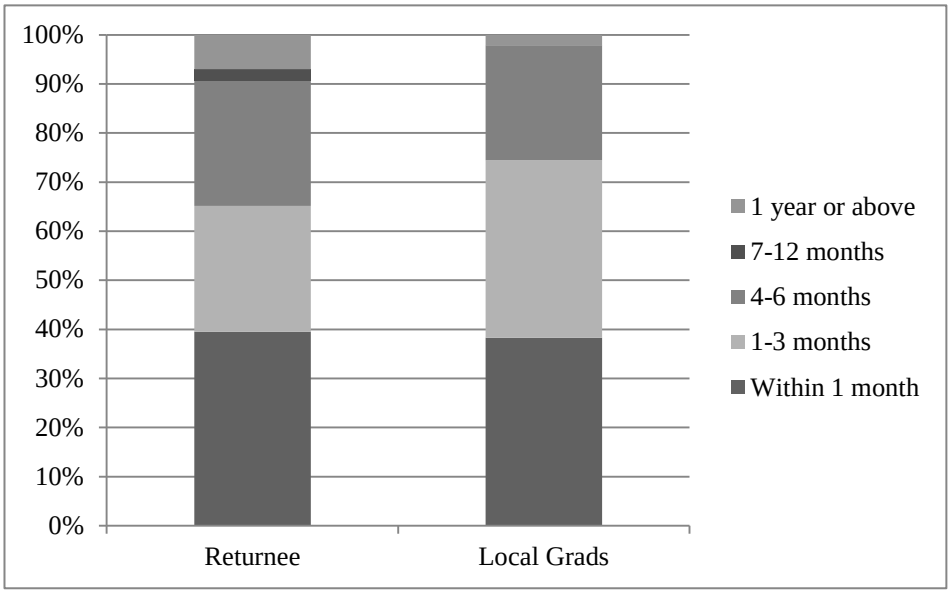
So far, the preceding has constituted a set/compilation of general information about the job-hunting practices and expectations of graduate participants. It is now appropriate to move on to discuss the processes of integration and adaptation of graduate employees in the two banks. In the survey, a question was asked about the length of time it took an individual to adjust to the working environment, not just in terms of professional work skills, but also in terms of their wider integration in the workplace. At first glance, graduates in these two banks had a relatively smooth process of adaptation. Two third of the participants took less than three months to acquire the necessary professional work skills to be able to cope with day-to-day tasks, and a similar number of respondents estimated that it had taken them less than three months to develop psychological and emotional involvement in the working environment and build up good relationships with their colleagues.

Figure 7-9: Time taken to master work tasks in current employment (returnees vs. local graduates)



When it comes to the process of integration and adaptation, the feedback from returnee participants suggested that the transition was nevertheless not as smooth for them than for local graduates. Returnees were less likely than local graduates to consider that they had integrated within three months. In addition, six returnee respondents considered that it had taken them longer than a year to familiarise themselves with work tasks, whereas none of the local graduate employees chose this option. The difference between returnees and local graduate employees' reported adjustment to work tasks may be due to the more relevant work experience gained by the latter before going to work for their current employer. Their previous experience may have equipped them with an increased level of understanding and familiarity with their job tasks and with the working environment.

Figure 7-10: Time taken to adapt socially in current employment (returnees vs. local grads)



On the amount of time it took participants to become integrated into the workplace, responses showed a pattern similar to that seen in the Figure 7-9. According to Figure 7-10, the majority were able to integrate in a fairly smooth manner in a relatively short period of time. However, the higher proportion of returnees requiring a longer length of time to socially integrate within the working environment may reflect the fact that returnees, especially those who spent a long time abroad, experienced greater difficulty when first returning to China. This is substantiated by analysis of the interview transcripts.

To sum up, returnees reported greater difficulty in adjusting during the process of integration and adaptation compared to local graduates. Post-integration, employees are able to then evaluate their current employment, from which can be inferred their level of job satisfaction. This discussed in the following sub-section.

7.3.4 Job satisfaction

The questionnaire was also designed as a measure of the degree of job satisfaction of graduate employees compared to their expectations relating to the 15 motivational factors already discussed. Taking all potentially motivational factors into account - salary, working environment, life/work balance, space and potential for promotion, etc. - overall job satisfaction can be estimated. Out of five, the average score of overall job satisfaction for all the participants was 3.51.

Figure 7-11: Differences between the expectation and job satisfaction

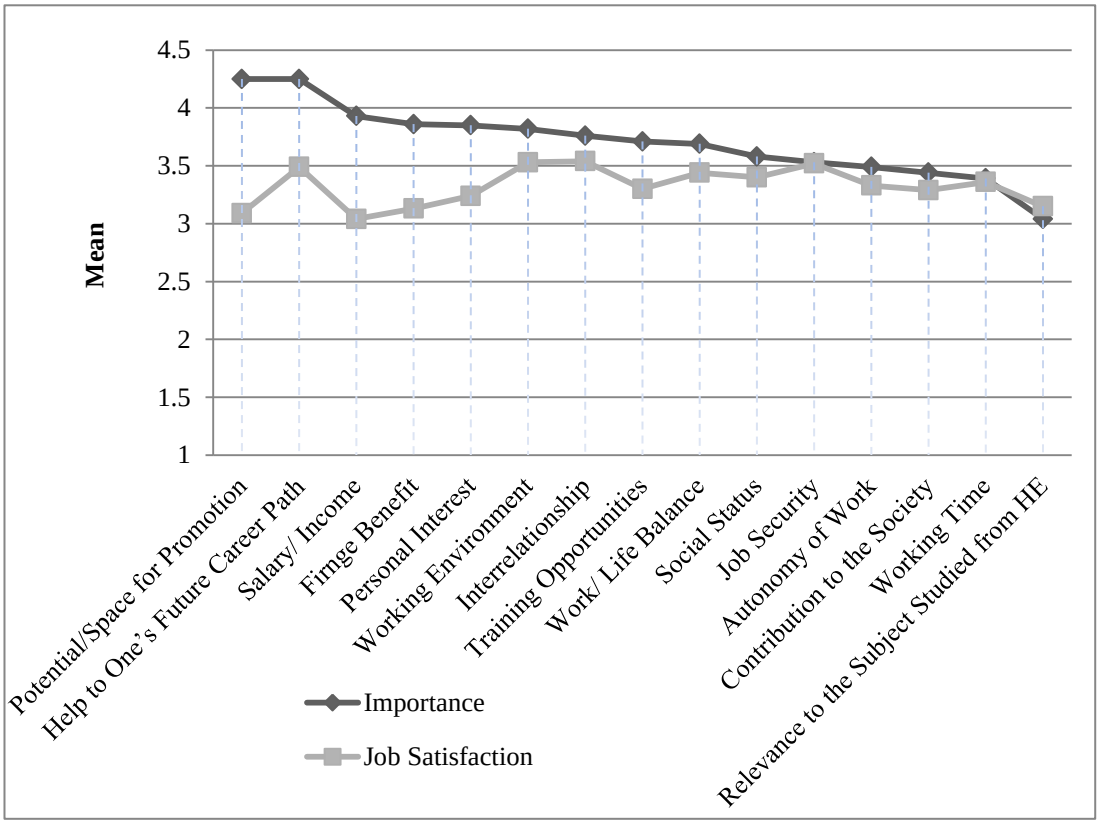
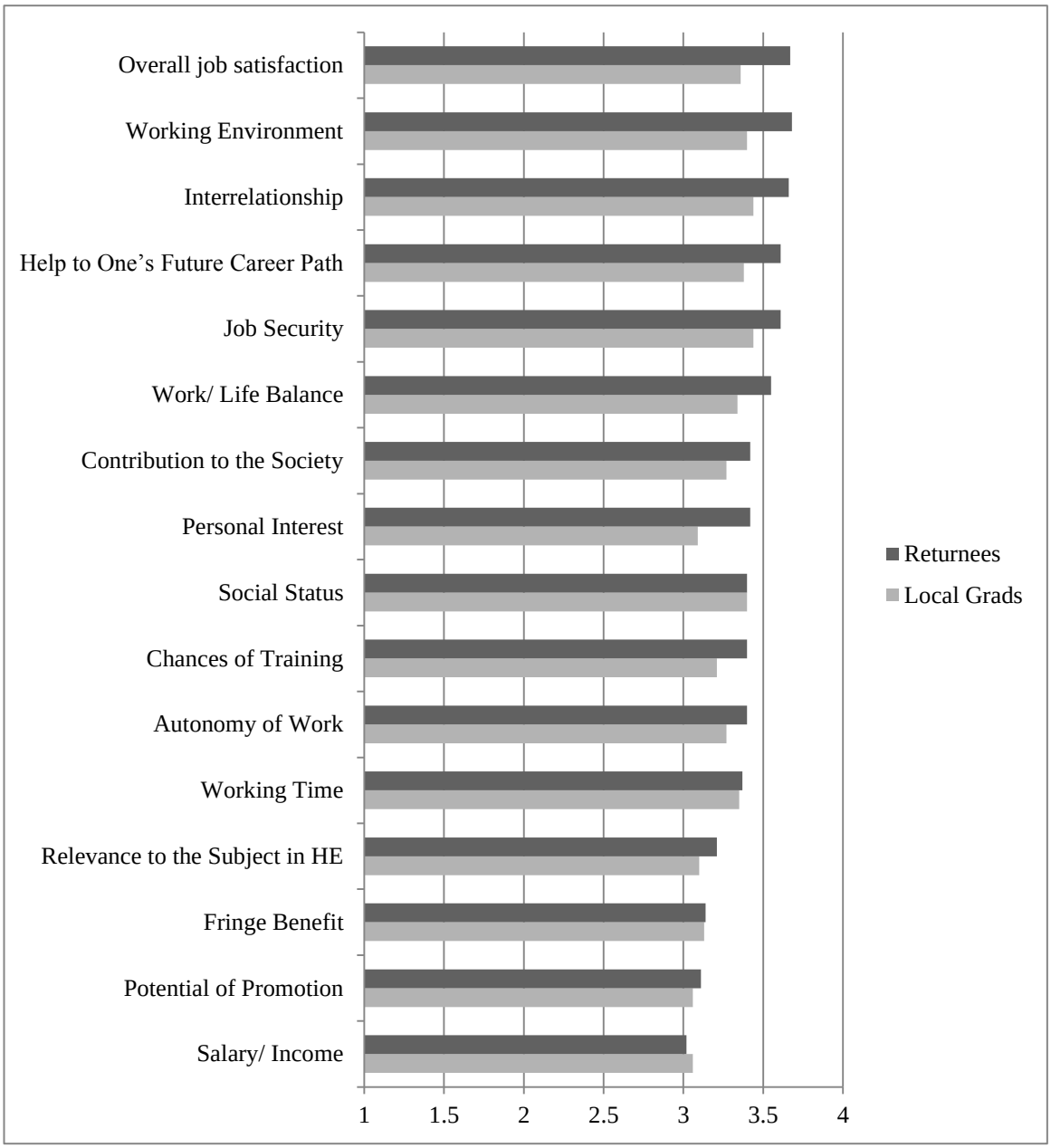


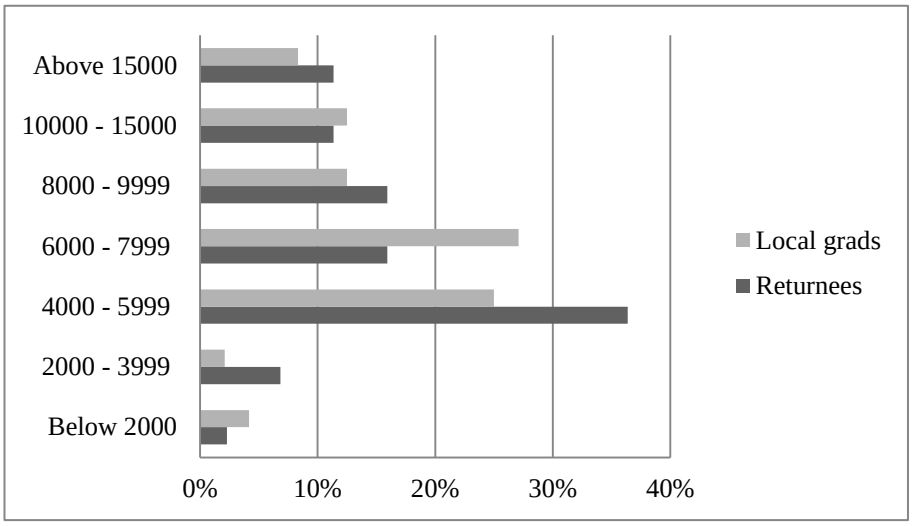
Figure 7-11shows that graduate participants' job experience of various items did not meet their expectation in general. The more valued motivational factors turned out to be the less satisfied, such as potential of promotion and salary/income.

Figure 7-12: Job satisfaction – returnees vs. local graduates (1.not satisfied at all; 5.very satisfied)



Based on Figure 7-12, it is evident that returnee respondents reported a much higher degree of job satisfaction than locally graduated participants across most items, apart from 'salary/income', which was the least satisfied criteria for both groups.

Figure 7-13: Monthly income – returnees vs. local graduates (RMB/Month)



This gap between expectation and experience in terms of income was also raised in the interviews. Many interviewees from both groups complained about rather low pay compared to the workload, especially at the MNC Bank. Managers from both banks also pointed out that returnees could have higher expectations in income mainly for two reasons: firstly, overseas education was considered by returnee graduates as very valuable in the labour market; secondly, returnees were more likely to expect higher income as a return on the large investment in overseas education. Yet according to the monthly income given by returnees and local graduates in Figure 7-13, it does not show advantage for returnee participants in terms of income compared to their locally graduated peers. Considering the expectations they have and lack of advantage in reality, it is consistent to find in Figure 7-12 that the only item returnee participants reported less satisfied with than their locally graduated peers was salary/income.

Although in the previous section returnee participants reported a higher degree of difficulty fitting into the working environment, both in terms of practices and social integration, returnee participants considered their working environment more satisfactory than their local graduate counterparts. Although there was a difference in overall job satisfaction between the two groups, both of these groups of people reported degrees of satisfaction and dissatisfaction about similar motivational factors.

In conclusion, the questionnaire provides a taster of the perceptions of respondents regarding early career employment with or without a background in overseas education. It seems that returnee participants had relatively higher career aspirations than local graduates. Returnee respondents reported greater difficulty in integrating into the workplace both in terms of working tasks and in terms of social adaptation. Yet they had a higher degree of job satisfaction than local graduates. In the next section the overseas education experience and its influence on returnees is considered, combined with the reported career experiences of returnees employed in each organisational setting (the SOE Bank and MNC Bank).

7.4 The overseas educated - reflections on the decision to return and employment outcomes

From a general picture of the career experiences of graduate participants, I turn now to the other half of the survey, which focuses exclusively upon the overseas education and experience of returnee respondents.

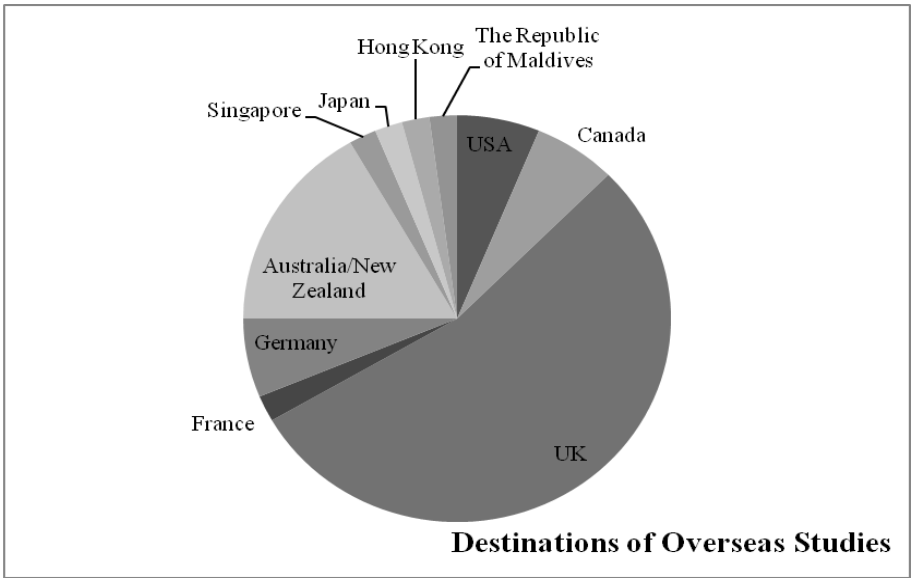
7.4.1 Overseas experiences and decision to return

Table 7-3: Types of overseas experiences (multiple choices)

Types of overseas experiences	Frequency
I received higher education.	42
I received compulsory education (primary school, middle school or high school)	2
I did short-term training or exchange programme which less than 6 months	3
I did internship or had employment experiences overseas	7
Other	1
Total	**44**

Out of 92 respondents, 44 were returnees, 42 of which have received higher education abroad (see Table 7-3). The respondents were educated in a wide range of locations as Figure 7-14 illustrates.

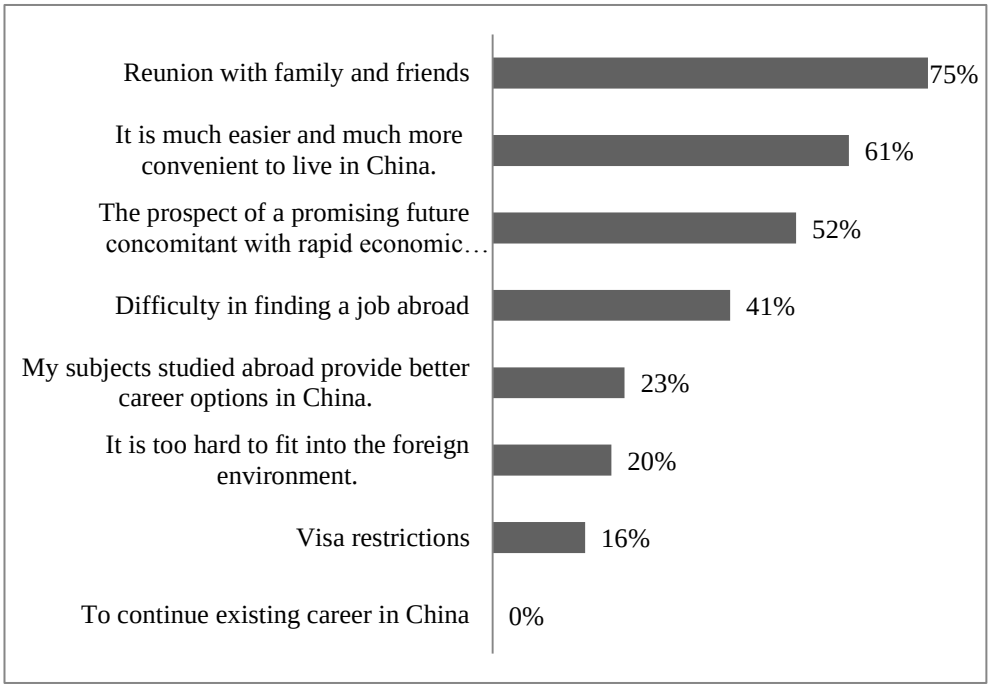
Figure 7-14: Destinations of overseas study



Destinations for overseas study were widely spread over European, Asian, and

American territories (Figure 7-14). The UK has the largest number of Chinese overseas students among all the destinations of study. Out of 44 returnee participants, over half (26) of them used to study in the UK. The length of time that returnees most commonly spent studying abroad was one to two years. Half of the respondents were in this group. Taking this into account, together with the fact that the UK is the most popular destination for overseas education, this result is in line with the survey 'In Search of Chinese Returnees' (Elite Reference, 2004) discussed in Chapter 3. The one year Master programme was the most common option for the Chinese students. Both the overseas experience, not to mention a degree, can be gained within a relatively short period of time, making it cost-effective and thus more desirable option for post-graduate study. One of the participants spent over 10 years in Australia, which makes up the longest duration amongst all of the respondents.

Figure 7-15: Reasons for returning to China



Regardless of the time they spent abroad, all of the respondents eventually decided to go back to China to pursue their career paths. Reasons for this are shown in Figure 7-15. For the majority of returnee respondents, reunion with family and friends was an important factor influencing their decision to return to China. Nearly two thirds of them were encouraged by their belief that it would be much easier and much more convenient to live in China, rather than in the host country. The prospect of a promising future concomitant with rapid economic development in China was also a deciding factor in their decision to go back and settle down. Half of the returnee participants thought that more life chances and job opportunities would be available within the context of China's hyper-developing economy, which caused them to go home.

On the other hand, reasons for returning to China, such as visa restrictions, were

given as answers by a small amount of respondents. None of the participants said that they returned home to continue an existing career in China. This could suggest that most of the returnee participants, who are all very young, did not have enough prior experience or time to be able to develop a solid career foundation in China before going abroad.

After having studied and lived abroad, people with such experiences living in China are given the title, 'returnee' ('*hai gui*' in Chinese). But what does this title mean to this group of people? Over two thirds of the participants thought that the label denoted a valuable living experience; an experience that had a positive impact on one's life. However, one third said that being a returnee was nothing special, nor particularly rewarding. Furthermore, one fifth of the respondents believed that the title of 'returnee' will effect a change in the amount and type of employment opportunities available to them. Nevertheless, only a few considered 'returnee' as a change of social status (for better or worse) and even less people felt isolated from the others due to being labelled as such. Still, one fifth felt a sense of belonging to this social group.

From these responses, it follows that the stereotypical critique of returnees as proud and ambitious is unlikely to be well-founded. It is clear that many returnees were very confident with their overseas educational background, yet they had a reasonable objectives and realistic views about the value of their overseas education. They did not immediately take it as a symbol of the 'elite'.

Answers to the question concerning the composition and structure of returnees' social networks are also in tune with the responses of participants who said that very few of them felt isolated from the others due to their newly acquired aspect of identity. Nearly half of the respondents reported that non-returnees made up a large part of their social network, whereas only seven out of 44 suggested that they usually associated more with returnees than with locally graduated friends and acquaintances. This implies that a large number of returnees experienced a smooth transitional process of re-adaptation to their home country. This is likely as a result of the relatively short amount of time they spent studying abroad.

When it comes to the career experiences of returnees, especially the experience of job hunting – the starting point of their career path - half of the respondents expressed uncertainty regarding the potential effects of their background in overseas education on their current and prospective job applications. There was scepticism over whether or not it would have a positive impact. However, in terms of competence in the labour market, nearly half of the participants did share an optimistic point of view concerning the potential advantages of being a returnee, and very few did not.

On the subject of the career experiences of graduate returnees, respondents were asked about the potential advantages that might be acquired by studying abroad. In the first instance, a broadening of horizons was suggested as one of the most useful advantages gained from overseas education. Nearly two thirds of the participants

considered this would be useful or very useful for enabling them to follow their chosen career path. In addition, more than half of the respondents agreed that different cultural experiences equipped them with the ability to fit into different cultural environments more easily. Half of the respondents also considered fluency in a second language as beneficial in career terms.

On the negative side, over one third of the returnees considered that the acquisition of professional knowledge and skills abroad had not been useful for their career. In line with the answer for the question ‘What does “returnee” mean to you?’, the majority of the respondents did not see the relatively high social status awarded by the label of ‘returnee’ as having been an effective contribution to their career experience.

In conclusion, 31 returnee respondents suggested that the role of overseas education had had a positive effect on their career development in China, but considered the effect likely to be limited. Eleven of them deemed their overseas education to have been very helpful, whereas two of the returnee participants had a pessimistic attitude, believing that their overseas education background had had very little influence on their career trajectory. Returnee participants showed a relatively realistic view of their career path, yet the findings still show a tendency for overseas educated participants to consider overseas education as an advantage for their overall career development. The question the extent to which it really helped them will be answered in the following two chapters when the interviews are analysed.

7.4.2 Employment outcomes -- returnees in SOE Bank and MNC Bank

This section focuses on the experiences of returnees in both SOE Bank and MNC Bank. Out of all of the participants who have a background in overseas education (44), 30 of them worked in SOE Bank (14 males, 16 females) and 14 in MNC Bank (seven males, seven females). Forty of them were aged between 20 and 30, and 36 of them held a Master degree. The sample is limited, but the following statistics provide a rough idea of the career experiences of returnee participants in their organisational settings.

Figure 7-16: Time taken by returnees to learn work tasks in SOE Bank and the MNC Bank.

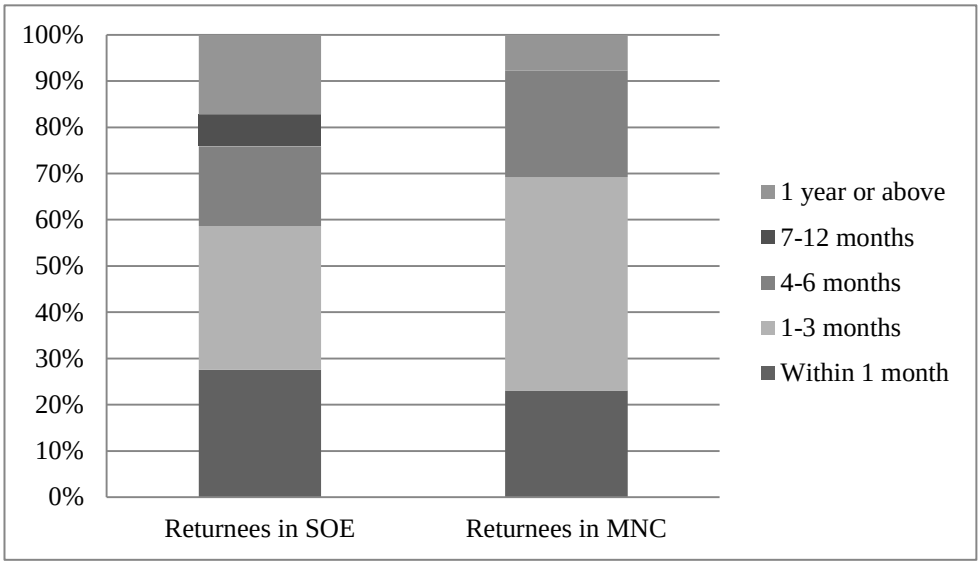
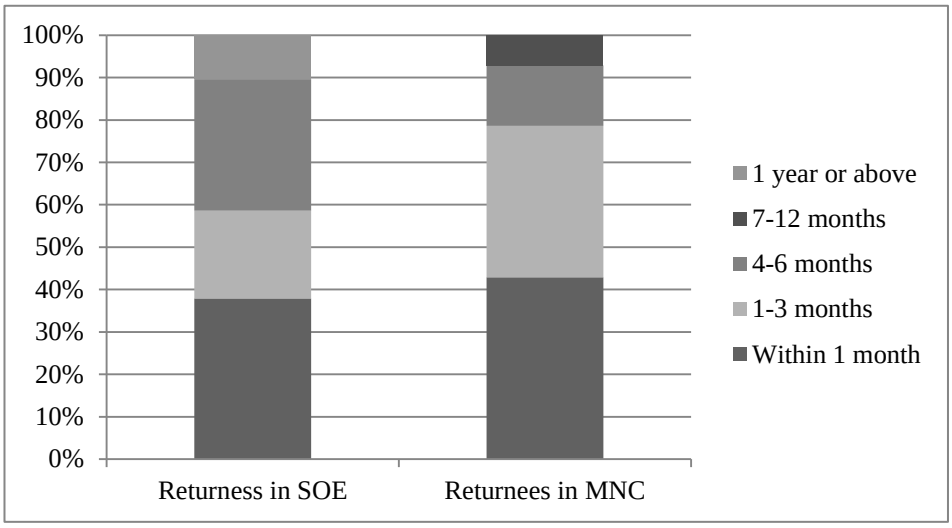
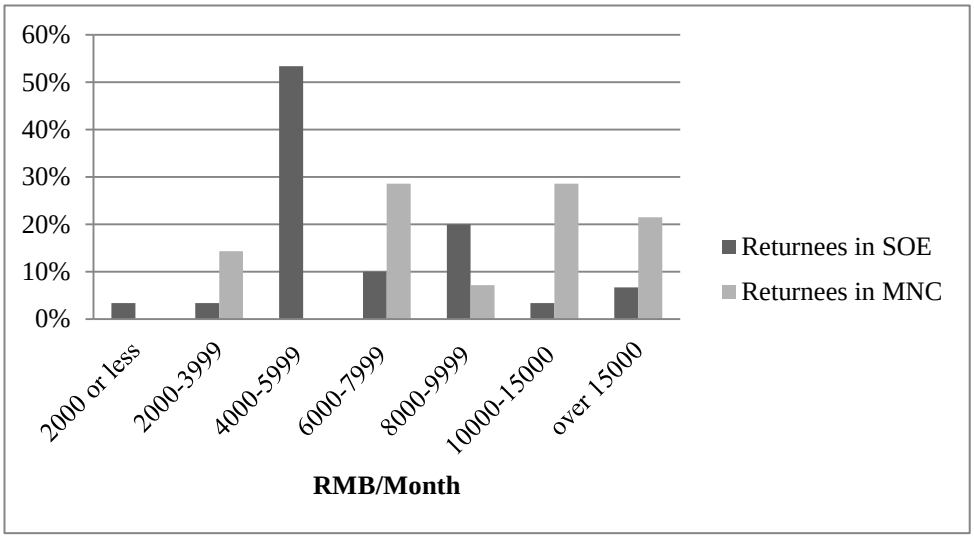


Figure 7-17: Time taken by returnees to be socially integrated in SOE Bank and MNC Bank.



Drawing on the two figures above (Figure 7-16/17), the adaptation process in terms of both work tasks and social integration appears harder for returnee respondents in the SOE than those in the MNC. Returnees took longer to adapt in the SOE than in the MNC. Still, the majority of returnee participants reported that it took them less than half a year to fit in to the work place.

Figure 7-18: Returnees' salary in SOE Bank and MNC Bank



Monthly income and job satisfaction, which vary between the two organisations, are now compared and contrasted using the figures above and below. Figure 7-18 shows that over half of the returnees from SOE Bank ticked 4000-5999 RMB as their salary range, whereas half of their MNC counterparts were concentrated at the highest two ranges. This could reflect the different wage system discussed in the previous chapter. This differential is connected to and evidenced by their levels of job satisfaction outlined in Figure7-19. Returnee participants who worked in MNC Bank showed a slightly higher degree of job satisfaction than their SOE Bank counterparts in terms of salary/income.

Figure 7-19: Job satisfaction of returnees in SOE Bank and MNC Bank (1. very dissatisfied; 5. very satisfied)

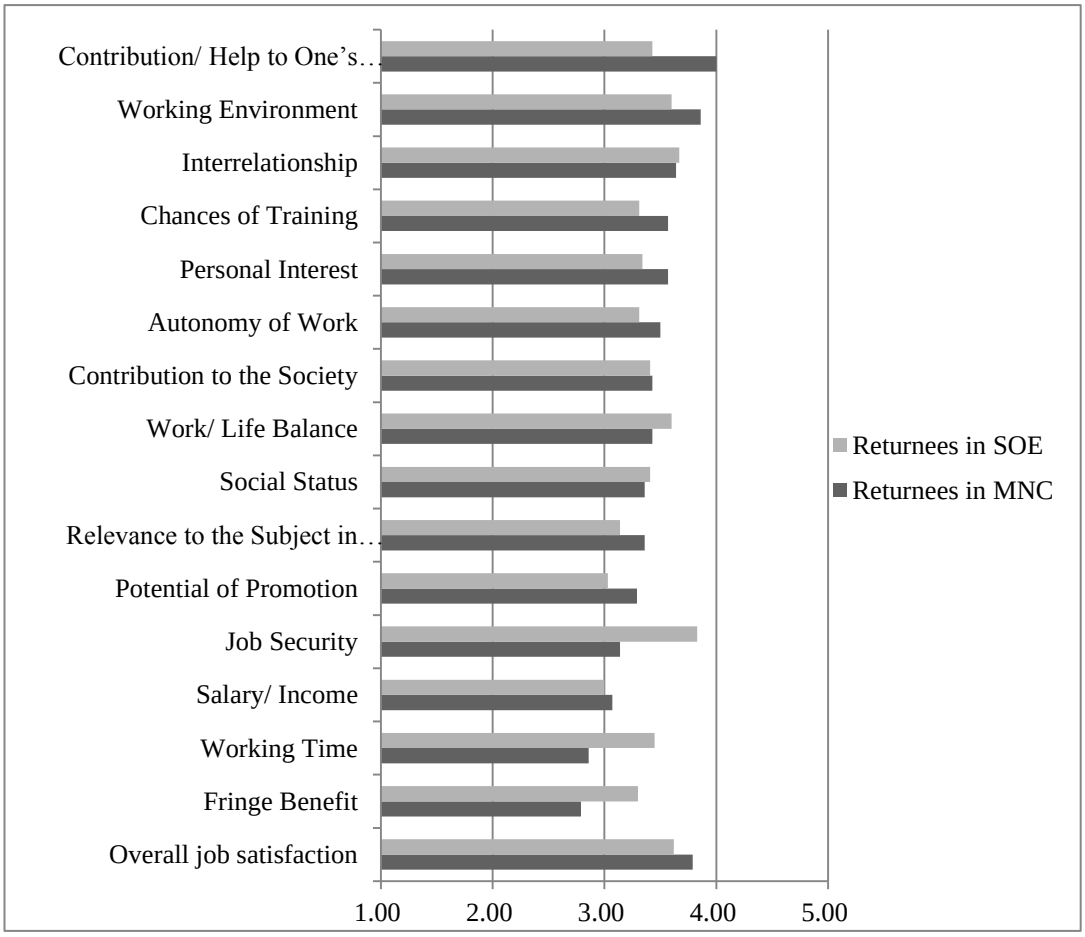


Figure 7-19 shows the difference between the levels of job satisfaction of returnee participants in these two different organisational settings. In general, the returnee participants from MNC Bank reported a higher degree of overall job satisfaction than those working in SOE Bank. The MNC returnee participants reported a much higher level of satisfaction in terms of 'contribution/help to one's future career path', which was also rated as the most satisfying variable. This is supported by the interviews, where most of the interviewees considered MNC Bank as an ideal starting point and a resourceful foundation for the future of their career path. The experience working in MNC Bank aided them in mastering various work tasks. Combined with its reputation, this experience would thus be likely to contribute to their successful career development in banking area more widely.

These findings also suggest that MNC Bank offered a better working environment with more chances of training and promotional opportunities for employees, as these three things were rated more highly than by SOE Bank participants. This is attributable to the different target customer-base of each bank. MNC Bank was mainly oriented toward customers who have potential business or financial needs associated with the global market, implying rather higher social status and better-off backgrounds. Therefore, all the sub-branches of MNC Bank are located in top grade office buildings in the affluent urban areas - such as the CBD (central business district) and financial area - in Beijing. The interior decoration and office arrangement of this MNC Bank is very chic and ergonomic. Customer relations

officers have their own offices, and in the customer waiting area a welcoming environment has been created with the addition of comfortable sofa, a coffee machine, cookies, various other freely-available drinks, and a widescreen LED that plays displays continuous news updates.

Conversely, in the sub-branches of the SOE Bank, relationship officers share offices with others, from six to thirty people, depending on the size of the room. As for the customer waiting area, only hard benches and a water cooler are available, let alone sofas and free beverages. Since SOE Bank is one of the biggest and the most popular commercial banks in China, which is used by ordinary people from all walks of lives, there are a great number of sub-branches in order to meet demand, and their locations must be convenient for the residents of local communities and neighbourhoods.

Thus the working environment varied substantially between these two organisations. However, in comparison with their counterparts who work in MNC Bank, returnee respondents in SOE Bank expressed much higher degree of satisfaction in terms of job security, working hours, and the non-salary benefits they enjoyed. The state-owned sector in China is famous for its high degree of job security and non-salary benefits, which are tied to their social responsibilities discussed in the previous chapter (this is discussed further in the following chapter, which provides an analysis of the interviews). As for working hours, SOE Bank adheres to a rigidly fixed eight-hour working day. Overtime (OT) is rare, whereas

participants from MNC Bank said OT was common practice, not to mention unpredictable and rewarding no premiums for long or unsociable hours work. For them, this was a factor resulting in lower job satisfaction.

In total, returnee participants from SOE Bank were very satisfied with their level of job security, but dissatisfied with their salary and their lack of potential for promotion, which is a result of the overly bureaucratic and hierarchical structure of the bank. By contrast, the contribution of their experience working in MNC Bank to their future career development was the highest rated factor for respondents with overseas education, although there was still dissatisfaction about the lack of non-salary benefits and long and unpredictable employment hours. These findings correlate to the differences between these two types of ownership discussed in the last chapter.

Some aspects of employee job satisfaction in these two banks reflect individual experiences and preferences. However, to a large extent, the differences between the two can be attributed to the specific characteristics of the two organisational settings.

7.5 Summary

In conclusion, this chapter used the information collected from the online-questionnaire to discuss and elaborate on the survey data. A general picture has thus been provided of the graduate labour market, involving a comparison

between returnee participants and their local graduate counterparts. In general, the educational qualifications of the returnee participants were higher than those of the local graduates. Both groups of people shared a very similar pattern of expectation about various factors at work, yet returnees' group showed a slightly higher expectation than local graduate group.

The survey was also designed to test the validity of Nevis's (1983) Chinese hierarchy of needs. The results appeared not confirm Nevis's emphasis on social confluence, evidenced by the low ranking of 'contribution to the society' as one of the least important factors highlighted by both returnees and local graduates when they considered their career trajectory. Graduate participants showed an individualistic and future-oriented rather than collectivist point of view in terms of their career development.

Concerning their ability to adapt to the workplace, returnee participants reported, on average, that it had taken a longer time to integrate than the time it took local graduates, with more returnees needing more than six months to learn work tasks as well as socially mix. Although returnees experienced a tougher time in the beginning, their reported job satisfaction was higher than that of local graduate respondents.

The majority of the returnee participants had received higher education abroad, most having studied in the UK. Family was deemed the most important factor in returnees' decision to return to China to pursue their career path. They believed that

they had broadened their horizons by overseas study, and these different cultural experiences and advanced language skills were the main two advantages they acquired as a result. Most of the returnee participants believed that their overseas educational background would have a positive influence on their career development, yet this influence was not obvious to them so far in , the early stages of their careers.

Last but not least, returnees' career experiences varied between those in SOE Bank and MNC Bank. Those working in SOE Bank reported that it had taken them longer to integrate than those who reported otherwise in MNC Bank. In addition, the average income of returnees who work in MNC Bank is higher, and MNC returnees experienced a higher degree of overall job satisfaction in general when compared with their counterparts from SOE Bank.

8. Returnees in SOE Bank – Multiple Perspectives and Experiences

8.1 Introduction

The last chapter painted a general picture about the employment experiences of participants in two banks, which opens up space for a more in-depth discussion. This chapter focuses on graduate working experiences in SOE Bank, drawing on the model and concepts introduced in Chapter 4.

Section 8.2 gives a more detailed examination of overseas educated participants' perceptions about their career choices and experience, and their assessment of the overseas education they received and its influence on their career development. In order to answer the first research question listed in Chapter 3, it starts with answers to questions: why do returnees choose the financial/banking sector? Why the SOE? We then move on to Section 8.3 turns to their process of adaptation, looking at factors which assisted or hindered their integration into the workplace. We also discuss to what extent higher education, specifically overseas education, helped them to handle the job. Following that, in Section 8.4, returnee participants also talked about their sources of job satisfaction and dissatisfaction.

In Section 8.5, light is shed on participants' self-evaluation of the advantages and disadvantages of being a returnee in SOE Bank. During the interview process, issues about cultural differences emerged, which became another subject discussed

in Section 8.6. Some returnee respondents showed their critical distance from the Chinese cultural context. Without taking the embedded culture for graduated, some interviewees discussed the different ways of communication, double standard regulations and '*guanxi'* played in SOE Bank's office politics.

In order to have a triangulation of returnee interviewees' self-evaluation, Section 8.7 notes HR managers' and locally graduated employees' perceptions of the value of overseas education and returnees' performance. Apart from locally graduated interviewees, both managers did not have any overseas education background either. Therefore, misunderstanding and tensions also occurred from non-returnees' perspective, which leads to a discussion in Section 8.8 conclusion.

Interview participants were recruited by the method explained in Chapter 5. Of all the graduates, who completed the questionnaire, 37 chose not to be interviewed, 26 provided contact details and, in the end, 18 follow-up interviews were carried out. Of the graduates, 11 were returnees and seven were local graduates. In addition to the graduate respondents, two human resource managers also agreed to be interviewed. There were thus 20 interview participants.

Below, the respondents are introduced (Table 8-1) as background to the career experiences of returnees in SOE Bank will be discussed.

Table 8-1: The returnee interviewees employed by SOE Bank:

First name*	Sex	Host country	Degree and subject	Time abroad (years)
Chong	M	Australia	MSc International Trade Law	10
Yue	F	Canada	MSc Accounting & Finance	4
Ning	F	Germany	MSc Logistic Management	4
Meng	F	New Zealand	MSc Tourism Management	5
Qiang	M	UK	MSc International Business	4
Ling	F	UK	MSc Human Resource Management	4
Xin	M	UK	MSc International Trade Law	2
Feng	F	UK	MSc Human Resource Management	2
Nan	M	UK	MSc Investment Study	2
Jun	M	UK	MSc Marketing	2
Rui	F	UK	MSc Sustainable Resource	1

*In accordance with the agreement of confidentiality with respondents, names provided here are pseudonyms.

Out of eleven returnee respondents, six were female and five male. Seven had studied in the UK and all of the others except one in Anglophone countries. Five UK-educated participants spent one or two years abroad, whereas the rest spent more time - up to 10 years - abroad. All of them started their job in SOE Bank between 2007 and 2008.

8.2 Motivation

Motivation plays a very important role in career experience, and has a psychological influence on both the level of involvement in a job as well the job satisfaction resulting. Through the online survey and interviews, the reasons for the choice of finance/banking sector and type of organisation were explored. According to the survey results, out of 11 interviewees who worked for SOE Bank and who had a background in overseas higher education, four chose the SOE as their ideal type of organisation to work for. Two indicated that they had no preference between SOEs and MNCs, whereas another four chose MNCs as preferable. One of the respondents said that, ideally, she would like to have started her own business.

Most of the interviewees chose ‘finance/banking’ as their ideal field, but the respondent who aspired to start her own business indicated that she would like to pursue her career life in running a restaurant or café instead of working in financial services. Note that whilst the rest of this section deals with choice of sector and then choice of organisational type, this is not intended to suggest that decision-making about these factors is sequential (or simultaneous) nature.

8.2.1 Why banking?

First of all, the fast development of financial markets in China is well understood by the public, and it is believed that the steady growth of the financial sector will

continue in the future. As Ning said, *'I think this [financial] market, this field in China, is still in the process of development. There are many opportunities and Beijing is the centre.*'

Secondly, most interviewees suggested that their choice of career field had been made in accordance with the major subject they studied, which happened to be highly relevant to finance. *'It's always good to do what you've studied'*, Ling explained. Her decision to work for the financial sector was based on a belief shared by other interviewees. It showed through the interviews that the more relevant the HE subject to a certain sector, the more confidence they exhibited in making their decision. This is undoubtedly due to prior knowledge and familiarity with what is now their chosen career pathway. However, after having actual working experience, they also asserted that theories and knowledge they gained through HE was not very relevant to their job practically speaking: an issue that will be discussed in further detail in the section on 'Adaptation and Integration' below.

Furthermore, many of the interviewees had a family background in the financial sector. Chong is an example - finance and banking has nothing to do with either his Masters or undergraduate programmes:

> '*Well, both of my parents work in the banking sector. When I first came back, I was a bit confused with my future here [in China]. I don't know what to do. So, they got this job for me. I thought, why not. Let's try it first then.'*

Chong started his job in SOE Bank by taking advantage of the social capital provided through his family background, his parents' social connections.

8.2.2 Why SOE?

Various reasons contributed to the choice of SOE made by interviewees, such as consideration of job security, social resource, family influence, and the cultural norms associated with certain social expectation of gender roles in China.

'Stability' is one of the most important reasons for people to choose SOEs as their ideal type of organisation. Nearly all the respondents used the word 'stable' (*wen ding*) to describe a feature of SOEs, which indicates the high degree of job security that comes from working for SOEs in China.

Another reason for graduates to choose SOEs was that they believed SOEs could be a good platform from which to kick-start their career paths, bearing in mind the standardised management system and the well-organised training on offer. *'In large-scale SOEs, the management system is better standardised and systematised, and the potential of promotion is higher*', Rui suggested. However, there are different ways to interpret the wage and promotion system of SOE Bank, as considered in Chapter 6. The multi-layered hierarchy was seen as 'systematised' and providing plenty of opportunity for promotion by Rui. In contrast, Chong saw the system as '*time consuming*' ('*ao nian tou'*). The vertical structure gives graduate employees the space to move up. Yet, using time-serving as a major criterion, it could also delay career progression from the bottom to top managerial level.

A number of interviewees reported that their family had influenced their career decision. This occurred in two ways: For one thing, some of the interviewees' parents or relatives have experience of working in SOEs and were familiar with the environment as well as the networks that make up the environment. Interviewees from such state-employed family backgrounds appeared to have been convinced that their best option was to work in SOEs. For other interviewees, especially female interviewees, their family preferred them to have a stable working environment. SOEs are then ideal in this respect. Feng said, *'My family had a big influence on me. They would like me to work in an SOE. They think it's good for girls because it's very stable.*' In China, there is a stereotype-gendered image of a woman's career path. They are not expected to be highly successful nor powerful, but rather content with a stable and less stressful job, which would then allow them to spend more time and energy taking care of their family (Yu and Chau, 1997; McDowell, 1999; Fan, 2003).

For those who did not choose financial services or SOEs as their first choice, their decisions tended to have been made passively, mainly because of difficulties confronting them during the process of job searching, but also and again because of pressure from their family. Rui experienced a timetabling problem with the interview in MNCs: '*I couldn't make the interview because of the time schedule. This [SOE Bank] is the only option then'*. The poor timing for recruitment process while they were in their host countries was a problem shared by most of the interviewees, which will discussed in the Section 8.5.2 as a main disadvantage for

overseas educated participants. In addition, some returnees have to follow their family instead of their own will. Meng said, *'this is a decision made by my family. I don't particularly want this. When I came back to China, it's very hard to get a job. My family helped me to find this. That's why I'm here now.'* Originally Meng wanted to start her own business running a small restaurant or café, which was found to be unrealistic by her parents, who refused to give the financial support. She could not have better options based on her own effort, thus she chose to give in with her parents' view. Therefore, through the job hunting process, some of the returnee graduates made their decision passively due to lack of other options.

To sum up, family influence played a crucial role in interviewees' decision making with regard to where they began their career path. This was either positive or negative. On the one hand, family background, as social capital, provided the means for them to establish a foundation for their future career. On the other hand, it limited their choices.

8.3 Adaptation and integration

After the graduates were recruited, they experienced a new working environment which required time and energy to integrate into. The adaptation process is a period of mastering new operational skills and work tasks, as much as it is a process of achieving social and psychological integration. This section explores the process of adaptation and integration of returnees into their working environment, and explores whether their overseas education and living experience affected this

process and how. In addition, it also looks at what the organisations do to help employees integrate in the workplace.

8.3.1 Social integration

For overseas educated graduates working in an SOE, the social integration process varied in different ways, taking into account their experience abroad as well as their individual personality. According to the interviews, a smooth integration process appeared to have been mainly attributable to willingness to be adaptable, good communication, team skills, and the degree to which they were helped by co-workers or supervisors.

> *…a long term living experience in different places. I did my undergraduate programme in another city (other than my hometown), and then I went abroad. This experience made me very capable of adapting to new environments. Things like maintaining interrelationships or social interaction, I don't think they are difficult to deal with. I can always fit in in a new environment very quickly.*

Jun believed that he had acquired a high level of adaptability from long-term independent living experiences in various locations, which eases the process of involving oneself in alien working environments. Other answers to the question, 'What contributes to a smooth process of integration?' are as follows: Qiang said, *'you need to try to communicate efficiently'*. He underlines the importance of efficient communication and interaction. In addition, Xin answered, *'I like our department, the team work goes well. And apart from that, our supervisors take care of us very well'*. After fitting in successfully, Xin gave credit to his team and

supervisors too.

When it comes to the topic of being a returnee after having living experience abroad, there are differences in opinions over whether or not overseas experience might lead to a reverse cultural shock, which hinders the smooth process of adaptation. Some respondents thought overseas education did not highly influence their process of integration, whereas some discussed the difficulties they confronted during the early stages of their career in China. Ning, who studied in Germany for four years, said

> *'I think it was easy to integrate. After all, I had been living in China for a long time. I just needed a period of time to re-adjust when I first came back from abroad.*'

Ning suggested that compared to the experience of living overseas, her life in China had equipped her with a solid foundation for her personality and norms of behaviour. Although she needed some time to re-adjust at the beginning, it was not a big issue for her. Another point of view suggesting overseas education has nothing to do with the integration process came from Xin:

> *'I don't think overseas education has a lot to do with the problems with the integration process, since I didn't have any working experience abroad. The problem is embedded in the difference between studying and working.'*

Apart from the argument that integration can be a smooth process and not particularly impacted by overseas education, some of the overseas-educated employees bring to light some difficulties about integration in terms of departmental rotations in the first year, the need to socialise with different groups of

people, lack of preparation and interest, complicated office culture, and pressure from customers. Feng explained that her problems integrating mostly resulted from changing environments as part of the rotation period.

> *'One of the most important reasons is changing places all the time. Thus I am always required to adjust myself to the new environment. It only became stable last year. Before that, every three months I had to change a department.'*

Secondly, apart from the stress of rotating across new environments, graduates were also required to socialise with various groups of people, which led to some difficulty. As Ning suggested,

> *'In our bank, at the beginning, you need to experience the lowest level. But what you've experienced before can be totally different from the lowest level. It takes some time to adapt in terms communication and ways of working. For me, I was a student for a long time. Those I interacted with every day were my course mates, students or professors. But when I came back to China, I had to socialise with, for example, counter clerks[15]. People in this range are usually from a rather lower educational background. Therefore, there was a gap between me and them, which was really hard to bridge. This is what I have to adjust to. I think the key point is the group of people [who are different from you] that you have to socialise with. Apart from that it's ok.'*

Higher education generates cultural capital for graduates, and also distinguishes them from people who do not possess such capital. Ning derived cultural capital from HE, especially overseas HE, which she gained access to by her family and socio-economic background. However, when trying to establish herself outside that particular network, it became more difficult.

Ning found that the interaction with her colleagues from various social groups

[15] SOE Bank also sub-contracts recruitment of some of the front-line counters and cleaners, who are not necessarily graduates. Instead of signing contract directly with all the employees, for bottom level occupations, SOE Bank also collaborates with sub-contractor for labour force.

involved in her job presented challenges in the course of her process of integration, whereas Yue suggested she had found communication with difficult customers hard to manage at the beginning.

> *'Graduates like us all had to do the counter jobs once we got into this bank. After a series of training schemes, there's no problem operating the counter. When customers came in, we needed to serve them, not very fast, but at least I didn't make mistakes. But from a psychological point of view, it's different because when working on the counter there are different types of pressures. You have to deal with different kinds of customers. Some of them are pleasant and polite, some of them are not, which will cause you some side-effects. You still need to keep a standardised service however. This is the thing that causes stress and it takes time to adjust and adapt.'*

Yue underlined that the time and energy required dealing with the stress caused by customers led to difficulties during her integration process.

Other than the kind of problems experienced by Ning and Yue, personal issues also had a role the integration process. Take Meng, for example, whose family made her decisions about her career for her instead of allowing her to make up her own mind.

> '*I was not familiar with financial services before I got this job, and this is not an industry that I'm very interested in. I didn't have much time to prepare, and once I started working it was totally beyond what I imagined. That's why it's really hard for me to integrate.'*

Thus, lack of personal interest and psychological preparation for the job made it difficult for her to adapt.

Finally, the complicated bureaucratic culture in SOEs was a factor stressed by employees. Yue, a returnee who studied in Canada for four years, said the following:

'the office culture in SOE Bank is still…um…very sophisticated. Um…how to say? I can't describe it in detail. It just feels like…. When I was abroad, social interaction was not as complicated as this. In SOE Bank, it's more complicated. Um…this needs time to adapt. After a while everything will be fine. At the very beginning it made me uncomfortable, not satisfied. But you work here, and you just have to adapt to the culture here. That's it.'

Yue felt a sense of overwhelming complexity regarding SOE Bank's office politics. When I asked her to give examples to clarify the ambiguity, she said there was hardly any proper example in her mind at that moment. It was possible that she could not express herself in a more clear way. But it also could be the case that she was not willing to share much of her interpretation about the supposedly negative side of her workplace. Chong, a returnee also had studied in Australia for 10 years, took a similar standpoint and articulated Yue's thoughts more clearly. He used the example of 'the Chinese way' of communicating to describe the difficulties with fitting in:

'the most difficult part is that, I think, in China, no matter whether it's in work or in daily life, transparency is very low. A lot of things need to be done in a subtle and tactful way, rather than straightforwardly. You are always expected to reach a tacit understanding. Nothing can be brought up to the surface. Thus you expend a lot of time on diplomacies that are irrelevant to your professional fields.'

Chong, among all the interviewees in SOE Bank, spent the longest time abroad. The difficulties he experienced in adapting and integrating into the workplace were not only because of practical problems he encountered but also because of cultural differences. The time he spent in Australia gradually exposed his mind-set to another culture. Thus he acknowledged cultural difference and developed a critical

distance from his culture of origin. In other words, he no longer takes Chinese culture as the norm.

Although the survey responses as a whole depicted a relatively smooth process of integration, there were various issues raised by the interviewees, which ranged from personal problems, such as Meng's lack of interest and preparation for the job, cited above, to negative organisational influences, such as rapid changes in environment from job rotations, not to mention interaction with different social groups, pressure from customers, and bureaucratic office politics.

8.3.2 Learning process in terms of operational skills/work tasks

Compared to various issues raised by returnee participants in terms of social integration, the learning process of operational skills and work tasks was reported to be relatively simple. In most cases, the reasons for a smooth transition were because of the basic level of the tasks involved. *'Everyone has been asked to do the counter at first. It's just all repetitive work, not difficult at all.'* Rui explained how she managed to handle the tasks within a month.

However, some respondents also reported that due to the variety of tasks in the banking system it did take longer to adapt and to learn. Jun commented:

> *'There are various types of jobs in the banking system. If you ask how long it took me to manage the tasks I had at first, it's probably one to three months. But if it's about learning all of the different areas, then I'd say I'd need one year at least'.*

Since it was mentioned that graduates considered relevance to their main subject of higher education as an important criterion in looking for a job, we turn now to the relationship between their higher education and career paths, exploring how far higher education helped them to integrate and perform the roles of their post effectively.

8.3.3 How important was HE for work?

Section 8.2 on 'Motivation' indicated that relevance to higher education is an important factor considered by graduates when looking for jobs. However, did relevant higher education really help that much for these particular interviewees? How did their higher education relate to their labour market experiences? This section addresses these questions.

Professional knowledge was considered one of the most important things gained from HE, while only one respondent recognised an actual contribution of knowledge gained from HE to their current work. Xin stated that his main subject at university was highly related to his current post. '*It [my work] is relevant to the professional knowledge learned in the uni. I used to study in Law, and now I'm working in the Legal Affairs Department.*' The remainder of the returnee interviewees considered that everything they had learned at university was not particular useful for their vocation. Even Ling, who said *'it's always good to do what you've studied'*, admitted that what she had learned in theory was not sufficiently relevant in practice to help her to handle her work.

> ‘*I studied HR for a Master degree, but this doesn’t have much to do with my job in general practice. My job requires more practical operation, whereas what I learned are all paper theories*’.

Jun said something similar: ‘*what I learned from uni is not that relevant.*’ Jun had a Masters degree in Marketing but found it mostly redundant when working as a customer relationship manager.

Despite the above, the respondents also suggested that, while their job did not require the kind of theoretical knowledge acquired at university, their ability to learn (study and research skills, etc.) coupled with the social skills they acquired through HE provided them with the means to adapt more easily. For instance, Yue said:

> *‘The job doesn’t use those areas of knowledge you learned from the university. If so, only very rarely. When you are in a certain post, you have to start all over. It’s just I can learn it faster, but I still need to learn. It’s not like I’m better than anybody. It’s just this learning ability and methods cultivated from higher education help you make the learning process shorter and have a better understanding.’*

Chong had a similar point of view:

> *‘The degree of relevance is very low….For the subject itself, I haven’t studied in Finance in either undergraduate or master programmes. I studied computer science for my Bachelor degree and Law for my Master. After I came back home, during the first few months of my job, I couldn’t feel any connection between my main subjects and my job. But through the learning by myself, based on the foundation formed in higher education, I found it didn’t take a long time for me to grasp the new field. After all, finance belongs to social science, not like physics or chemistry, or any rocket science. Thus, the progression of learning for me was rather quick.’*

In addition to graduates’ ability to learn perhaps more quickly than others, team

work is another helpful career skill that participants suggested had been cultivated by their life in HE, especially overseas HE. As Meng suggested, '*another thing is the spirit of team work. Universities abroad stress team-working very much. We had a lot of homework done by groups*', from which students are able to develop the skills needed to work with others.

8.3.4 Help from the organisation

In addition to the effort made by individual graduates, the organisation also engaged in easing the integration process for new employees. According to the interviews, help from the organisation is available in three ways: orientation training and rotation, advice from instructors, and social events. Jun explained the procedure at the start of his job, which included orientation training and rotation:

> '*At the very beginning we had training sessions and then we were posted somewhere on a rotation internship. For example, I was first posted in a relatively small sub-branch, which didn't have many departments, maybe only two or three. I was asked to do some work in each department and figure out which one I suit best.*'

From Jun's experience can be summarised that orientation training provides a brief introduction of the organisation and job-related issues, which help employees to understand their roles. Rotation, on the other hand, helps employees to familiarise themselves with different kinds of work tasks in practice and also scout a path for the future of their career. However the interviewees, for example Feng, have already reported that difficulty and integrating into the work environment was primarily due to the practice of rotation, which meant they changed departments all

the time and had little chance to adapt. From an employer's perspective, however, and considering the long-term benefit for graduates' career development, rotation (as part of induction) does a lot to provide new employees with a comprehensive and helpful overview of the business operations of the entire company.

Apart from induction training, an instructor was allocated for each new employee so as to guide them through daily routines and pass on relevant and useful experience. As Xin remarked, '*you will be asked to do some work independently, and will be allocated a nice and experienced instructor.'*

In addition to the professional assistance, there were also social events organised internally or externally to reinforce organisational culture and inspire a sense of belonging among new and old employees alike. See, for example, Chong's statement:

> *'We do have some events organised by our bank. You know SOEs in China have a very close relationship with the Party. There's always a Party Committee in big-scale SOEs like us. The Party Committee plays a very important role in establishing the corporate culture of China's enterprises. Take the training sessions as an example, the history and the development of this company are all involved. In the daily work, there is training before every new project. From the view of corporate culture, our bank accommodates new employees through some internal magazines, or big festival events organised by China Banking Regulatory Commission.'*

The events and magazines organised by SOE Bank are a method of helping new employees integrate and socialise with others, but more importantly they are also a means of ideological education, especially when taking the influence from the Party Committee into account. These informal forms of ideological education are

‘Party-led’ initiatives, which aim to encourage uniformity, conformity and loyalty.

To summarise briefly, there are various types of help on offer by SOE Bank that are designed to help new employees familiarise themselves with their working environment. These types include orientation training, the allocation of personal instructors, and the hosting of social events. However, all of this is rather basic when compared to the types of training and resources available at the managerial level, which introduced in Chapter 6. Lack of in-depth training, such as knowledge of various financial products, managerial skills, future career planning, for employees was a problem highlighted by returnees, and is the subject of the section on ‘Job satisfaction’.

8.4 Job satisfaction

Job satisfaction results from a variety of experiences depending on employees’ motivations and expectations. Some aspects of job satisfaction resulted from the nature of the job itself, particularly when it was perceived to be a good match with the employee’s personality. As Ning said, ‘*I’m satisfied because I like the nature of my job, and I think it’s also very suitable for me’.* Qiang by comparison preferred the stable timetable and income as part of his job, which was affected by his overseas experience:

> ‘*Normally people who studied abroad would prefer the life-style abroad. For me, I want a life where I go to work and finish within office hours. You know, that kind of life-style which is relatively personal and free of constraint. Now it*

is unusual for not having OT [over-time], but we still have weekends off. Thus I have the chance to arrange my personal timetable and the time schedule for work is very predictable. That's what I'm satisfied with. Apart from that, the salary is relatively stable too.'

Qiang's source of job satisfaction is reflective of SOE Bank's HRM strategies outlined in Chapter 6. SOE Bank has predictable working hours and workload, and a reasonable income that, while not necessarily high, does not lead to a highly stressful and fiercely competitive atmosphere. This is down to the rates of salary, which are mostly fixed according to bandings for all employees.

Some interviewees also enjoyed the working environment, and the interaction between colleagues, supervisors and even customers. For example, Feng said she liked it *'because my job is not stressful at all, and my supervisor is really nice to me too. She often encourages me and inspires me, and also teaches me, which makes me progress very fast.'* Yue also felt the same way:

'I like the working environment here. I like the atmosphere here with my colleagues. Everybody helps each other. Although we have to face a wide range of customers, we also learn a lot from them. If a customer is satisfied with our service, I also get a sense of achievement. These are the aspects that I'm satisfied with. Although the posts I have had since I started have changed quite a few times, I can feel my progress in all different areas. That's something I'm satisfied with.'

People like Feng and Yue enjoyed the working environment. They are satisfied with the sense of achievement gained through the recognition from supervisors or customers, whereas some of those interviewed emphasised the resources offered by the organisation. Jun revealed his sources of job satisfaction:

'*What I'm satisfied with is the scale of this bank. It's impressive. It offers me a relatively high platform to experience various types of business and to learn different stuff in a short period of time. Plus, since now I'm dealing with corporate banking, our customers are usually from a very high level socio-economic background. Having such a starting point for my career path is very helpful for social networking.'*

Jun has a long-term career plan and he believed that his current job and where he worked may help him by way of accumulating social capital, not just in terms of work experience, but also in terms of connections (*guanxi*) or the potential to connect with others in the future. His emphasis on the usefulness of social networking for developing his career path also illustrates the vital role that *'guanxi'* plays a form of social capital in Chinese society.

To sum up, returnee interviewees' job satisfaction was mostly a result came of the job itself, encompassing the types of social interactions work afforded and the resources the organisation offers (both in the long term and the short term). Not surprisingly, however, job dissatisfaction was also reported, sometimes to do with returnee identity, other times because of reasons more generic that likely apply to all employees.

First of all, returnees who worked in the state-owned bank reported problems with capitalising on the 'advantages' of being a returnee to their daily work. For example:

'I still have an ideal scenario. You know people came back from the UK; they must want to make use of what they've learnt there, including English, and also some international stuff. But at the moment, these are not necessary and are nowhere used. I'm not satisfied with this.'

The cultural capital that might be acquired from overseas higher education, such as advanced foreign language skills or cross cultural competence, both of which are usually conceived as 'advantages' possessed by returnees, are not entirely applicable to work in the SOE Bank. Those jobs do not involve foreign languages or as much interaction with foreign business partners. Thus the nature of the organisational setting of SOE Bank did not provide many opportunities for returnees to convert their cultural capital into correlating capital gains.

Secondly, and apart from the small demand for the cultural capital possessed by returnees, returnee interviewees also complained about the lack of training in SOE Bank:

> Chong: '*What I'm not satisfied…um…it feels like our bank underlines the development of business very much, but for employees, I hope our bank pays more attention to the careers service, training and education of employees. I'm in a managerial department and barely get the chance to communicate with customers so I wish I could get cross-departmental training. We are the people making policies and regulations. We learned a lot from this, but we don't have the opportunity to go to the front. Thus I think if we have a chance to combine theory [policy] and practice [at the front], it would contribute a lot to our future career development.'*

Unlike other interviewees, who rotated on the front-line when first being recruited, Chong obtained his job through his parents' *guanxi*. His *guanxi* was to such an extent that it got him into a managerial department immediately, without time spent at the lower end of the hierarchy. However, he realised that in being recruited this way he missed experience working in different departments and the opportunity to gain alternative skills for his future career plan. At first glance, this is not the

organisation's fault, as SOE Bank does organise rotations for all (ordinary) new employees, and Chong was an exception. However, his situation is also revealing of the fact that once new employees finish the early stage of training, there is a lack of training post-induction.

> Ning: '*The thing I'm not quite satisfied with is lack of opportunities when you want to go further. For instance, you don't know if there's any training available for you, and you don't know how to improve in whatever area.'*

Although there are various types of training available in SOE Bank, individuals at the senior managerial level tend to benefit the most. In-depth training for graduate employees, by comparison with that provided to senior management, was reported to be rather basic and generic, which led to job dissatisfaction on behalf of employees. Also, as wrote in the motivation section above, some interviewees reported that one of their reasons for choosing SOE Bank was that they thought good training opportunities would be provided by such large-scale SOEs. The reality did not measure up to their expectations.

Thirdly, a most typical reason for job dissatisfaction was lack of personal interest. Take Meng as an example: '*the job itself: it's ok. But it's not that relevant to what I studied before, and it's not interesting either.'* As stated earlier (section, 8.2), Meng's career path has been strongly dictated by her family, rather than by personal preference (running a café or restaurant). Thus, she said this was why she had not achieved a high degree of job satisfaction.

8.5 Perceptions of the advantages and disadvantages from returnees' self-evaluation at SOE Bank

Concerning the last research question, about the perceived advantages and disadvantages of returnees in their workplace, this section will give answers from the perspective of returnees themselves. Most of the interviewees asserted that overseas education made no difference in their work. *'It's not a disadvantage, but it's not an advantage either'*, said Feng. Ling said there was '*no influence at all';* she did not think having an overseas education better qualified her for her current job. Likewise, Yue explained that her '*job doesn't require any of the qualities gained from overseas education'*. She thought whether or not one was educated overseas had little effect on working performance. '*It's more likely to be an advantage in MNCs'*, Ning suggested. However, returnees do believe they possess some very real advantages.

8.5.1 Advantages

First of all, some of the returnees believed that overseas education could attract more attention from HR when they applied for jobs.

> Qiang: *'There are many students who go abroad to study, and a lot come back. You can't say it's easier for returnees to get the ideal job; it's just that they have a better chance. Compared to local graduates, returnees can attract more attention. People would say "oh, you are a returnee".'*

> Xin: *'It [overseas education] may help a little, but it's not that big a deal, since it's SOE. For example, HR probably paid a little more attention to your CV, if he knew you studied abroad. That's it. Otherwise, I don't think it has any benefits.'*

> Yue: *'Working in a state-owned bank doesn't require much of what I have learnt from abroad, such as the English language. But I think when they're recruiting graduates they pay more attention to returnees. They may also recruit returnees on purpose, just in case returnees are needed in the future for certain projects requiring overseas education. They recruit returnees to guarantee having such resource in this area. I think this can be an advantage.'*

Apart from their ability to attract the recruitment team's attention, their linguistic skills, coupled with their capacity to learn fast and communicate effectively with others, are common advantages that people believe returnees possess. As Jun noted, *'it has a little influence, not much. What is mostly beneficial is the language. Apart from that, it's an experience which cultivates a certain ability that can be helpful for work'*. Feng also mentioned that *'the ability to learn fast and communicate is better developed'* among returnees.

Considering the deployment of foreign language competence from a different angle, Chong mentioned an alternative benefit of overseas education: *'Advanced language skills will help you read and understand things faster. Ideas and perspectives towards new things can be captured faster by people who studied overseas.'* Chong believed that without an overseas education, graduates would not be able to adapt to new ideas and perspectives as fast as they currently do. Chong also suggested that due to the experience of living abroad independently, returnees had a capacity for handling all kinds of difficulties on their own, which would not otherwise be the case if they had remained in China. Thus '*we are more prepared for challenges and difficulties on the job. We know how to better deal with the pressure and how to solve problems more easily.*'

Viewed from the perspective of the long term, various experiences and different values gained from overseas education can have a very positive influence on one's career and life as a whole. Yue explained that the experiences she had were useful for maintaining relationships with her customers.

> *'I have many colleagues who don't have overseas education, but they all perform very well. However, I think sometimes it's better if you have it. You have more interesting things to communicate to your customers. If you have experience being abroad, you have more topics than others to share with your customers and the content of conversations can be more attractive with those interesting experiences.'*

Chong also underlined the crucial role the experience of being abroad played in his life:

> *'Academic knowledge is not a decisive advantage for returnees in terms of career development. My personal opinion is that it is the experience itself that is the most beneficial part of the process of living and being educated abroad. Such an experience is composed of study and all kinds of problems and difficulties in life, from which one can learn some valuable lessons, and learn how to be more independent. In a western country, standing at an international stage, with a broadened horizon and more information, the values we learned are a very positive influence on my life.'*

8.5.2 Disadvantages

Interviewees also expressed their opinions on the disadvantages of overseas education. Most straightforwardly, being abroad was not always convenient, particularly when it made it impossible for returnees to attend interviews during the Chinese equivalent of the annual 'Milk Round' recruitment process. In order to undertake annual graduate recruitment, large-scale SOEs usually set up campus

recruitment events during graduation period at Chinese universities, which does not coincide with graduation processes at universities abroad. Jun was one of the returnees who suffered because of this problem: *'I didn't have many choices because the time of my graduation was different [from local graduates]'*. Ning encountered the same problem:

> *'I was in Germany at the time. It was not very convenient for me to come back. Thus I took only a few interviews and this [job] is the only one that I thought fit for me. The main problem was the inconvenience of physically being abroad, so I didn't apply for many posts.'*

Here one thing needs to be clarified: There are two types of recruitment in general: social recruitment and campus recruitment. Social recruitment refers to the occasional opportunity for people who have relevant work experience for vacancies, whereas campus recruitment is an annual event exclusively targeted at year's university forthcoming graduates, equivalent to the UK 'Milkround'. Campus recruitment usually starts with online application, which takes place during the first term of academic year (between October to December), and the whole recruitment process, including written exams and several rounds of interviews, lasts until April the next year. Since students graduate in late June or early July, those who have been recruited will sign the contract once they have the degree certificate and start working roughly around July. Concerning the schedule of the campus recruitment process, it is not very convenient for overseas students, since the academic timetable varied in different countries and it is hard for overseas students to travel back and forth to take various exams and interviews in China.

Returnees also reported a lack of familiarity or up-to-datedness with Chinese society and the labour market, which played a negative role in their career experience. This particularly affected Chong's work experience, as he had spent a very long time abroad (10 years). He said, *'at the beginning, I felt I was disconnected from society. There was a lot of stuff that I didn't know how to deal with. If you handle it with the western style or habit, the result usually wouldn't be satisfactory.'*

Another feature considered to be a disadvantage was what they (Chong, Qiang and Jun) defined as the recognition of 'free will' possessed by returnees, which led to them having 'unrealistic expectations'. Jun explains that:

> *'after experiencing everything abroad, and once I got into an SOE, I felt like I was being constrained; kept inside a box with too many rules and regulations. ... The [management] structure in big SOEs isn't flexible.'*

Finally, many returnees expressed their disappointment with not obtaining recognition in SOEs.

> *'After you start working, you realise that there are lots of things that are out of your control. People [in society] always think returnees are superior and mysterious, but usually returnees are hardly recognised here, unless it's a multinational bank, or somewhere that has many foreigners or returnees.'*

Qiang commented that returnees may have an intriguing title (for being a 'returnee' – *haigui* in Chinese), but also have problems being recognised by others due to suspicion about the different values they may or may not hold.

In conclusion, graduates who studied overseas believed that they may have special attributes that provide advantages to employers, particularly in terms of their advanced language skills, capacity to work independently, well-developed study and communication skills, and ability to handle pressure and stress on their own. They also believed that they had open minds, and were able to embrace new ideas and share information based on their various previous experiences abroad. In addition, they generally believed that being a returnee may have provided a higher chance of attracting attention at the recruitment stage. However, the timing for job applications, the cultural differences encountered (sometimes leading to reverse cultural shock), and the gap between their expectations and reality contributed to negative evaluations of their career experience. Nonetheless, all of these qualities, whether advantageous or disadvantageous, were highly dependent on the labour market itself. Summing this up, Chong believed:

> *'At the end of day, it still depends on your employer, and the needs of the labour market. In other words, when returnees come back to China looking for jobs, no matter how well you did in your degree, or how long you've spent abroad or how well you know about the host country, these are not important. The most important thing is what kind of person the post needs, and whether you are the one that the post needs! Therefore, returnees are still passive when we look for jobs. It all depends upon the employer. … But you can't say there are no advantages at all. If your job covers any business such as international trade or involves any foreign business partners, then, if you have overseas study experience, you will be much better in communicating and knowing the cultural difference and variety of rituals.'*

However, in contrast to the above assessment, as noted earlier, many returnee interviewees stated that in the SOE Bank, the post did not require many of the qualities they acquired from abroad as the job, in fact, did not cover much

international trade nor involve many foreign business partners. When asked to compare returnees with local graduates' advantages and disadvantages in terms of job performance, Jun said '*I can't notice any difference to be honest. After all, our bank, or the job itself, doesn't make a distinction between returnees and local grads. So you can't really make a comparison.*'

8.6 Cultural Difference

Returnees' experience of studying abroad, as well as their work experience in SOE Bank, pointed to themes relating to cultural gaps between China and western countries. First of all, one of the features of China's SOEs - social responsibility for recruiting graduates to alleviate the unemployment pressure – was recognised by the graduate employees. As Feng said:

> '*Top state-owned banks do large-scale campus recruitment. Graduates are recruited and do a rotation during the first year. As they recruit graduates from all kinds of fields, our advantages won't be that distinctive. They won't pay much attention to other distinctive abilities. They just have to meet the quota in order to solve the unemployment problem, which graduates should be aware of. So comparatively speaking, those who graduate from famous universities in China are more competitive in the process of recruitment of SOEs. Besides, a lot of people get in based on social connections [guanxi] you know*…'[reluctant to elaborate more].

In addition to the social responsibility of SOEs in China, Feng also mentioned another characteristic of Chinese culture: the deployment of an individual's social connections. She stated how *guanxi*-type social capital could enable entry for graduates to SOE Bank, bringing up the idea very briefly amidst other comments, but stopping herself from talking about it immediately. She showed an extreme

sensitivity about stating explicitly the '*guanxi'* present in China's labour market when speaking to a stranger. However Feng was not the only one who raised this issue. In fact this topic was raised by many interviewees. Qiang, for instance, said that '*the way of communicating in China is very different from abroad. Everything is based on* guanxi. *You have to have resourceful connections in order to achieve anything.'* From Qiang's statement, *guanxi* not only facilitated entry, but reverberated widely as a form of social capital in China.

In addition, Qiang also raised an issue that due to the important role of *guanxi* played in SOE Bank, double standards applied

> '*I think in western countries, hard work is recognised, but not necessarily in China. When I was abroad, if you've done the right thing, then that is the right thing. But here in China, even if you think you did the right thing, it's* not *necessarily the right thing to do. It's only "right" for you, but not for others.'*

When asked to explain further, he used '*guanxi*' as an example:

> *'For example, in China,* guanxi *is extremely important and powerful. It applies everywhere. Although you need a social network abroad too, after all rules are rules. No one really breaks the rules or changes the rules in order to do a favour for anybody.'*

This would suggest that Qiang experienced a tough time between rules and *'guanxi'*. Instead of 'bending the rules' for *guanxi*, he chose to stick to rules and regulations. He thought it was the right thing to do, yet it turned out to be not to be for others. In China, the importance of *guanxi* has become an unspoken rule, which leads to double standards when it clashes with regular rules and regulations.

Another characteristic of Chinese culture is the stress and suppression of individualism. Qiang used Chinese slang to explain one of the traditional values in China, which has a profound influence on the organisational culture at SOE Bank:

> '*There's a saying in China: "shoot the bird which takes the lead*[16]*." In western countries, maintaining one's own personality and expressing one's own idea or opinion are encouraged, but in China everybody holds the "doctrine of the golden mean*[17]*" in order to be featureless and avoid unnecessary troubles.'*

This opinion was confirmed by Feng's strategy of adaptation and integration: *'...as long as you suppress your true self, it will be ok.'* She suggested it as a tip when she was asked about how to integrate into a new working environment quickly and effectively.

In conclusion, there are four particular features of Chinese culture highlighted by returnee interviewees. Those are: the social responsibility of Chinese SOEs; the low transparency of information; the importance of *guanxi*, which could lead to double-standards with respect to the application of rules and regulations; and the underlying 'doctrine of the golden mean'.

8.7 Perceptions of SOE returnees of managers and colleagues

Previous sections have focused on the views of returnees. This section draws on the

[16] 枪打出头鸟 in Chinese - meaning literately the gun always shoot the bird that comes out first, which implies to avoid being the outstanding one.
[17] 中庸之道 in Chinese. A Confucian terms expressing the importance of being impartial, conciliatory and compromising.

perspectives of the people for whom the returnees worked or, alternatively, with whom they worked. It is based on interviews, first, with two HR managers (one is the director of the HR department in the bank, the other is in charge of recruitment) and, second, with locally educated graduate employees. It provides a view of how the returnees were perceived by their colleagues and supervisors, though it should be noted that the views of HR managers are being used as proxies for those of supervisors and line-managers.

8.7.1 From the perspective of HR managers

The senior HR manager thought that the distinctive features of returnees were mostly visible at the early stage of their employment at the bank. Compared to local graduates, he thought that returnees were more socially competent, particularly in terms of managing relationships between themselves and their supervisors, and in terms of communicating with customers. At the same time, they were more considerate and aware of themselves:

> *'They [returnees] are more able to adapt to the new environment. Once they are employed, they are better at restraining themselves in order to adapt to certain circumstances in an appropriate and professional manner. Whether they found it hard to adapt to the working environment or not, or whether happy or sad, it all shows on local graduates' faces. Local grads are more likely to have to invest too much emotion in the workplace. In this sense, returnees have their advantages. '*

> *'They [returnees] won't be forthcoming when they think an idea is not mature enough or well thought through. I always think this is because of the time they spent abroad, where they may have been under circumstances that required a high degree of self-awareness and self-preservation/protection. When they answer questions, or deal with certain situations, they are not willing to expose themselves very fast. By comparison, some of the local grads are afraid*

of nothing and do not hesitate to speak without thorough consideration. Sometimes they act too quickly, before thinking it through. Because of this, returnees are likely to be more mature than local grads. This is a rather obvious feature.'

Not only then were returnees regarded as being more cautious and professional, but the reasons for this quality were seen to stem from their living independently abroad. Their limited access to help and protection from their family made them more independent and at the same time equips them with a high degree of self-sufficiency. They only acted after observing and becoming familiar with particular situations. The overseas living experience seemed to also help returnees to develop a more meticulous way of thinking.

Here one thing deserves attention: 'mature' and 'professional' (as interpreted from the HR managers' statements) means being reserved and modest; not rushing to express one's opinion; an aptitude for hiding one's personal feelings and emotions at work. 'Mature' and 'professional' in this sense is commensurate with traditional Chinese organisational ideology (especially in state-owned enterprises) but not necessarily with western society. It is worth noting that while the HR manager praised these returnees' attributes, these norms of behaviour were identified by returnees as 'a box with too many rules and regulations', which constrain them to a great degree.

The HR manager suggested that returnees were better at handling interrelationships, whereas some of the returnees themselves complained about the complexity of interrelationships at work being a problem they had experience of and found

difficulty with during the process of integration. Taking these contrasting statements into account, this HR manager went further:

> *'You need to think about it from different layered perspectives. Generally speaking, for ordinary day-to-day interaction and communication with others, returnees are better at acting according to the manner required in various circumstances. However on a deeper level, say when using certain methods or taking certain actions to please someone or achieve something - something like this – returnees are not that sophisticated or mature. These two layers are two different interpretations of the word "interrelationship". When I say they are better at dealing with interrelationships, I mean that in the former sense or, say, when they are working in a group during the interview [stage of recruitment]. In this situation returnees are more likely to perform with ease and confidence. On the other hand, some of the local grads, who have been under the protection of their parents for a long time, lack the required social skills. '*

Here 'interrelationship' was defined by him in two ways. For one thing, it refers to the daily communication and interaction between one and others. On another level, it is a more subtle and ambiguous concept, referring to communicative interaction through which certain goals are instrumentally reached. This perspective can be considered relevant to the established network (*guanxi*), or a way to access the connections and contacts through which opportunities may be accessed. Returnees were considered by the manager to have advantages in terms of the first meaning but possibly be disadvantaged in terms of the second. Returnee participants, who are from advantaged socio-economic origin, had established confidence as well as *guanxi* through their family background. On the other hand, he said they were not very good at building further up *guanxi*.

Speaking of disadvantages, this HR manager also pointed out that, during the

recruitment process, it was noticeable that returnees were not as good as local graduates when taking written exams. '*They [returnee candidates] usually perform well in the interview, but not in exams. When it comes to the exam, local grads usually do a better job*.' The fact that returnees perform better in interviews but worse in exams reflects differences between Chinese and overseas educational systems. Unseen exams are the major form of assessment in China, throughout the entirety of the educational system. The national university entrance exam is predicated on a high school curriculum geared to preparation for exams rather than to providing a more general foundation of knowledge or questioning of values and systems of organisation. Certainly, the educational system in China progressively trains students in ways to better cope with exams. Thus local graduates, who have studied in this exam-oriented system for at least 16 years (typically six years primary school, three years middle school, three years high school, four years at undergraduate), are likely to have cultivated a stronger capacity to perform well in exams when compared with those who have spent somewhat less time in this system, e.g. returnees.

The other HR manager, who was in charge of recruitment, had his own opinion about the difference between returnees and local graduates, especially when it came to their educational background:

> *The knowledge base possessed by returnees is a lot different from local graduates. I think local graduates have a rather more solid and well established level of knowledge than returnees. This may result from the different educational systems between China and western countries. The*

design of the curriculum is very different too. You can see from the transcripts that returnees brought back. For example for those who studied in the UK, there are only a few modules on the transcripts. They only had four or five modules for one year. That's way too limited compared to the modules and classes running at local universities. Thus I think that, although returnees are better at foreign languages, and demonstrate an international way of thinking, they lack a solid and panoramic knowledge base.

It is interesting to note how he evaluated the educational background of returnees and how he compared the western educational system with the one in China. He had a masters degree, and had been working continuously in this bank for 13 years. He had no overseas educational experience, but his perceptions of overseas qualifications and returnees were nonetheless strongly expressed. The number of modules and classes per year was his way of evaluating academic performance or the level and type of knowledge acquired. Such a mechanistic approach, counting modules and classes as if they all represent equivalent levels of difficulty and intensities of study suggests that the informant had little understanding of, or interest in, the content of the courses or the true significance of the transcripts. This kind of misunderstanding is likely to result in a lack of recognition of the value of overseas educational qualifications, which may explain why returnees are sometimes frustrated at a lack of recognition of their competences in the labour market.

The recruitment HR manager also thought that the process of adaptation and integration to the working environment might be longer for returnees than for local graduates. One of the reasons he gave for this was that the former had higher expectations concerning the recognition of their qualifications and their educational

background than had their employer and the labour market at large. Local graduates, by comparison, were favoured by employers at this level since they have less ambitious expectations at the outset.

> *'Returnees usually need longer to adapt into the work environment. They are more likely to be reluctant to do tasks at the lowest end. However, on the other hand, local graduates usually have a rather modest self-evaluation. This has a lot to do with expectations I think. Returnees, after investing a lot of money in education abroad, expect greater recognition and more economic return from the job or from the labour market than the local grads do.'*

This appears to contradict what the senior HR manager said about the advantages of returnees, who referred to returnees' strong ability to adapt into different environments after experiencing various social and cultural backgrounds abroad. Concerning returnees and the influence of overseas education, even two managers in the same department appear to have different opinions. Different perceptions of returnees' adaptive ability can be also seen in interviews with returnees. On one hand, they thought that they had developed a stronger capacity for adaptation and integration into different social and cultural environments. On the other hand, some of them experienced a hard time when they first went back to China and found it difficult to situate themselves into the environment. Furthermore, the findings from the online survey show that the returnees tended to report taking longer than local graduates to feel that they had integrated successfully at the SOE. .

One possible explanation for these divergences in opinion is that, because of the experience of studying and living in various countries, returnees learned how to live with alternate ways of life. Their ability to adapt to various non-Chinese

environments has thus been enhanced. They can more easily integrate into new places and adapt to new environments. They are more likely to be able to cope with situations when they do not know immediately what to expect, what is expected of them, and how to react. This is in comparison to those who have never experienced cross-cultural change to this extent. However when it comes to the matter of living and working again in China, the same organisational setting for both returnees and local graduates means different things for these two groups. Returnees have not been involved in the overall environment for some time and their familiarity with it has thus been eroded. As the recruitment manager said:

> *'Compared to local graduates, returnees are not very familiar with the local labour market, economic developments, and the social environment. After all, there is the physical distance which does not provide them much chance to get to know what's going on here in Beijing or in China. '*

Thus, although returnees know how to deal with the process of integration, they still need to deal with it both in the sense of the change of cultural environment as well as the change of identity from student to employee. For local graduates, however, there is only the shift of identity to deal with. In this sense, the recruitment HR manager may be correct in believing that returnees require a longer time to adapt and integrate. On the other hand, the senior HR manager considered returnees to be more capable of integrating. His thoughts were not from the perspective of time, but from the perspective of performance and behaviour, i.e. the degree of maturity and professionalism that returnees have demonstrated during work.

In summary, returnees may perform well and in a professional manner since they

have been trained by the experience abroad to develop a better ability to cope with new environments. However, from the returnee perspective, even though they may perform well, it may still take them a long time to become psychologically comfortable with the new social/working environment as they cope with feeling restrained and trying with difficulty to meet the standards imposed on them. Returnees' difficulty adapting to SOE is understandable from this standpoint. Although the two HR managers hold somewhat divergent views towards returnees' ability to integrate, they agreed on one point, which was that returnees were more likely to have higher expectations regarding the job than their local graduate counterparts. The different expectations regarding the job could in turn lead to a different choice of career path. Especially in this bank, regardless of whether their qualifications were from Chinese universities or abroad, once recruited, everyone usually started at the same level, at the lowest point of the hierarchy (working on the counter). In this situation, returnees with higher expectations tended to manifest different reactions to the lower end. The senior HR manager explained how returnees and local graduates were equally treated in this bank and how they acted differently:

> *'During the process of recruitment, we do pay attention to those candidates who have overseas education qualifications, but at the end of the day, whether you catch a break or not still depends on individual preparation and performance. And after you get into this bank, the starting point is the same for everybody, since every new employee needs to start from the counter for one year.'*

> *'After working here for a while, […] they [returnees] are more sensitive to the discrepancy between reality and their expectations. For example, quitting jobs*

or changing jobs is a relatively more often occurring phenomenon for returnees than for others. '

In fact returnees may not be more sensitive in this way but rather faced with a larger gap to reconcile between reality and expectations. He made the point that while returnee graduates accepted the job at first, if they did not see much chance of promotion or development of career path they were more likely to choose to change jobs than local graduates. This is because they thought their overseas educational background entitled them to something more than starting at the lowest end of the hierarchy, even though it was a temporary part of their training, which conflicted with their expectations of being fast-tracked up the career ladder.

8.7.2 Perspective from their local graduate peers

As a means to better understand the career experiences of returnees and provide an objective evaluation of their performance, the perceptions of returnees' peers (the local graduates recruited during the same period) were investigated in addition to perspectives of the HR managers. However, locally graduated participants in SOE Bank showed little interest in talking about their overseas educated peers. All the interviewees said they did not pay much attention to returnees' performance, or they did not see much difference, except Gang, who explained his opinion in detail. When asked about the characteristics of Chinese returnees, Gang said the following:

'I think returnees, in my opinion, need to be differentiated into different periods of time through history. At the very beginning, it was only those extraordinary professors and scholars who had the chance to study abroad.

But gradually, as it has become more possible and easier for ordinary people to go abroad, the quality of returnees has become harder to define. I think there are two different types of returnees. In my opinion, those who went abroad after finishing the undergraduate programme in China are one group, and those who went abroad when they were really young are another. It's only my personal opinion. The former who studied abroad because of their personal career plans are more likely to have learned something very useful than the latter, since they have a more specific aims and a clearer vision of their career path. However for those immature overseas students, who went abroad when they were really young, it's very hard to say. Everything can happen to them. Sometimes it seems to me they've learnt nothing; just went abroad and burnt the money.'

Gang was an employee who graduated from a university in Beijing and was recruited to the bank once he had completed his Bachelor degree course. His classification of returnees was based on the age they went abroad, and he considered that mature overseas students, who had a clear plan for their future, would benefit more from overseas education than returnees who had gone abroad just because their family was rich enough to afford them to do so. He also commented on the advantages and disadvantages that returnees might possess:

'I think returnees usually have a crowning glory of their overseas educational background. Therefore, when there's an overseas qualification in their CV, it's shining there for HR to pick it up. However, when it comes to the ability to achieve excellent working performance, it takes time and down to earth practice to evaluate.'

'Comparatively speaking, foreign language should be an advantage. Other than that, it really depends on individual cases. Some went abroad and then had cultivated academic performance as well as social skills. After all, they have to live all by themselves while they were abroad, and they must acquire some living skills, such as learning how to live independently, and at the same time, they have horizons broadened. But in terms of the academic performance, it really depends on how much effort each one has made. ... They have some disadvantages too, because they may find it difficult to get involved in the Chinese cultural environment after they came back, especially those who spent a very long time abroad. They probably already got used to the western culture,

and feel distanced about the Chinese one.'

Gang's conclusions about the advantages and disadvantages that returnees may possess are very similar to those of the returnees themselves, and he made the point that not being able to adapt into the Chinese cultural environment smoothly can be a problem resulting from the prolonged overseas living experience. In the end, he still insisted on a classification of returnees, stressing the difference between successful cases and failed cases:

'Some of them, they are not good students anyway. They went abroad for a 'gold coating', which seems glamorous, but it's still nothing inside. When they came back, it's just the same. Nothing improved but their own expectations and self-evaluation. So, comparatively speaking, local graduates are more realistic about themselves.'

Unlike Gang, in response to questions about the difference between returnees and local graduates, most of the locally-educated interviewees in this bank claimed that there is not much difference between returnees and local graduates. One of them said:

'Difference between returnees and local grads? Em…I've never thought of it this way. I've never classified my colleagues in this way. I don't think there's much difference. Can't see much at work anyway.'

Apart from Gang's comments, the interview findings suggest that locally graduated respondents did not see returnees/local graduates as different. There are four possible reasons for this: firstly, those most hostile to returnees taking jobs in the context of high local graduate unemployment may simply have refused the invitation to participate in the initial survey. Secondly, as the researcher, my

overseas educational background could make locally graduated interviewees unwilling to comment on overseas education, especially negatively, as they may think any comments could be related to me. Thirdly, it may be an accurate reflection of the strong organisational culture or very standardised work that shapes everyone into a very similar style and does not allow much space for autonomy or individuality in the performance of roles. Fourthly, in the state-owned bank there were few opportunities for returnees to display abilities acquired through overseas education. For example, there is not much English-related business or occasion to use overseas languages. As stated previously, for some returnees this was a source of dissatisfaction since they were unable to maximise their value in a state-owned enterprise.

8.8 Conclusion

This chapter presented interview findings about the career experiences of returnees working in SOE Bank. Based on their experiences and their evaluation, the advantages and disadvantages of their overseas education were made clear. In addition to returnees' own perspective, the opinions from their locally graduated peers and the HR managers were also introduced.

Concerning returnees' own evaluation of their career experience, it is useful to first of all consider their motivations for choosing to obtain employment in the state-owned sector of Chinese banking. It would appear that the high degree of job security, good social resources go some way to explaining why the respondents had

been predisposed to choose the state bank. Family expectations that women should settle into a highly secure, but essentially undemanding job, usually associated with SOEs in China, was one of the main reasons for choosing SOE Bank, while the assumed bright future of the financial industry and relevance to higher education led particularly to the choice of the banking sector. However, there were also negative factors that contributed to respondents' choice of career, particular pressure from their family and the unfortunate timing of the annual recruitment rounds limited returnees' choices.

Secondly, interviewees reported that the routine and repetitive work at a retail bank counter did not require much time to learn. Yet, some returnee participants pointed out that more time was required for managing the wide variety of jobs that the banking system is comprised of. Apart from the practical factors of the adaptation process, easy psychological integration resulted from returnees' capacity to adapt to new situations, the communication skills that they had acquired from overseas education, lived experience abroad, and practiced teamwork, which created an amicable relationship with co-workers and supervisors.

Nevertheless, there were also factors causing difficult time for interviewees' integration process. The first year rotation led to frequent change of working environment which respondent found very hard to settle. Hard time was also reported to be resulted from pressure from customers, lack of psychological preparation for the new job and lack of interest in the occupation. The process could

have been longer than local graduates, since returnee participants experienced two-tier adaptation. They began by experiencing the individualisation process, which encompassed the change in identity from student to employee, while they also needed to (re)socialise from the host country' background to the Chinese environment. During the process of socialisation, a participant found it was difficult to socialised with social groups different from hers (counter clerks who did received HE for Ning's case), and spending time on non-business related issues attributed to the office politics and culture differences. Returnees who spent a longer time abroad were more likely to identify cultural differences in terms of varied norms of behaviour. Instead of taking the cultural context for granted, they were more likely to demonstrate a critical distance from Chinese culture.

In order to help new employees fit in the workplace, personal instructors helped them to master work tasks in the short-term. Frontline rotation, by comparison, facilitated employees' career development in the long run. In addition, the Party Committee also organised events and publications aimed at smoothening employees' integration. This is also a form of ideological education, which reflects the heavy involvement of the CCP in SOE Bank.

Thirdly, the returnees attributed job satisfaction to interest in the job, harmonious interrelationships at work, social resources available from the organisation, predictable working hours, and stable income, whereas lack of training and inapplicable overseas education experience were sources of job dissatisfaction.

Furthermore, there are also cultural gaps identified by the returnee interviewees. However, viewing the interview transcripts, the statements of critiques are often a generalised allusion, rather than criticism of difficulty and problems encountered. During the interview, when interviewees were asked to further elaborate with examples, they often showed unwillingness to unpack their thoughts and seemed reluctant to openly criticise the organisation. On the other hand, many locally graduated interviewees refused to answer questions of a critical nature. For example, the most typically avoided question was 'How do you perceive the organisational culture?' This phenomenon can be explained as the result of a trust issue between research participant and researcher. The participants would not want their criticism released and passed on to their employer, which might potentially harm the future of their career. This situation also reflects the Chinese way of communication raised by Chong: that is to say, reaching a subtle and tactful understanding without being straightforward ('*xin zhao bu xuan*' in Chinese).

Apart from returnees, their locally graduated peers and HR managers were also interviewed. The returnees' views of themselves as having better foreign language skills, independent living skills, social skills and broader horizons appear to have been largely shared and rarely questioned by HR management and indigenously-educated colleagues. Conversely, returnees' expectations of the employer and the job market and their self-evaluation as being somehow consequently superior and worth more, deserving faster career progression, were a

source of criticism and regarded as unrealistic by management, and sometimes led to a relatively higher turnover rate compared to local graduate employees. The majority of local graduate employees also thought there to be little difference between them and returnees. Overseas qualifications may make returnees' CV look more appealing and attract more attention from HR, yet when it comes to the job as such, individual working performance always plays the most important role. On these terms, it appears that returnees in this bank have not shown, or have not had the opportunity to show, any distinctively different work performance.

Respondents without any overseas living or study experience may have had a biased view when evaluating the impact of overseas education and the performance or productivity of returnees. It may be the case that their conclusions were based on superficial observation and inappropriate standards of evaluation (such as number of modules studied). Prejudice such as this could explain the job dissatisfaction that returnees reported. What is clear in this organisation, though, is that the specific attributes and abilities that returnees have developed in overseas education was rarely or never required in their work by the returnees interviewed at least at the early stages of their career.

9. Returnees in MNC Bank -- Multiple Experiences and Perspectives

9.1 Introduction

This chapter focuses on the career experiences of overseas educated employees in MNC Bank, also presented, as in the preceding chapter, from the perspective of both employers and locally graduated peers about returnees' performance. This chapter shares a similar structure with the last chapter, which begins with an examination of the reasons why returnees chose not just the banking sector, but a Multinational Corporation and MNC Bank in particular. It also looks in depth at returnees' experiences of job hunting, and moves on to look at the effort they made to adapt to the working environment. This process is depicted both in terms of practical as well as psychological skill at integration, along with the help they reported that they had received from the organisation. Lastly, this chapter also discusses the extent to which HE courses helped them to work during the adaptation process.

While Section 9.4 examines what returnee respondents appreciated about their workplace and were dissatisfied with, Section 9.5 focuses on their evaluations of their job performance in relation to their overseas education. In order to answer the last research question, Section 9.5 explores the perceived advantages and disadvantages of working at MNC Bank based on returnees' self-evaluation, compared to returnees working in SOE Bank.

In the midst of differences of opinion and conflicting accounts, gender became a constant theme that emerged from this data. Most of the frontline salespersons in MNC Bank are young women. This can be widely found in all the branches of this bank. Before concluding, Section 9.6 discusses how a particular image of femininity is deployed to promote sales on what amounts to a ‘sticky floor’.

In addition to overseas educated graduates, their locally graduated peers and a manager also involved in the case study. Local graduates employed at MNC Bank expressed conflicting views of their returnee colleagues. Section 9.7 will explore the tension and dynamic views from these none-returnees participants.

Interviewees were firstly recruited through an online survey in 2011, however only four participants agreed to take part in interviews (one returnee, one manager, two local graduates). Thus during the second stage of the field work in 2012, I used a gatekeepers, Alex - a former MNC Bank employee - and Maggie, who worked in MNC Bank at that time, to snow ball the rest of the participants.

Table 9-1: List of Returnee Interviewees from MNC Bank

Name	Sex	Degree and subject		Country of overseas study	Time Abroad (year)
Maggie	F	BSc	Accounting	Australia	10
Zoe	F	MSc	Electronic Business	UK	5
Betty	F	BSc	Commerce	Canada	5
Vivi	F	BSc	Accounting	Hong Kong	4
Nathan	M	MSc	Finance	UK	2
Sisley	F	MSc	Finance	UK	1.5
Tony	M	MSc	Economics	US	1.5
Jess	F	MSc	Economics	Germany	1

* In accordance with the agreement of confidentiality with respondents, names provided here are pseudonyms.

Table 9-1 shows the characteristics of the returnee interviewees. Two of them are male, whereas the remaining six are female. Five of them had Masters' degrees, while three of had first degrees only. All except one had studied abroad in an Anglophone country. Maggie and Vivi had employment experience prior to joining MNC Bank, whereas the others started working in MNC Bank directly after graduating.

Relating to the research questions listed in Chapter 3, I begin by exploring the career experiences of returnees in terms of motivation, integration and job satisfaction. The following three sections will try to answer the question.

9.2 Motivation

As opposed to overseas educated participants from SOE Bank, who originally had other intentions for their career path (they preferred MNCs or another industry) but ended up in a state-owned bank, returnee respondents from MNC Bank chose the multinational commercial bank on purpose as a strategy. When asked why they chose their respective banks, however, patterns of similarity emerged based on decisions made about relevance to HE subject, stereotyped gender images and family influences. In particular, family background was a factor involved not only in terms of decision-making, but also the job application process (although this was less the case in SOE Bank. The influence of one's family background mostly showed in the decision-making process). This is further explained in interview transcripts in the following sections.

9.2.1 Why banking?

In the SOE Bank, interviewees showed a high degree of family influence in the decision making process, the same situation was found in MNC Bank.

> *'Originally I wanted to work in an investment bank, but you know investment banking can be "inhuman", and the working pace can be extremely fast. Thus, my family didn't approve, but they still wanted me to stay in the financial sector. Starting from a commercial bank, it's rather stable and less stressful.'* (Sisley)

When she was talking about her career choice, she used the word 'approve' and 'want' from her parents' perspective, which showed how much her family was

involved in her decision-making of her career path.

> *'I think banking is a very stable and secure industry. For a girl, you don't want to be too…em…it's just if a certain industry is not very stable, you will feel very insecure. I don't expect make a lot of money, as long as it's ok to get by. Comparatively speaking, banking is a rather good industry.'* (Betty)

Without the strong influence from family of Sisley, Betty has her own concerns. Nevertheless, both of the statements reflect the 'gender issue'. No matter if it was raised by the family or interviewee herself, the choice of commercial banking over other options, such as investment banking, was based on a rather gendered perspective, that stability and job security was more important than having a demanding job and making big money for a woman's career plan.

Unlike Sisley and Betty, Vivi had employment experience before she came to MNC Bank. She did an internship in one of the big four auditing companies in Hong Kong for half a year. At the end of the internship, she was facing the options, auditing in Hong Kong or banking in Beijing.

> *'I just want to try this one [offer in Beijing]. After all I've never experienced this area, but I think it will be less stressful. I mean, the city itself, the working pressure in Beijing should be less [than Hong Kong]. Besides, the attribute of job in banks, is much more stable than that in the auditing company. You work from 9[am] to 5[pm] in a bank, although it's not guaranteed that you can always leave at 5 in the afternoon, maybe you need to take overtime sometimes, but at least you don't need to work until…like the whole night. Besides, I don't need to work on weekends, for sure. Plus, you don't have to travel around for business all the time.'*

Regardless of having employment experiences in the financial sectors, both Vivi

and Sisley made a comparison between commercial banking with other types of business, which led them to the choice of commercial banking for a less stressful working environment and more regular and predictable working hours.

However, Maggie, who had spent nearly 10 years in Australia and had two years banking experience there, said,

> *'It has to be a bank, and especially at branch level. Why? Because I like to talk to people. I love the idea "you get what you pay for". I need to stay at the frontline. Frontline is usually sales, which means you have to take the sales target and having pressure all the time. I just like this. I can't bear doing nothing every day. If it's the back stage, facing the computer doing data analysis every day, I can't stand it.'*

Contrary to the others worries about a stressful working environment, Maggie preferred frontline for its fast pace. Maggie is a very positive and open-minded young woman. She enjoys chatting with people very much. The interview with her as such has already proved this; the two-hour interview was the longest one among all the interviews I undertook for this project. She chose her job purely based on her personal interest and her personality. This could partly be attributable to her rather well-off family background, which allowed her more space to choose her career path in line with her own will rather than other worries, such as if the salary is good enough to support her living expenses.

9.2.2 Why MNC?

In last chapter, many returnee interviewees in the SOE Bank expressed the idea that working in MNCs could be much better for returnees because the multinational

environment could allow them make a full use of their cultural capital gained from overseas education. Now, let us see if it is the case.

> *'In my opinion, working in an MNC can be very similar as working in Australia. Many customers are westerners; the working language here is English. I'm very used to working in such an environment. MNCs can be a lot more international than SOEs. I don't know much about SOEs. I never considered working there.'* (Maggie)

For Maggie, the working environment provided by MNC Bank was very familiar to her, so that without spending much time and effort, she could fit in rather easily, while the multinational environment could also maximise her advantages acquired through her overseas education and living experiences. On the other hand, her family connections of state-owned sector were not extensive, so that she said she was not familiar with such sector. Thus, state-owned sector was not even considered by her to be an option. Similar to Maggie, Nathan chose MNC over SOE, he studied at LSE for a Master Degree for one year, and has been working in MNC Bank for two years after finishing his Master programme in the UK. He said,

> *'Comparatively speaking, SOEs are very bureaucratic. I think here in an MNC, as long as you can prove your strong ability to make a profit and create value for the company, you'll be promoted rather quickly. Yet in SOEs, it [potential to prove your ability] can be restrained a lot in this sense. The idea of "first come, first served[18]" ('xian lai hou dao' in Chinese) is crucial in SOEs.'*

Nathan compared two different criteria for promotion in SOE and MNC, while he preferred the latter. He showed his confidence of his competence. Instead of waiting for the promotion, he would rather be proactive, proving his ability in bringing in

[18] 先来后到 in Chinese. It means that the one who join the bank earlier, has better chance to be promoted, which indicated one of the criteria for promotion in SOEs is how long one stay in a post.

value to the company in order to achieve the promotion faster. Apart from the criterion of promotion based on the length of time, Betty pointed out a problem that she thought SOEs had in terms of promotion, where '*connections [guanxi] and family background play a very important role.'* And Vivi shared the same concern.

> *From the perspective of development in long term, I still want to stay in a relatively fair and just place when I'm young. Comparatively speaking, the MNC is rather fair, and allows you more space to learn.* (Vivi)

The interviews in MNC Bank provided evidence in support of the SOE Bank participants' assumptions. MNCs had been considered as more suitable for the interviewees in the MNC Bank since they believed that their overseas educational background equipped them with the advantage of having better foreign language skills to fit in the working environment. In addition, compared to the importance of '*guanxi'* and family background in the promotion in SOEs, several of the returnees commented that they had believed that a rather fair, open and less bureaucratic working environment were more likely to be found in MNCs.

Although from the interviews, returnees stressed the fact that they did not want to work in SOEs because too much '*guanxi'* and family background could be involved in the whole career path, it is interesting to see that, most of their starting points were actually facilitated through their family connections.

'*My dad's company is one of MNC Bank's customer, thus I've been brainwashed to work in such a place for a long time.*' Sisley revealed the relationship between her family business and MNC Bank, which became an important reason for her to work

here. Tony, who studied in USA for one and a half years, gave an even more detailed explanation.

> *'My dad has a friend who works in the headquarter [MNC Bank] in Shanghai. There was once we had dinner together by chance. We chatted and it came to the point that I just finished my study and came back to Beijing. Then he asked me if I found a job yet. I said not yet. He asked me if I was interested in MNC Bank. I said sure. To be honest, I didn't take it seriously at the very beginning. I just sent him my CV. And after a while I received a call from their HR asking me to take an interview. And after the interview, it's done.'*

The whole job searching process for Tony seemed very casual and random, and not as formal and serious as he, or anyone could expect to be. He suggested the first job choice usually had been made depending on the timing and chance.

> *'To be honest, I didn't think too much. I have to say the first job, I don't know about how others think about it, but for me, I have no idea about it, when I just graduated from the university. My thought was extremely simple, I just wanted a job, and have a taste of how working feels like, and then, we'll see. That's it. I didn't give a lot of thoughts.'*

For Tony, the first job was consequently rather a transitional opportunity, to help him to progress from his identity as student to that of employee. In a sense, he had postponed career plans and the consideration of the future development of his career path to assess these in relation to this first taste of work. However, behind these relaxed and easy thoughts, there was assurance of the rather powerful social capital supporting his access to career opportunities. After all, not many graduates could gain a job opportunity at a casual dinner table. The ease of his job hunting process reflected how his social capital penetrated into his life imperceptibly. Similarly, Betty said her decision was made largely based on timing.

'The timing is a coincidence. If the first offer I had had been Citibank, then I would probably go there instead. After I got this one, I got another one from Citibank. But I had pretty much already made up my mind, thus I didn't really consider that one anymore. I don't think it will make a big difference, but I haven't worked in that bank, so I don't know. But I still think where you work for your first job won't make much difference, at the very beginning, regardless where you choose to work, you don't know anything anyway.'

Both Tony and Betty suggested for new graduates, who did not have any work experience, taking one job from all the available offers was rather random, since they did not have any working experience, and they did not know what to look for and what to expect. However, returnees did not make their decision purely based on nothing but luck, especially when the options were taken into account. What they had to hand, those alternatives, such as Citibank, were equally desirable options, which guaranteed a certain quality of career development opportunity. When they said it was a random choice, they did not realise how far their socio-economic origin, family background and various social capital they possessed, had already raised them to an advantaged situation. The utilisation of their social capital, with or without their intention and realisation, had reinforced their *habitus*.

Timing was considered by participants as an incidental reason for them to choose MNC Bank, but the good branding and reputation of this bank were also expressed as one of the crucial factors to attract returnees.

'The branding of MNC Bank is really good. I chose this one because of its good branding and reputation. I know I can learn a lot from here and everything is very systematic and standardised.' (Zoe)

Zoe is a returnee from the UK, where she took both her Bachelor and Master's

Degrees. She started her career path in MNC Bank once she had finished her Master's Degree in 2009.

Knowledge of the quality of branding and reputation of MNC Bank was gained through customer experience prior to employment there. When Maggie was asked why she chose MNC Bank, she answered, *'Because I'm a customer of [MNC Bank]. Before I went to Australia, I had already started my bank account with [MNC Bank]. I always liked it.'* Apart from the good branding, Maggie also suggested that '*here the turnover rate is very high, the opportunities are thus abundant. There are many internal transfers in MNC Bank, I had heard.*' Maggie provided an alternative way of perceiving the high turnover rate in an organisation. Rather than suspecting that it might reflect failure of investment in human resources by the perspective of employer, from a graduates' point of view, it was seen as a working environment that might provide greater career development opportunities for young graduate employees, since once someone leaves, there would be a post open to others.

9.2.3 Difficulties in looking for jobs

In SOE Bank, returnee participants said they did not encounter many difficulties during the job hunting process, apart from the implications of different term dates overseas, which resulted in poor timing for campus recruitment in China. Respondents in MNC Bank also complained of the same disadvantage. Furthermore, they also reported other problems they were confronted with.

According to the interviews, lack of work experience was one of the main problems for recent graduates. Unlike SOEs, mostly recruiting graduates directly from education, MNCs usually looked for people with relevant work experiences. Therefore, returnees without such experience reported having suffered disappointment during the job hunting process. Betty said, '*I think most of the MNCs underline the working experiences very much*.' Vivi also explained the reason for multinational banks favouring people with relevant working experience:

> '*I think if you are looking for jobs in multinational banks, newly-qualified graduates don't have much advantage. If you don't have any working experience, you are like a blank piece of paper. The bank needs to use resources to fill in the blank. Thus, during the time when you are adapting to the job, you are not very helpful and useful to the company at all.*'

Therefore, it was believed by the interviewees that returnees without working experience, even they had an overseas educational background, were not as competitively successful as those who lacked overseas qualifications but had relevant employment experience. This reflected the HRM strategy adopted by MNC Bank. Compared to investing in the training for recently-qualified graduates, MNC Bank appeared to consider that it is more cost-effective to recruit people with relevant working experience, who are more likely to be productive more quickly. This was evidenced by the statements given by interviewees when they talked about their adaptation and integration process (Section 9.3)

Apart from the lack of working experiences and the problem of the annual

recruitment schedule, another, more personal problem was raised by Sisley.

> *'It's not easy for me to be taken on because I look too young (giggling). I mean, my appearance looks very childlike, which will give an impression that I'm not professional enough.'*

The appearance could be a factor considered by HR during the interview, especially for jobs that involve substantial communication with a range of customers. Sisley is a small, delicate and young-looking woman. She had concerns about her appearance, which tended to be assumed by potential employers to lack maturity, and would not fill customers with confidence. However, I was curious about how she had found this out. After being asked, she went on explaining,

> *'It's been a while after I started working here; I got it from my colleagues. Some of them said "Such a little girl, what can she do?!" something like that. Usually it sounds like joking. But I think managers must consider this as well.*'

It is no longer a surprising fact that appearance plays a role in the labour market, especially in service sectors (Hochschild, 1983; Warhurst and Nickson, 2001). Although for Sisley, looking under-aged did not seem to bother her very much, since she has already won the chance to work here largely associated with connections from her family background and prove herself with her working performance, she did raised an issue about femininity at work, which will be further discussed in Section 9.6.

9.3 Adaptation and integration

In the last chapter, returnee participants in SOE Bank exhibited a rather easy and

clear-cut learning process with respect to work tasks due to the nature of work on frontline (which is repetitive) and assistance from individual instructors allocated to each new employee. Social integration, though, was reported as rather difficult. The overseas educated respondents in MNC Bank showed a different pattern. They said they did not have problem with social integration, but due to the high demands and standards of MNC Bank and also a lack of training, the learning process was in turn prolonged.

9.3.1 Social integration

According to results from the questionnaire, four out of five of the returnee respondents who work in MNC Bank claimed to have taken less than three months to socially integrate in the working environment. When asked how this was possible, Sisley said it was because '*we are all the same kind of people. We share a similar background not just in terms of family and education, but also personality.*' Tony felt the same way. '*Here the interrelationship is relatively simple and easy, and the manager is also very nice. You won't feel that he is inaccessible or anything.*' For Tony, working with people of the same generation and his manager's accessibility helped him to quickly integrate.

In addition, Maggie argued that the fast working pace also required new employees to become involved as quickly as possible.

> '*It's not like Australia, where people would chat in the kitchen or resource room. Here nobody really has the time to catch up with you. Everyone is busy with their own work. The working pace here is very fast. You don't even have*

time to think of how to integrate. You just focus on your job and do it and you will find that you are involved already.'

At the beginning she said MNC Bank provided a similar workplace as in Australia, particularly in terms of the language and the multi-cultural environment. However, Maggie also admitted that MNC Bank was faster-paced, which required independent working and learning from employees, and which was different from her Australian workplace.

9.3.2 Learning process in terms of operational skills/work tasks

The adaptation and learning process varied in different ways, and was highly dependent on occupation, as well as the team one worked with. Tony, for instance, changed occupation from personal banking to corporate banking after one year's working experience in the same bank. He suggested that different posts took a different time span to adapt to:

> *'The one I used to do [personal banking] is relatively simple. The only thing that had to be done was make sales. But here [corporate banking] now there are many aspects involved. Comparatively speaking, there are more types of business that need to be got to grips with.*'

In addition to the attributes of specific jobs, Sisley thought she was lucky to have a strong team, which allowed her to experience more in a short period of time. This, she believed, contributed to the short amount of time it took her to integrate based on accumulated work experience. In her opinion, everyone had a similar learning ability. *'It's really based on the product you deal with to a large extent, if you get a chance to try it. Maybe someone hasn't got such a chance in years.'* She believed

that how fast/well one could handle the work depended on whether one had the chance to know certain products.

> *'Actually the real stimulus is from the customer you serve. For example, if this customer wants to do credit mortgaging when you just started working, then you must to learn how to do it even at the beginning stage of your career. Then you will get to know a lot of things in this field earlier than anyone else who doesn't have such customers.'*

However, for Maggie, integration in terms of working skills took longer than the interviewees discussed above. She said it would take five to six months to fully master various work procedures.

> *'Especially for a small sub-branch like us, there are problems related to training needs. An instructor is too much of a luxury for us to have. On the first day I was already standing there greeting customers. There was nobody to train me. Whenever you learn something new, you need to remember and internalise it. You can't expect anyone else to teach you how to do it.'*

For Maggie, the small size of the sub-branch she worked for meant there was little training available at the beginning. Her complaint, mentioned in Chapter 6, was that she did not have induction training nearly five months after she started her job there. She told me that for sub-branches, intake was occasional, depending on the headcount for each group, and, the HR department could not afford to do the training every time there was a new employee. Maggie was the only new employee recruited in her sub-branch at that time. Thus she had to wait until other sub-branches had a larger number of new recruits so that she could take the training with them. Without an orientation in the first instance, the learning period was thus prolonged.

Based on Maggie's statement, it is evident that MNC Bank has a rather flexible recruitment plan, whereas SOE Bank's recruitment process is fixed once a year. However, due to the flexibility of in-take, and concerns over the cost of training, new employees in MNC Bank are more likely to lack adequate training in the beginning. As a response, interviewees underlined the importance of the capacity for self-learning.

9.3.3 How important was HE for work?

Interviewees reported that the reason that they chose to work in a bank was mainly because they used to study a similar subject in their higher education (Table 9-1). Therefore, this section will investigate how their higher education had facilitated their access to employment and labour market experiences. Sisley said,

> *'I think the ability of adaptation and knowing how to deal with pressure are the most important two things I learnt from the higher education. When it comes to the knowledge, em…I think everybody had pretty much the same level of intelligence, and nobody really learned much more or much less than others in the uni. Even if you had learned a lot, it won't really come to your mind when you wanted to apply it in work. So I still think the soft skills are the most important ones.*'

I then asked her if she thought these soft skills had something to do with her overseas experiences. She said, '*I'm not sure about the local graduates, how they handle this. But for me, this is definitely highly related to having had overseas experience*'.

Living independently abroad, as it has been discussed with returnees in the SOE

Bank, did equip overseas students with the knowledge of how to tackle problems on their own and how to involve themselves in the new environment. Sisley thought these soft skills that she acquired from the experience of studying overseas, contributed very much to her work. In addition to the soft skills mentioned by Sisley, Vivi also brought up communication skills.

> *'Communication skills are definitely one. When you take the interview, they would like you to take it in English, as they want to see if you can master this language and fluently express yourself, since within an MNC, we all use English to communicate, like oral speaking, all kinds of files and emails. Thus you are expected to spend not too much time in adapting the language, or don't need to learn it from the very beginning.'*

The communication skills here mentioned by Vivi have more concentrated on how well one can master foreign language. Since English is the main language used in this working environment, one need to be feel comfortable with. Doing an undergraduate programme in Hong Kong and being taught in English for three years had already made Vivi very familiar with an English communication environment. Therefore, she considered communication skills as the most important relevance from higher education to the work she was doing then.

Although many interviewees suggested that not much professional knowledge they had learned from the higher education could be applied to their current job, Tony argued that the more core business one dealt with, the more one would realise that the professional knowledge was actually very applicable and highly relevant.

> *'When I first started working, I started with personal business here. I didn't feel any relevance [to my HE] to be honest. But gradually, I had chances to*

handle some cases of corporate business; it actually involves the knowledge of finance and accounting, which I've learnt in the university. But honestly speaking, I've forgot most of them anyway. But there are still some of them totally applicable.'

Tony recognised the applicability of knowledge learned from higher education, but only with more core business rather than routine administrative jobs.

Combining the comments given by the interviewees in SOE Bank, it showed that both groups made a distinction between knowledge and skills. Knowledge refers to 'theoretical or practical understanding and possession of information, normally acquired through an extended period of study' (Elias and Purcell, 2013:3), whereas skills here mentioned by interviewees focused on the ability to communicate, deal with pressure, independent/self-learning and innovative thinking. Interviewees underlined the importance of skills in terms of employability, whereas they suggested that the applicability of knowledge from HE was limited. However, participants did not downplay the crucial role of HE in the labour market. Regardless of skills or knowledge, interviewees admitted that mind-set has been trained through their HE did facilitate their employability in the workplace.

9.3.4 Help from the organisation

Apart from the individual efforts made by employees, this research identifies what the organisation did enable them to integrate in the work environment. For the employees taken on as 'Manager Trainees' (MT) within the 'Banker Development Programme', there was well organised training (see Chapter 6 Section 6.3.2).

However, this kind of training was only available for MTs on the BDP, not for general staff. The rest of the general staff interviewees corroborated this. Unlike the SOE Bank, where the new in-take is allocated an experienced employee as an instructor from the start, MNC Bank only provides induction training, which was also criticised by interviewees for being too generic and mostly superficial.

> *'HR will organise induction and some small group seminar to introduce [MNC Bank] and let the employees get to know each other. It's just playing some games to inspire team work. I don't think it's very effective.'* (Sisley)

As for the process of getting to grips with work tasks, interviewees were asked if there was anyone who functioned as an instructor once they joined as a new member. Vivi said:

> *'No, no. In our team, everyone is sales. They are very busy; too busy to take care of a young colleague. This [having a personal instructor] is not realistic, in my opinion. You have to learn by yourself first, and if there's any problem that you can't handle, then you ask colleagues or the line manager.'*

Although Vivi was the youngest in her team, she was still aware of the fact that everyone was very busy with their own work, thus she felt that she had to be independent rather than wait to being taken care of by anyone.

> *'Sometimes, I had to wait until eight or nine o'clock in the evening, after colleagues finished their OT [overtime], then I could ask them for advice. Here you can only count on yourself.'*

Sisley also stressed the lack of help she received and the importance of independence and self-learning in the early stage of experience working in MNC Bank. Moreover, for job switch, during the process of handing over, the

competition among sales was also believed to be influential to the interrelationship and the strategy of coaching the new employees.

> *'They [the experienced staff] would only tell you some general information about the customers, but they won't teach you how to deal with everything, because there's competition going on. For example, if one customer relationship manager needs to sell a certain product, this is going to be ranked nationally, therefore nobody would let you know how they complete the sales.'* Betty said.

What Betty described was the situation in personal banking. This appeared to be different from corporate banking, where a team takes credit for a sale. Personal banking, by contrast, was based on individual sales. Due to the performance-related wage system, individual sales performance became the main criterion by which income was determined. Thus new employees turned to their team members for help in corporate banking sector, while in the personal banking sector help from colleagues was reported to be limited.

Earlier interviewees described having had good relationships with their colleagues during the social integration process. Yet when it came to the sales target, this harmony looked rather superficial. They may be socially integrated in the workplace very quickly. However, this does not necessarily mean that they become friends with each other in what appears to have been a very competitive environment.

9.4 Job satisfaction

The rather competitive and fast-paced environment in MNC Bank became apparent throughout the integration process that interviewees depicted. However, when I asked Vivi about her source of job satisfaction, she said:

> *'Here, it is not like many other MNCs [which tend to be] more aggressive. Like if you don't have a good number of sales, you can't survive. But here, there is a more comprehensive evaluation, which is not just based on numbers. In this sense, you are not so oppressed by the sales target, so that you have a space for yourself to learn and improve.'*

Vivi thus considered the evaluation system of job performance in MNC Bank to be more comprehensive. Instead of being purely based on number of sales, it had other dimensions of evaluation, such as '*how much you contribute to team work, how often you help your team members*' (Vivi). This view appears to contradict the reported competition of sales between individuals cited in the last section. There are two possible explanations for this. Firstly, she was in the corporate banking sector, where sales targets were accomplished by teams rather than individuals. Therefore, the evaluation could be more team-work oriented by comparison to with the personal banking sector. Secondly, she made the comparison between MNC Bank and other MNCs. It is possible that multinational banks in general are sales-oriented and thus competitive, while this MNC Bank was considered less aggressive from her point of view.

Vivi also appreciated the structured and standardised system of work in MNC Bank, which she believed reduced risks for new employees.

'This is why they say MNC Bank is like the Huang Pu Military School. It is extremely structured. Every time you carry out something, you are supposed to follow a certain procedure informed by the company. […] This may have negative effects in that it's not flexible enough, but I think for young employees this is a good thing. We don't need to take many risks.'

While Vivi enjoyed the standardised system and clear-cut responsibility, which helped employees avoid risk, Sisley was satisfied with the resources available in MNC Bank, with which she found she could learn and improve her performance. The professional staff setting is of great benefit to her, as she said:

'There are all kinds of study material available and the quality of the staff here is very good too. If you turn to managers for some questions about work, they can be very professional about it.'

Maggie appreciated her job because she considered the post a win-win for everyone, not just her:

'This could sound cheesy and cliché, but I like the idea that you do your job, and at the same time you are helping others too. For example, I used to live abroad for a long time, thus I know how to deal with money by myself. The other day, I was helping my mum checking her bank account. I realised that she put 100, 000 Australian dollars in the saving account for a very long time with the interest of only 1.25 per cent. I was thinking if the money were mine, I wouldn't put it in the saving account for such a long time with such a low interest rate. I would rather invest in some financial products here, like PRD, were the interest rate can reach to five or six per cent, or any other types of products. I definitely wouldn't just leave the money there. So I think I do help the customers to manage their wealth in a more profitable way when I achieve my sales target, and I also get rewarded for that. This is awesome!'

The first implication of this statement is that Maggie comes from a rich family, considering the amount of money her mother put in the account without paying much attention to it. In addition, she painted this ideal picture for

herself believing she was helping customers to better manage their money, which led to job satisfaction. However, on the other hand, some financial products could involve financial risks customers have to take, while she did not mention or think about the potentially negative consequences. Therefore, the 'win-win' situation she depicted was based on her somewhat partial and idealised view.

Maggie also suggested that being considerate and maintaining a rational attitude with regard to the relationship between her and her customers was very important in terms of job satisfaction. This point of view was derived from her own experience as a customer:

> *'I, myself, am always an MNC Bank customer. I used MNC Bank for a very long time. I always use the premier. I know I've never done sales before, therefore, when I first started my job here, they said since you didn't have any sales experience, you have to start from the bottom, and you don't know how cruel sales can be. But although I've never been a salesperson before, I'm always a customer, always a tough customer. I know what kind of service I would expect. Therefore, when customers ask for some ridiculous services some of my colleagues - those local graduates - they would say how stupid this customer is. They always complain about it. But I don't, because this is your job. You do it because you like it, right? Nobody forces you to take the job. If I'm the customer, I would also ask for a certain service like that. For me, I can accept it from both sides. So I think this job suits me perfectly.'*

In this conversation, Maggie made a distinction between herself and locally graduated employees. It showed that she considered local graduates' attitude towards customers or towards the job different from and inferior to her own. She considered that they complained too much. Maggie had insights of both sides between employee and client, and a well balanced view of what she gained and the

price she needed to pay in return, as well as of her relationship with customers. Her own customer experience helped her to sympathise with both sides, as a customer service assistant and as a customer. During the interview, Maggie also admitted that the salary at MNC Bank could not cover her expenses, but she did not consider this a problem. She thought the resources and reputation of MNC provided a solid foundation for her career path, so the low wage didn't bother her much. However, this rather relaxed view of MNC Bank can be attributed to her background, which has accustomed her to a high standard of living and prepared her a comfortable space for her career path. After all, not everyone chooses a job because they like it that much. There are other forces that lead people to jobs not necessarily of great interest. From this conversation, Maggie implicitly showed her pride for being a returnee and her lack of awareness of her socially advantaged family background.

Although resources that created satisfaction varied in different ways for each individual, most of the interview participants complained of the same cause of dissatisfaction: low pay. Betty said:

> *'It's only the salary. Actually this is the thing that everyone is not satisfied with. You probably feel all right for the first year, since you would think I'm a fresher here, but when it comes to the second, third year, nothing has changed. If you were in an SOE, first year the average is say a thousand [RMB/month], but the second year you probably would get a seven k [seven thousand] or eight k [eight thousand] on average, and to the third year, it would be over 10K. […]But here, it's [the salary] only 10 per cent change each year, since the base is really small, the change of the total salary is very small too.'*

The salary system in MNC Bank is highly performance related. Thus the basic fixed part is rather small (some interviewees indicated it was three thousand RMB per

month for a first year new graduate). Betty complained that each year there was only 10 per cent increase in fixed salary, which was relatively small. She suggested that graduate employees could experience several years working without a foreseeable salary increase, in comparison with the largely fixed but hierarchical salary system in SOEs. Dissatisfaction derived from the comparison between the wage system in MNC Bank and other SOEs, as well as from the discrepancy between income and workload. As Tony said, *'For what I've done for the job, the salary is like nothing.*'

However, Alex, who studied in the UK for a year and half, worked in MNC Bank for one year and then in an investment bank had a different view. He was my sponsor to the 'snowballing' of participants from MNC Bank. After hearing his friend complaining about the low pay in MNC Bank, he explained his point of view:

> *'If you had worked in this field for longer time, you would notice that this case is usual. The better reputation and better platform one company possesses, the more likely it would offer a relatively lower salary, because it can't offer you everything. Like [MNC Bank], they would think that we had such a great resource and such a nice working environment for you to learn stuff, and also MNC Bank is the top commercial bank among all the multinational banks in China. Everyone wants to work here, why would I give you very high pay? The promotion here is not internal promotion. I give you an example: you work here for a couple of years, and they you can get a higher position somewhere else. This is how you get promoted here.'*

Alex was asked, '*Can this be understood in the following way: MNC Bank has low pay for entry level employees because of MNC Bank's high turnover rate? Is it because they want to control the loss to a certain extent?*' Alex replied, *'Yes. […].*

MNC Bank is very conservative, very conservative.' Alex perceived and legitimised MNC Bank's low pay from the perspective of the employer. Instead of comparing the pay to SOEs or the workload, he focused on non-salary resources available for employees. He believed that employees in MNC Bank benefited from the organisation in different ways and had the potential of gaining a better position in another company, which constituted an alternative path to promotion. These kinds of benefits have to be compensated for by the salary.

Alex was no longer an employee in MNC Bank. He had been promoted somewhere else in a new job. His work experience provided him a more rational view towards the low pay issue than those who were still working in MNC Bank and suffering from the low pay. His thoughts were shared by Vivi. As she said:

> *'After you work here for a while, there will be offers available elsewhere, but when you decide to move on, you may need to consider if you would like to exchange money for all these benefits you get here. There is a high possibility that once you leave here you and get a post outside, you will have much more pressure.'*

Vivi pointed out that due to the good reputation of MNC Bank, after working in this bank for a certain amount of time opportunities in the labour market, such as head-hunters, would come looking for you. Therefore, one could have more options. However, a balancing act has to be made between money and a resourceful working environment.

Jess suggested that the only source of dissatisfaction came from her work/life balance. She said, '*the only thing I'm not satisfied with is that it's really hard to*

maintain an acceptable work/life balance here.' Jess's source of dissatisfaction was different from the others partly because of her different job title. She was recruited as a Management Trainee for the BDP rather than to general staff. She thought the salary could be better for MTs, whose workload was reported to be heavier.

9.5 Perceptions of advantages and disadvantages for returnees: self-evaluation at MNC Bank

The interviews provide a general picture of the career experiences of overseas educated employees in MNC Bank. So far, their career paths have been discussed according to a linear time sequence, from the motivating factors that put them in work, to their process of adaptation leading to job satisfaction/dissatisfaction. To answer the third research question, 'What are the perceived advantages and disadvantages for returnees in MNC Bank?', participants were asked during interviews to evaluate the impact of the experience of overseas education on their career development. The following section provides a more detailed account of these returnee employees' evaluations.

9.5.1 Advantages

Some of the interview participants took a relatively positive attitude toward the influence of their overseas education experience and qualifications. Firstly, concerning the attributes of multinational banks and types of business and customers that these banks are usually involved in, language and communication

skills are advantages for returnees working in such settings.

> *'we have to make contact with overseas customers quite often, since our main target clients are those who live abroad, or have headquarters or branches abroad, or are just westerners, because those are more likely to use multinational banks rather than state-owned. Then MNC Bank might be the first choice due to its massive network all over the world. Therefore, I think the advantages of foreign language as well as the communication skills for returnees are very important in this sense.'* (Betty)

In terms of foreign language skills as an advantage, Maggie also believed that:

> '*Returnees' English is better. Once you have something better, it's not to say you are amazing or something, but once you think you are really good at this it will give you confidence and help you to work in a positive way. You will find everything works for you too.*'

Language skill was considered as an advantage, yet Maggie argued that confidence from knowing you have a certain advantage could be useful to an even greater extent. For her, it psychologically eased tension and enabled her to complete work more easily.

Secondly, it was believed that because of the high percentage of returnee colleagues, western customers, bosses and organisational culture in MNCs, employees who have living experience abroad could be helpful. As Betty remarked, in her department 13 out of 15 people were returnees.

> *'It's definitely the case that the more similar experiences you share with people, the easier it is to get along with each other. We [returnees] take the majority, while local grads are very few.*'

Betty argued that because the majority of the group was constituted by people with a background in overseas education, it is easier for them to get along and work

together from shared experiences.

Apart from customers and colleagues, Tony thought returnees would have a better understanding of the way bosses think:

> *'Many of the bosses here are foreigners. We [returnees] are more likely to understand how they think, since we've spent time or worked together with these kinds of people already.*'

When he was asked to say more about westerners' ways of thinking, he said the following:

> '*They are very straight forward. If they have anything, they would say it directly. Besides, they are very purpose-oriented. For example, I want to carry out this project; I have to make this amount of money. They will just say it directly.*'

By contrast with SOE Bank, where returnee interviewees complained about the ambiguity of communication and the requirement of reaching a subtle and tactful understanding without being straightforward, the case was different in MNC Bank, according to Tony. He also suggested returnees were better at coping with cultural differences and were more capable of adapting.

> *'Apart from language, I think for those companies who are specialised in international trade, they probably need people from different cultural backgrounds. They would think if you have an overseas educational background, you should be better at adapting into different cultural situations. After all, you have spent some time in various cultural backgrounds. You should be better at fitting in.*'

Betty had similar thoughts about their ability to adapt. In addition, she believed that the experience of living abroad had cultivated her level of independence and

opened her mind.

> '*Relatively speaking, I think we are more independent. We are better at solving problems independently. After all, we spent a lot of time living on our own. Even if there were something you didn't want to do, you still had to face it, since there weren't parents there to help you out. So, it's the independence and the ability to adapt, and also, our minds are more open. We are more likely to take or tolerate different ideas and thoughts.*'

In addition, it was suggested that returnees were likely to be confident and have positive attitude. Maggie said,

> *'I think returnees usually have a certain superiority feeling. Honestly speaking, returnees usually come from a well-off family background. Therefore, when they choose jobs, it mostly depends on interest. I take this job because I like it. So whenever I'm confronted with difficulties and problems, I won't take it personally. I will see it as a challenge for me and I will try to figure out how to conquer it. If it's local grad, especially for those who are not from Beijing, they must have a lot of living pressure. Sometimes, the extra burden will make them depressed. Yet, I think I always have a positive attitude.'*

Maggie suggested that a well-off family background could be deemed a feature shared by many returnees, which afforded them a rather comfortable and resourceful platform on which to begin their career path. In addition, she also indicated that people with less living pressure would have a more positive attitude toward the job. This positive attitude could be also considered as an advantage in terms of career development.

9.5.2 Disadvantages

Although Tony suggested returnees were better at sensing cultural differences and western ways of thinking, he said '*it probably will help you to better understand the*

organisational culture, but in practical operations, it doesn't help anything. I think it doesn't influence much in practice.' This point of view was shared by Sisley:

> '*It probably was very helpful many years ago, but nowadays I can't feel anything. Maybe if you have any work experience in the banking sector you could have an advantage, but if it's just overseas education by itself, there's nothing that can be seen as distinctive.[...] You see there are many of my classmates who graduated with Bachelor Degree or Master Degree here [in China]; they can find jobs much better than mine.*'

Due to the booming trend of overseas education in China, there has been a dramatic increase in the number of returnees in recent years. Thus Sisley thought holding an overseas education qualification did not make anyone more distinctive than local graduates. Work experience in a company with a good reputation would be much more valued in the labour market than an overseas degree.

Although returnees started to exhibit more sceptical views about the relevance of their overseas qualification in the job market, most of them still thought it did not guarantee them their ideal job or make them better qualified for a job than local graduates. They thought it would not do harm to them and influence their career development in a negative way, except in one respect.

> '*When it comes to guanxi, I don't think we know how to…for example, 'kiss ass', which is actually really useful for being promoted, but we don't know how to do it. This is a disadvantage shared by all of us.*' (Betty)

Betty brought up the issue of pleasing supervisors and managers, and her thoughts were shared by most of the other returnee interviewees. Sisley said:

> '*I really look down upon this kind of behaviour, but they are just being*

promoted. We are just really bad at this. This is a real weak point for us.'

This point was further questioned, since it seemed to suggest that in a multinational corporation this supposedly Chinese way of behaving in interrelationships was still operating in a westernised organisational setting. Betty responded: *'Only the highest level bosses are foreigners, the middle managerial level is still Chinese.*' Tony confirmed: *'as long as a place has Chinese people, this will exist.*'

Although MNC Bank is a multinational bank with a multi-cultural environment, returnee interviewees still believed that, because of its localisation, *guanxi* still played a role in office politics. On one hand, they did not praise this kind of behaviour as a method of getting promoted. On the other hand, once they witnessed others benefitting from it, they considered their lacking this 'skill' as a shortcoming. At the beginning, they explained that one of the reasons for choosing MNC Bank over state-owned banks was that they expected less involvement of *guanxi* in organisational culture. However, it turned out to be unavoidable.

9.6 Femininity makes sales? Or the trick of 'sticky floor'?

Returnee interviewees from SOE Bank raised cultural differences as an issue, while gender differences were emerged from the interviews in MNC Bank. From observations, nearly all frontline sales personel for the personal banking department in MNC Bank were young, female employees. They conformed to a very specific style: friendly and fashionable, with delicate make-up, well-styled

hair and immaculate nail polish. They were very sociable and engaged in ‘small talk’ with ease.

By comparison, frontline tellers and sales staff in the SOE were more or less equally likely to be male or female. Women there did not seem to be so concerned with fashion, and wore barely any make-up. However they appeared equally socially competent in conducting conversations with customers as a way of building trust. These observations seem to indicate that, in line with the more sophisticated marketing approach that is more developed in Western cultures, employing well-dressed young women as customer assistants may be a deliberate strategy used by MNC Bank to promote the sale and promotion of it’s financial products.

However, the corporate banking sector in this MNC was not exclusively staffed by young female employees. It is mixed gender. Instead of placing emphasis on femininity in order to promote a certain image and sales of the bank, this department, according to Sisley and Vivi (both of whom work in the corporate banking sector), prefers a more ‘professional’ look in its engagement with corporations. Sisley remarked that her ability to handle the job had been questioned by a colleague as a result of her appearance, which was deemed ‘too young’ to be a professional at work. In this case, Sisley’s femininity was not an asset, but rather viewed as a shortcoming and a hindrance to her career prospects and development. Vivi also shared her experiences on the gender gap and related issues at work.

'Some of the clients, they don't care about your manner, the way you talk or the way you dress. They only care about what kind of benefit they can derive from your products. However, some of the customers, especially those not local and from Hong Kong, do pay attention to all kinds of detail, like if you dressed formally to the negotiation meeting, or which brand of bag or watch you are wearing. They think all these details indicate your social status as well as your competence. Whether you have the financial ability to afford certain things implies whether you have the ability and competence to achieve certain business deals. … Even though I look like a little girl and am very friendly and nice to customers, I still have to be very professional and sometimes even try to be tough in order to prove to the clients that I know what I'm doing and I'm trustworthy; not just because of the way I talk but because of what I talk about.'

To sum up, being a woman can prove to be a double-edged attribute. Sometimes it helps to bridge the distance between the customer officer and client, and in consequence promote greater trust and sales. On the other hand, it could also lead to the stereotypical attribution of weakness or lack of professional competence to employees on the basis of sexist assumptions. In MNC Bank, the use of femininity was thus restricted to the personal banking side of its operations.

I now draw attention to the concept of 'sticky floor' in terms of gender segregation. The 'sticky floor' can be understood as disadvantages experienced by females that result from being positioned at the bottom level of the organisational hierarchy. Scholars usually refer to it as the wider gender earnings gap at the lower end (Chi and Li, 2008; Booth *et al*., 2003). However, the concept of the 'sticky floor' is used here to additionally cite gender inequality seen in the division of labour. Frontline sales in the personal banking department can be considered as being at the least prestigious level within the organisational structure in this multinational

commercial bank, although the pay is not necessarily bad considering the performance-related bonus from potential sales one could achieve. However, due to the stereotyped feminine features of women, female employees, with well-socialised soft skills as stated previously, tended to be more likely to be trapped at the 'sticky floor' – the lower end of the hierarchical structure in the commercial banking sector (see Vivi's case example above). This appears to be a clear case of gender segmentation, which may implicitly reflect sex discrimination.

Nevertheless, no-one who was interviewed raised any doubts or worries about any unfair circumstances resulting from gender bias. There are possible explanations for this. Ignorance concerning issues of gender-related inequality may be a result of the passive and uncritical acceptance of deeply embedded gender differences currently rife in the labour market. Alternatively, men and women may choose to simply ignore it for fear of losing their job.

9.7 Perceptions of MNC returnees of managers and colleagues

Similar to the SOE Bank, perspectives from the manager and locally educated employees were also considered in MNC Bank. However, instead of using HR managers, the assistant president was interviewed in MNC Bank. Thus the evaluation he made focused on work performance rather than recruitment. Compared to SOE Bank, where local graduate respondents did not show much interest in and attention to overseas educated employees, the data collected from

MNC Bank demonstrated a higher degree of tension and a different dynamic. Following the manager's comments, local peers' contradictions concerning returnees will be illustrated.

9.7.1 From the perspective of the manager

Using my family's social network, I had the chance to interview the Assistant President of the bank's Beijing branch, Bob. He has worked in all kinds of banks: state-owned, private, as well as multinational. Yet he did not have any overseas qualifications. Although he is not from the HR department, and not very familiar with the human resource strategy, being a manager in the upper level of the managerial hierarchy, with such abundant experience of working in the banking sector, he provided an evaluation from a more practical and business related perspective. He suggested that returnees were better at the communicating with foreign customers due to their familiarity with certain cultural backgrounds. However, the attitude toward work, as well as orderliness, he perceived to be not as good as local graduates'.

> *'MNCs like us require a rather high level of English, since a lot of employees are westerners, the language is definitely an advantage for returnees here. In addition, they have the experience of living and studying abroad, so they have a lot of things to talk about with customers. For example Americans and those who used to study in America, they can talk about what's going on there. Communication is thus a lot better and smoother. In this sense, the positive effect of returnee employees is rather obvious.'*

He also gave an example of this,

> *'There was once I went to a meeting with this German customer. I took along a*

returnee who used to study in Germany. This German customer was very willing to talk to this returnee. They had a lot of things to share, and the whole atmosphere was very happy. But if I went there all alone, then the whole thing would turn out to be very serious and rigid. So when I go out for business negotiations or meetings with foreign customers, I tend to bring along one or two returnees who share a similar cultural experience.'

He admitted that one of his negotiation strategies was to take advantage of returnees' familiarity of cultural differences in meetings, as a means to create a rather sound atmosphere and better communicate. However, he also stressed the advantages of local graduates compared to returnees. He said, *'for some other departments, local graduates are favoured. After all, we are still in China, doing local business.'* He made a point here by saying that the localisation of MNCs could lead to the preference of talents more familiar with the local market than western-trained graduates. He himself, as a locally graduated manager, is evidence for this point of view. In addition to localisation, local graduates could be better in terms of their attitude toward work and in terms of prioritising work tasks.

'To be honest, one difference between returnees and local grads is that returnees, who spent those years studying abroad, still want to gain the cost of their investment back, but what we give to the graduate employees are all the same. Local grads, by comparison, are more diligent and modest. Returnees, relatively speaking, their family is usually well off, although not absolutely.'

'I think the local grads, at least all those we recruited, are very good. Their attitude, motivation and learning ability are all better, whereas returnees are not as good as those. Firstly, their learning ability is not as good. Secondly, their orderliness is bad. This is what I've experienced. I'm not talking about writing essays. I'm talking about how you organise your work. For instance, today I gave him ten things to do [this is a returnee who came back from Canada]. Compared to a Master from Qinghua University, there's a big difference. If I gave this Qinghua boy 10 things to do, he would ask me when do you need everything to be done, but the returnee just took everything away, and carried out in an order that he thought would be right. He didn't ask many

questions. The local grad thought he didn't know this and that, so he had a lot of questions to ask. I think this is very important. This returnee didn't ask anything, and then it turned out to be that a lot of work is delayed, because he didn't do it in the right order.'

Bob gave an example of the different ways of working between a returnee and a local graduate and asserted that local graduates are better at learning and better at prioritising work tasks. However, this local graduate he mentioned graduated from Qinghua University, which is one of the top universities in China. The quality of employees could be incomparable between a graduate from a top university in China and one from an ordinary university abroad. Thus the validity of the example supporting his argument is questionable. When comparing returnees to local graduates or non-returnees, it is necessary to take into account the differences in quality of the universities they attended, which may vary.

In the end, Bob came to the conclusion that, '*at the end of the day, whether or not overseas education is an advantage in the labour market is highly dependent upon its usefulness for the employer.'* He suggested that having the qualities that employers look for and matching the demand of the labour market are the most competitive factors that graduates need to possess in order to do well. In the case of MNC Bank, it required both cross-cultural competence and knowledge of Chinese economic development, as well as independence and a diligent attitude towards work.

9.7.2 Perspectives from the local graduate employees

Apart from eight returnee employees in MNC Bank, there were also three locally graduated employees and one manager who were interviewed. In this section, we are going to look at impressions and evaluations of returnees in terms of employment from local graduates' perspectives, as well as from the standpoint of managers.

Cathy was a customer relationship officer in the personal banking sector. She graduated from a Beijing university, and was recruited into MNC Bank after a couple of years of working in another bank. She started working for MNC Bank at the end of 2007. She said there were six returnees out of 18 employees in her sub-branch. When she was asked about her impression of employees with overseas educational backgrounds, and whether it influences how well they did their job, she said cases varied in according to different individuals. She said:

> *'Here the six returnees are all different. Some of them came back to China feeling as if they are gold-plated, and it's thus easier for them to get a job. But they actually are not much different from local grads. Some of them probably want a better career in the long term, make more effort and think more positively, and get to the post I'm in now. Some will probably still stay where they started since they got here. They don't proactively try to move up. Maybe it's because they have a rather well-off family background. Generally speaking, this group of people don't care that much about the salary.'*

She stressed the point that returnees who work in MNC Bank were more likely to have a rich family background, which effects their motivation to work.

> *'For example, some girls' families want them to have such an experience*

[overseas education]. You want to study abroad then go abroad. When you finish studying, come back find a job. The family won't rely on the money you make from your job anyway. They come here without any pressure or any goal. They are quite satisfied with what they've got. This is what returnees are like. Em… the post like I have requires a certain amount of time to accumulate experience in, but to be honest, staying in this post for a long time can be unbearable. Sometimes you feel like you are stuck here. If you stay in the same post for a long time, everything you do every day is all becomes trivial, and it's all the same. The only difference is you are doing it for different customers, but it's still the same thing. Therefore, if they do this repetitive job day after day, year after year, dissatisfaction will grow. But maybe they're already so used to this kind of condition that they lost the will to climb the ladder. Thus they chose to settle in whatever they currently have.'

Through her interview, she also raised the point that returnees who are not originally from Beijing take advantage of their overseas qualification to settle down in the city.

'Some of the returnees here have very good family backgrounds. Most of them are not from Beijing, but when they came back, they felt like they deserved stay in Beijing to settle on their career path here. They are reluctant to go back to their home town. Of course, they considered that compared to the same post in second level cities, first level cities have much more training opportunities. Thus from the company's perspective, the company won't give them a very high pay. Those non-Beijingers tried extremely hard to come, either based on their family social network, or by drawing on overseas qualifications. However, for the same post, the basic salary for returnees would be probably slightly higher. When they negotiated the price, it may be…after all they have been gold plated.'

From her statement, it can be seen that for Cathy there is a clear boundary between people originally from Beijing and those who are from somewhere else; and Cathy herself is very proud of her identity as a Beijinger. There was a subtle dynamic going on when she was talking about returnees. On one hand, she was very confident about herself as a Beijinger with the banking experience she had. On the other hand, she also argued that those who were not from Beijing could, by

deploying their family *guanxi* or overseas educational background rather than making effort, achieve the same level of post as hers. She kept using the word 'gold-plated' to describe returnees, which in Chinese would not necessarily be a positive adjective, since 'gold-plated' in a Chinese context implies that one has a nice appearance, yet is empty on the inside. She attributed returnees' higher education qualifications and their career development more to their rich family background than to the effort they made. In addition, she claimed that returnees did not have many advantages when it came to actual work.

> '*Since the business of multinational banks is limited to a large degree, we don't have a lot of products in terms of investment and wealth management [involving western markets]. Therefore, returnees do not outshine the others very much.*'

On the contrary, she believed she had her own advantages with her work experience:

> *'When they recruit graduates, if you are not returnee they usually asked for a couple of years' relevant work experience, for instance employment experience in other banks or financial institutions. In this sense, we know much more about the local market than returnees, since returnees are usually new graduates without employment experience.'*

Cathy was confident with the working experience she had in the banking sector. She suggested that having overseas education qualifications would not make a big difference, yet holding a foreign passport did work distinctively.

> *'At the managerial level in MNC Bank nowadays, basically they are either pure westerners, or Chinese with western passports. They would like to employ those who have had experience studying and working overseas, especially those who hold foreign passports. At the top [managerial level],*

foreign passports give employees an advantage. Those branch managers who graduated locally without any overseas experience have to climb the ladder one level after another, getting promoted through the effort they make by themselves. However, returnees or westerners can be directly recruited as a branch manager. It is extremely rare for them to recruit a Chinese resident without any working experience abroad to take over a post of branch manager here.'

Cathy believed that having experience of studying and working overseas was an advantage especially when it came to the managerial level of the hierarchy. She said:

'The returnees are favoured here. One reason is because of their English. Another is that people at the managerial level are themselves returnees.'

Her statements indicate a certain degree of jealousy and tension. Firstly, she did not believe that overseas education would make much difference in terms of working performance. Yet she claimed that overseas qualifications were preferred at the managerial level. For Cathy, the dominant logic of the field was set by the people who possess overseas education, which amounts to form of cultural capital. She thought this logic was reinforced through the process of recruitment.

Unlike Cathy, who took a very dynamic point of view of returnee colleagues, Helen had a rather mild and modest opinion towards them. She thought the experience they had abroad would help returnee employees to better establish a relationship with customers. In addition, she thought it valuable for fulfilling one's life experience. Helen said:

'*First of all, I think if you study abroad for a while, some maybe for one year, others for years, you will have a deeper understanding of Chinese culture as well as foreign cultures on a practical level. All of this can contribute to*

conversations with your customers. Then you can find some common interest to focus on in order to better understand your customers, thus maintaining a better relationship with them. In addition, while you are studying abroad it is a very good experience to allow you to learn more and to broaden your horizons.'

Helen started working in MNC Bank once she graduated from a university in Beijing in 2009. Although she listed a couple of positive influences from overseas education, when it came to the labour market and working performance, she believed that there was not a much difference between returnees and local graduates. This, she said, was due to the sharp increase in the number of returnees in the job market.

'There probably will not be any negative influence, since there are more and more overseas students coming back; the attitude from the public won't be that different. They probably won't pay much attention to them as returnees. I don't think there's a big difference.'

Helen claimed that as the number of returnees has been increasing sharply, having an overseas education is no longer a rare phenomenon which would draw attention to people in the labour market in China.

Last but not least, the third local graduate interviewee, Amy, started working in MNC Bank in September 2009. She compared and contrasted returnee employees and locally graduated employees in MNC Bank and gave her evaluation of these two groups of people. She thought returnees' advantages were concentrated mostly in their ability to speak foreign languages.

'When it comes to dealing with the foreign customers, after all the years abroad they speak English more authentically than I do. I use rather formal

expressions. Thus there is the difference existing when it comes to my and their ability to handle the foreign customers.'

Amy suggested that due to the linguistic environment that returnees experienced abroad, their standard of English could be more authentic than that of local graduates, which would make a difference when handling foreign customers. However, she also pointed out that, unlike local graduates, who build up a social network through course mates, returnees were unlikely to establish such alumni networking, which might have been beneficial in various ways.

'My course mates are mostly in Beijing now. They can help you in many ways, but if you studied abroad your course mates probably come from everywhere all over the world. And when you come back to China, it's hard to keep in touch with everyone. Thus returnees probably are weaker in terms of social networking.'

Amy perceived higher education as a field not only to accumulate cultural capital, but also social capital. She said the connections through alumni could be useful in the long term, especially when course mates stayed in the same city. However, returnees' course mates, on the other hand, are spread all over the world, where *guanxi* is very hard to maintain.

9.8 Conclusion

This chapter has concentrated on the employment experiences of returnees in MNC Bank, taking into account their managers' and locally graduated peers' perspectives on overseas education and returnees' working performance.

Multinational corporations were considered more suitable for returnee interviewees

since the working environment could maximise the advantages they acquired through overseas education. In addition, and compared to SOEs, a less bureaucratic and fairer open playing field is observed in MNCs, which maximises returnees' chances of being promoted faster and minimises the hassle one needs to go through with respect to complicated interrelationships. Locally graduated interviewees agreed on this point.

However, taking advantage of the social capital provided by their family background, most returnee interviewees obtained their job through their parents' *guanxi*, whereas the remaining three locally graduated interviewees all said they started with the online application process. Herein lies a contradiction. Even if interviewees (regardless of their being overseas or locally educated) believed that MNC Bank provided a more transparent and just work environment, returnee participants still managed to manipulate the social capital passed on from their family as a means to gain employment. They did not go through the ordinary recruitment process. The transparency and fairness of the workplace is thus questionable, at least in terms of recruitment.

Examination of the adaptation process along with determinants of job satisfaction and dissatisfaction highlighted the rationale of MNC Bank's human resource strategy. In order to maximise the investment of human capital and cope with a high turnover rate, recruitment is divided into two sets: potential general staff and candidates for the Business Development Programme (BDP). For general staff, the

opportunity to train, as well as the quality of training, is reported to by participants be limited, and the salary very basic. Thus, due to the lack of training, independence and self-learning ability are required and valued by MNC Bank. For those recruited into the BDP, intensive/overseas training is exclusively available for management trainees (MT). MTs are target talent, who are expected to become part of the future leadership of MNC Bank. General staff still partake in the benefits of the resources and learning opportunities provided by the workplace, but they said they were more likely to leave the bank after the accumulation of a couple of years of work experience because of the low pay and lack of opportunities to be promoted. In interviewees' own terms, this is 'external promotion'.

In addition to the training system, an important part of the HRM strategy in MNC Bank wage system is a competitive working environment. Sales performance plays a crucial role in one's monthly income. Especially in the personal banking sector, sales targets are set for each individual, whereas the corporate banking sector is team-based. The nature of teamwork alleviates the pressure experienced by individual employees to a certain degree.

Another HRM strategy adopted by MNC Bank is related to deployment of staff according to gender. Femininity is a significant attribute exploited by the MNC Bank to promote sales. On one hand, femininity is thought to be effective in shortening the distance between client and salesperson, engendering a more trustworthy relationship. On the other hand, some customers in some situations

might also negatively associate femininity with being ‘weak and not professional enough’.

The interviews with returnees illustrated their confidence and skill at languages and communication, their knowledge of different cultures, their ability to adapt and survive in new environments, and their capacity to handle problems independently. However most returnees found it difficult to please management, as well as extend *existing ‘guanxi’*. This was a common shortcoming admitted by the returnees themselves.

From the perspective of local graduates, returnees in this bank appeared to be from a higher socio-economic background, which allowed them the personal freedom to choose a job based on their interests. Significantly, however, it is also a factor perceived as weakening their motivation to ‘move up the ladder’. Some of the local graduates said that returnees possess advantages relating to foreign customers, both in terms of their ability to express English authentically and because of overseas experience that enables them a greater range of topics to talk about and a degree of commonality with others unlike themselves and topics. This was contrast with thoughts that returnees are not as good at forming useful social networks through alumni because of the physical distance of their course mates. The quality of overseas higher education was doubted and described as ‘gold plating’ by one local graduate. In addition, it was suggested that local graduates, who have various experience of working in the banking sector, are more valuable. The manager

agreed with this last point. From the manager's perspective, the cross-cultural competencies of returnees are valuable, but the diligence paid towards work and time management of local graduates were more highly praised.

10. Discussion and Conclusion

10.1 Introduction

In this concluding chapter, Section 10.2 discusses the use of theory guided by research aims and questions, followed by the most significant findings of the research, addressing each key research question in turn. Section 10.3 answers the first research question by summarising the varied career experiences of returnees and local graduates, and by comparing and contrasting their thoughts, opinions and experiences of working in SOE Bank and MNC Bank. This also provides a foundation from which to discuss particular themes that have emerged. The role of the family in returnee graduates' career development is particularly noted, as returnees' families were seen to play a crucial role in their motivations for job applications. On the one hand, returnees' families served as a type of social capital enabling access to a particular career path. On the other hand, the family also exerted a negative impact on the career experiences of some respondents. Sub-section 10.3.2 discusses the double-edged nature of returnees' familial connections (*guanxi*). With respect to the research questions relating to the nature of two organisational settings, sub-section 10.3.3 in particular concentrates on the way in which returnees were able to actualise various forms of capital they possess, considering also the extent to which this led to them further establishing capital in the workplace.

While Section 10.3 underlines individual performance, Section 10.4 discusses the rationales of the management systems in each bank at the organisational level. It begins by a comparison of the HRM practices between both banks, based on which the rationale behind each is explained. An analysis of each of the two bank's organisational settings determines their implications for returnee graduates' choice of employment, supplemented by employers' perspectives that contribute toward an answer to the second set of research questions: How did managers utilise overseas educated graduates? And to what extent did their utilisation differ between SOE and MNC? Why does it?

Based on the key findings both from individual and organisational perspectives, Section 10.5 reflects on the third research question outlined in 10.2: What were perceived advantages and disadvantages for returnees working in SOE and MNC, considering the specific features of 'returnee' as well as the attributes and needs of different types of ownership? Implications for policy and practice are stated in Section 10.6. Section 10.7 outlines this PhD project's contribution to the field of employment research and to academic understandings of the subject matter. Concerns about the limitations of this project, as well as suggestions for future studies, are elaborated in Section 10.8.

10.2 Addressing the research questions

As stated in Chapter 3, this PhD project's *raison d'etre* was to answer three questions:

1. What were the career experiences of Chinese returnees in terms of their motivations, adaptation and integration, and job satisfaction in SOE and MNC, in the light of the situations of locally educated employees?

2. How did managers utilise overseas educated graduates? And to what extent did their utilisation differ between SOE and MNC? Why was this?

3. What were perceived advantages and disadvantages for returnees working in SOE and MNC, considering the specific features of 'returnee' as well as the attributes and needs of different types of ownership?

In order to achieve the research aims, several theories were introduced in order to help explain and analyse issues that emerged throughout the project's findings. The following sub-section sheds light on this use of theory.

10.2.1 A note on the conceptual framework and use of theory

A two-tier conceptual framework was developed based on individual and organisational levels (see Chapter 4). As a means to explore the individual contribution of returnees, Bourdieu's various conceptualisations of 'capital' were introduced to distinguish between different types of capital that returnees possess. In addition, Bourdieu's conceptualisations of capital were used to analyse the valuation of overseas education and returnees as a category of person, as well as the extent to which and under what conditions capital possessed by returnees might be actualised and contribute to their career trajectory. This is further elaborated in Section 10.3.3.

The operationalisation of the concept of ‘cultural capital’ in this study is different from the concept of human capital. Cultural capital here refers to that acquired by returnees through overseas education, whereas human capital in this study is deployed to describe that possessed by graduates which can be utilised by employers to meet ends of productivity and economic growth. Cultural capital has the potential to become human capital, but this transformation depends on the attributes of organisational settings.

Based on the conceptual frameworks introduced in Chapter 4, the career experiences of returnees were explored throughout stages of pre-entry (motivation), entry (adaptation and integration) and post-entry (job satisfaction) in the labour market in order to answer the first research question. This is summarised in Section 10.3. For the last two questions the two cases were compared at the organisational level and contrasted with regard to their structure, culture and HRM strategies in Section 10.4 and 10.5.

With regard to the first stage, ‘motivation’, Chapter 4 outlines the inapplicability of Nevis’s emphasis on ‘collectivist motivation’ in China for participants in this study in terms of their career development. Individualist and future-oriented career development was rated as much more important than their contribution to society by recent Chinese graduates (see Chapter 7 Section 7.3.2). This indicates that, after 30 years of economic development and social transformation, the young generation embody less of a collectivist attitude towards their career trajectory and the

attainment of their career goals.

At the organisational level, this research has captured one aspect of the evolution of management systems in the state-owned sector, illustrated by the general improvement of training opportunities and the loosening of life-long labour contracts. It discussed to what extent convergence theory is applicable to SOE Bank's management system. Convergence occurred only at a superficial level in the form of a westernised organisational structure. However, the hidden power of the Party committee was reinforced in the hierarchy through the dual-identity of the chairman, the president, and the chief supervisor at the senior managerial level (see Chapter 6 Section 6.2.1).

10.3 Individual career experiences in SOE Bank and MNC Bank

To answer the first research question, this concluding section compares and contrasts the career experiences of returnees and local graduates in the two researched organisational settings. This is followed by a discussion about the actualisation of various forms of capital.

10.3.1. Contrasting the career experiences of returnees and local graduates working in SOE Bank and MNC Bank in China

Overseas educated interviewees from MNC Bank suggested advanced foreign language skills to be one of the most useful skills that someone could possess in a

multinational working environment. Moreover, their experience of living and studying abroad makes them more familiar with other cultures and thus more capable of engaging with clientele of different backgrounds. According to the interviewees, most of the clientele at MNC Bank were either foreigners from another country or have children who study abroad. To locally graduated employees and returnees, this meant it was much easier for overseas educated employees in MNC Bank to form a bond with their customers, since they had experiences in common. In addition, returnees also believed that the open-minded way of thinking, skill at communicating and the ability to conduct oneself when under pressure, acquired from the experience of living and studying independently abroad, could prove very helpful in enabling them to fit in and adjust to the working environment.

Returnee participants in SOE Bank, however, did not appear to benefit from the same advantages as their peers did after recruited to work in MNC Bank. The senior HR Manager at SOE Bank suggested that the recruitment of returnees for this state-owned enterprise was made to ensure a surplus storage of talent pre-emptive of the company's internationalisation. Since SOE Bank's expanded involvement in the global financial market is seen as inevitable, the company believes that recruiting graduates with overseas education is a good strategy. Other than that, however, both returnees and local graduate interviewees said that neither their overseas education nor the subjects studied at higher education in general were particularly applicable to their current job.

On the other hand, local graduate employees from MNC Bank thought that the most crucial criterion that the employer would consider would be previous relevant employment experience. In other words, the thing that matters the most is a known ability to handle the job and generate profit for the company as soon as possible. One of the local graduates also pointed out that the company was also looking for those graduates who were 'fast learners'. If one did not have any relevant working experience, then one would be expected to pick up the work skills quickly and be sure to follow training and various procedures/regulations that the company sets. The manager asserted that cross-cultural competence from returnees was valued and utilised, although so far only occasionally, such as during business negotiations. Local graduates, by contrast, were valued for their diligent attitude toward work and time management skills.

At the organisational level, most of the returnee interviewees from SOE Bank were critical of their organisational setting. They suggested that regulations, interrelationships and the wage/promotion system in SOE Bank lacked transparency. They said that many employees were reluctant to be straightforward in their dealings with others, which led only to the surface appearance of a harmonious working environment and interpersonal relationships. People are expected to reach a tacit and tactful mutual understanding without expressing themselves to each other in a more straightforward way ('*xin zhao bu xuan*' in Chinese). For this reason, some of the returnee interviewees complained that they

had had to spend far too much time on non-business related issues meant to avoid misunderstandings between workers.

Secondly, compared to their locally graduated peers, returnee participants proved more likely to be aware of the profound influence of the Party Committee over the organisation's culture, which is a distinctive feature of China's SOEs. For instance, many of the internal events in SOE Bank are arranged by the Party Committees and publicised through the publication of in-house propaganda magazines designed to create 'harmony'. Returnees exhibited a critical awareness of this process, and could not simply be described as passive receptors of Party-line circulated messages. Thirdly, one of the frequently raised problems associated with SOE Bank, which caused a certain amount of job dissatisfaction for returnee employees, was lack of professional training.

In comparison with returnees' critique of the state-owned organisational setting, local graduate employees gave a more generalised and positive assessment. Local graduates from SOE Bank rarely mentioned the role of the Party Committee, but instead saw the most characteristically defining feature of SOE Bank as its commitment to rigorous risk control, the purpose of which is to ensure on-going steady development. In addition, they considered the bank as treating its employees humanely, particularly in light of the non-salary-type benefits (fringe benefits) it provides.

One interesting phenomenon concerning the SOE Bank local graduates' comments

is their ‘good or nothing’ response. In other words, locally educated interviewees either gave a positive evaluation of the company, or were reluctant to say anything at all. One possible reason for this might be that local graduates are more cautious/sensitive when it comes to speaking to those whom have been attributed an ‘outsider’ status, in this case the researcher. For local graduates, it appeared more difficult for them than returnee participants to trust that interviews would remain confidential and transcripts anonymous. It is likely that they were worried about the potential ramifications of the release and publicity of the type of evaluations they would have had a mind to say about their managers, for instance, which could have negative consequences for their career trajectory.

Unlike the ambiguous way of communicating in SOE Bank, returnees said that, in MNC Bank because of the influence of a western style of management, managers could be very straightforward, job responsibilities were clear-cut and working processes standardised. This was perceived as beneficial to new graduates, since it is easier to for them to understand their role and minimise risk and responsibility for error. Another difference between the comments about SOE Bank and the comments about MNC Bank, at least from returnee interviewees, concerns their main source of job dissatisfaction, which resulted not so much from a lack of training, as in SOE Bank, but more crucially from the level of income.

Participants in MNC Bank did complain about the lack of training at their early stage in the bank, but no one considered it a source of job dissatisfaction. Their

ability to learn by themselves, combined with inspiration from colleagues whom they worked with and their being pushed by customers they worked for, still provided them with knowledge of various business and products. Despite the orientation training and personal instructors provided by SOE Bank, however, respondents there still reported lack of in-depth training as a source of job dissatisfaction. The contrast between these two groups of participants can be explained as follows. Firstly, it may be the case that MNC Bank provided access to more resources other than training to enable employees to learn throughout daytime work, whereas SOE Bank did not provide such a working environment. Secondly, participants in MNC Bank tended to be more self-motivated and proactive independent learners than respondents in SOE Bank as a result of their experiences overseas.

Despite the differences in accounts between SOE Bank and MNC Bank employees, one common feature was reported across both organisational settings by returnee participants. This was both banks' emphasis on risk control. Most of the returnee respondents pointed out that employees were asked to adhere strictly to all kinds of rules and regulations when processing every single task, however basic. The regulations within both these banks also meticulously abided by policies passed by the government or by the China Banking Regulatory Commission.

The local graduate employees in MNC Bank, similar to their counterparts in SOE Bank, rarely said anything negative about their company. They reported that a just

and transparent platform was provided by their employer in terms of the recruitment process, as well as the wage system. However, as opposed to the consistent corporate culture that is shaped by the party committee in SOE Bank, locally graduated employees in MNC Bank pointed out that their corporate culture was mostly guided by the leader or manager - the working atmosphere in MNC Bank changing when there was a change of manager.

10.3.2 Family background – guanxi

One of the features shared by both returnees from SOE Bank and returnees from MNC Bank, compared with local graduates, is their advantaged socio-economic status and family origin. Interestingly, the ubiquity of this feature is likely to be a partial result of the disadvantages returnees face in terms of an out-of-sync time schedule that makes it difficult for them to attend the largest annual campus recruitment fairs (see Table 10-1). This problem, compounded with the fact that returnees benefit very little from HEI career services abroad in comparison with local graduates and the information provided by local HEIs, means more alternative ways to access employment have to be deployed.

Typically, the alternative route to employment for returnees is through the family, whose socio-economic status and social networks can facilitate job offers. That said, the family can be both a burden and a boon. Connections and resources from a returnee's family background form a type of social capital which becomes determining of their career path and way of access to the labour market. For most of

the interviewees, such social capital contributed to a comparatively smooth transition from HE to the labour market. It assured them opportunities for employment.

Such 'bonding' also carries disadvantages. For one thing, dependence on their parents' social capital can trap returnees in a career path planned by others; one on which they preferably would not prefer to set foot (take Meng as an example). Moreover, although the established connections (*guanxi*) provided by returnees' families could provide a shortcut, for example to enable returnees like Chong to avoid the first year frontline rotation, this too has an alternative edge. In missing the frontline rotation, Chong also missed the opportunity to develop organisational skills, for example in terms of customer relations, which might have benefited him in the long-term. In this sense, their initial social capital does not necessarily advantage returnees in terms of extending their career or developing new social capital. In other words, social capital does not always beget capital concomitant with the establishment of new social networks.

Another example would be the issue raised by the senior HR manager from SOE Bank, who thought returnee employees were disadvantaged in terms of further instrumental networking, further evidenced by returnee interviewees from MNC Bank. As discussed previously, returnees who can afford to study overseas are more likely to be socially-advantaged and thus already embedded in a network of *guanxi* relations that they can make use of. Stepping outside this already established

network would make it more difficult for them to generate the same kind of capital, however, as their position beyond their domestic network is not guaranteed to be as productive.

10.3.3 The actualisation of various forms of capital of returnees

The development of the political and economic world market has spurred an increase in SOE Bank's awareness of the importance of talent with overseas HE qualifications, who might bring in added-value in the form of knowledge of western technologies, economics, culture and so on that could contribute to development for a long time to come. In this sense, returnees' cultural capital gained from overseas education resonated with their organisational setting up to the point of entry. Particularly their qualifications, cross-cultural competence, foreign language skills, etc., enabled them to first contact and then gain access to their desired profession.

Post-entry, this type of cultural capital does little to resonate toward the actualisation of capital gains. As discussed in Chapter 6, SOE Bank is a very rigorous, tightly organised hierarchical structure with strong involvement from the Chinese Communist Party (CCP). The qualities that SOE Bank scouts for are 'easy to be shaped' and the ability to learn quickly, rather than anything like cross-cultural competence. Admittedly, the senior HR manager claimed that they needed 'fresh blood', encompassing innovative thinking from returnees and local graduates as a means to improve the old bureaucratic management system. Yet

that is in theory. In practice at this stage, HRM and organisational culture is so strong that hardly any graduate employees may contribute to the theoretical goal. In these restrictive circumstances, it appears difficult for returnees at SOE Bank to actualise their cultural capital (advanced language skills, cross-cultural competence, etc.) gained from their time abroad.

At SOE Bank, post-entry, social capital, i.e., *'guanxi'* is applicable and translatable into gain, both for overseas graduates and for locally educated graduates. In the case of returnees, their base *habitus* is more important than the cultural capital generated from overseas higher education, and gives them something of an edge. Within a network of *guanxi* relations, their particular *habitus* – their high socio-economic status, connections, and general disposition - generates a specific kind of social capital, which reverberates with their organisational setting – its people and its practices.

By comparison with the SOE Bank, returnee participants in the MNC Bank showed a different picture. *Guanxi* (social capital) generated from their *habitus*, in most cases their family background, contributed to a large extent to their obtaining the job opportunity in the first place and articulating their career path. However, once recruited, their cultural capital became a boon. They made full use of their language skills and knowledge of other cultures to develop customer relations and form bonds with customers more quickly. This is most certainly a factor that contributed to their job performance. The reward system in the MNC Bank is

highly performance-related, which reinforces the utilisation of returnees' cultural capital to actualise capital gains more quickly (often in the form of economic capital). Thus, compared to SOE Bank, MNC Bank is an organisational setting where returnees can profit more from their overseas education.

In conclusion, both cultural capital from overseas education, and social capital, like *guanxi*, are generated from graduates' *habitus*, which is formed primarily from their family background and extended family network. Both these forms of capital contributed to returnees' career development at entry as well as post-entry, in both banks. However, because of the differences between each organisational setting, graduates' capacity to utilise and actualise capital varies to different degrees. For returnees in SOE Bank, cultural capital is actualised much more at the point of entry than at post-entry, since the strict organisational setting itself establishes a barrier to the actualisation of returnees' cultural capital. On the other hand, for returnees in MNC Bank, the organisational setting embraces cultural capital from returnees much more effectively, especially after being recruited.

10.4 Iron rice bowl vs. Military academy

Based on interviews with both employees and managers from SOE Bank and MNC Bank, Chapter 6 introduced and discussed individually the organisational settings of these two different types of ownership. Both organisational settings can be differentiated from each other in terms of human resource management strategies, organisational structure and corporate culture. In the following section, these two

organisational settings will be put together and compared from the standpoint of these three aspects.

10.4.1 HRM strategies

Drawing on Table 4-3 comparing HRM practices in SOEs and MNCs in China, which was developed in Chapter 4's conceptual framework and combined with data from this project, it is apparent that HRM strategies have been rapidly evolving in SOE Bank in China during the last decade. Three noticeable changes occurred in SOE Bank, particularly if we compare to the HRM practices talked about in previous studies concerning Chinese SOEs. These practices include training, rewards, and promotion, and have been updated in turn as follows.

Firstly, previous literature criticised the training available in SOEs in China as being very minimal and mainly enterprise based (Child, 1994; Cooke, 2005). However, this case-study's data on SOE Bank shows that there are now opportunities for both enterprise-based and external training, even training abroad. However, these better quality training opportunities are restricted to employees at the managerial level.

Secondly, the previous reward system in SOEs has been described as having few performance-related perks and limited pay differentials within and between different bandings (Warner, 1995; Ding *et al*., 2000). Now, the logic behind the reward system of SOEs in China has been transformed from this socialist-tinged

idea of egalitarianism and the fair distribution of wealth into a more cost-effective and results/profits oriented model of incentivisation. The wage of each employee has become performance-related, especially in the Sales department where rewards are based on bonuses that equal a certain percentage of the sales they make. Furthermore, between different levels and bandings, the difference is no longer negligible. There are now multi-salary levels within SOE Bank that serve to differentiate how much people earn between different levels and between themselves. This is clear from the results of the questionnaire, which show that the monthly income of employees from the SOE Bank Beijing Branch varied from 2,000RMB up to 15,000RMB. Taking into account the fact that these are employees who started working for SOE Bank within the last five years, there could be a nearly seven times as much difference in pay grade.

Lastly, the value of having a correct political attitude and morally informed practice of work is now less importantly weighted in the system of promotion. Length of employment and one's *guanxi* – e.g. in the form of an internal reference – are now the crucial criteria for successful promotion.

From the previous paragraph, it is clear that HRM practices have changed in SOEs in China, especially when the case of SOE Bank is taken as an example. By comparison, data collected from MNC Bank seems to show a historical consistency not seen in SOEs. Nevertheless, even if HRM in SOEs has evolved into a more Westernised form, it still varies to a certain degree on a number of points. Table

10-1 gives a general comparison between the HRM strategies in SOE Bank and MNC Bank.

From the Table 10-1, which again is based on interviews with employees in both banks, it is clear that, firstly, SOE Bank exclusively recruits new graduates, partly explained by the party-induced wish to help the state to absorb the number of graduates produced by HE institutions each year, as well as by the ease with which they can be shaped to fit the bank's purposes. By comparison, MNC Bank favours candidates with relevant employment experience, since they want employees to generate profit and booming sales as quickly as possible.

Table 0-1: Differences of HRM strategies in the SOE and the MNC.

HRM dimensions	**SOE Bank**	**MNC Bank**
Recruitment	New graduates exclusively	New graduates, and Candidates with working experience (preferred)
Salary system	Fixed rates	Mainly fixed for lower levels (new graduates)
	Performance related rewards	Highly performance related rewards
	Limited differentials within each fixed salary level	
Non-wage benefits	Various non-wage benefits	Very limited
Promotion Criteria	Years of working in certain post	Achievement of sales target
	Internal referral	Previous relevant working experiences
	Evaluation from line manager (most influential and important)	Team Evaluation
Training	Basic and mainly enterprise-based training for lower levels; External or overseas training for managerial level.	General Staff: Basic training. Management Trainees: internal and external training.
Job Security	Less likely to dismiss employees	Flexible employment contracts
Communication with workforce	Secretive, information retained by higher levels and within departments	Less disclosure
	Formal, hierarchical	Casual, informal
	Job titles	English names
Hierarchy/Org. Structure	Multi-layered	Flat hierarchy

Second, in the SOE the salary system has been set up according to a fixed rate, taking into account the highest degree level obtained and the length of time

employed in certain position. The total income of each employee is performance related. However, the difference within each banding is not phenomenal. This can be contrasted to MNC Bank, where a fixed rate of pay is only for entry level – i.e. new graduate employees – and high rewards which make up a significant portion of one's salary are dependent on work performance.

Third, the paternalistic character of traditional Chinese SOEs can be still sensed and understood from the non-wage benefits maintained throughout the era of transformation. These non-wage benefits are life-lasting and for all employees, and include allowance for food, transport, living, heating, air-conditioning, etc. This will be further explained in the next section by a comparison with MNC Bank, where non-wage benefits are very limited.

Fourth, a primary criterion for promotion in SOE Bank is the number of years worked in a certain post. In addition, the internal reference, and especially an evaluation from one's direct manager, is highly sought after and important for promotion. MNCs, on the other hand, tend to underline performance records and previous relevant working experience much more so as a stepping stone to promotion. Instead of an evaluation of the candidate by his or her direct manager, an evaluation will be made by the whole team as to whether that individual is worthy of being promoted.

Fifth, access to different levels of training varies between the banks. In SOE Bank, external and overseas training is only available at the managerial level, as

previously discussed in Chapter 6 (see Section 6.2.2). The lower level of employees, only have access to the most basic and enterprise-based forms of training. In MNC Bank, the situation is similar in so far as opportunities for training are only open to different group of employees in MNC Bank. Differences in opportunities for training, however, are not divided between the entry level and the managerial level, but between the general staff and the management trainees, both of whom are technically at the same level on the employment ladder.

Sixth, differences highlight the degree of job security. Chinese SOEs are famous for having secure jobs – part of the metaphorical 'iron rice bowl', which guarantees state employees job security, income and other benefits. The senior HR manager from SOE Bank said that it is rare for them to dismiss employees, except in extreme circumstances. The MNC Bank, on the flipside, requires their employees to sign flexible employment contracts which enable both parties (although emphasis is placed here on the employer) to 'opt out' of employment. In fact, participants suggested that due to the flat hierarchy and for various other reasons, when employees find they have little chance of being promoted they usually choose to leave. They believe they can then find work and promotion somewhere else, using the reputation of this bank. (Different interpretations of job security will be further discussed in the following section.)

Last but not least, organisational structure and communication within this structure also varied in a number of ways between the two banks. At SOE Bank, a vertical

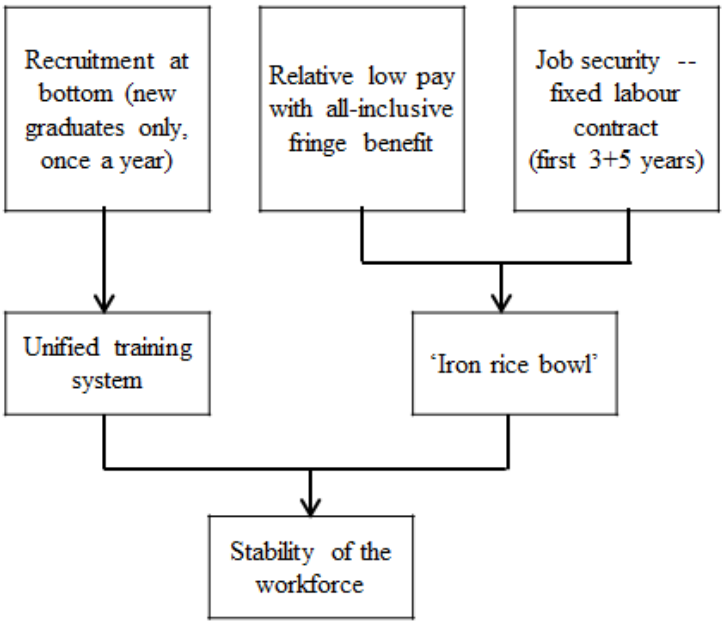
structure is in place, containing 15 different types of employment bandings and 67 salary levels (including posts at the bank's Headquarters). The workforce communication throughout this structure is formal and hierarchical/relational. Employees and managers use job titles to refer to each other rather than names, and information, as well as access to information is usually monopolised by higher levels within each department (interviewees complained about it being very hard to find information about job vacancies or training opportunities within the organisation). By contrast, MNC Bank has a rather flat hierarchical structure if compared to SOE Bank, with nine bandings (including headquarters). Due to this flat structure, the communication between the employees and the managerial level is perceived by the interviewees as more casual and straight forward. Instead of using job titles, English names are in common, daily use. The interview participants also said the internal website and email system is very useful for finding out all kinds of information.

10.4.2 Rationale of HRM

Based on the findings of management systems in SOE Bank and MNC Bank, the rationale behind their HRM practices can be depicted in the figures below (Figure 10-1/2). The main features of HRM practice are identified as heavy involvement by the Chinese Communist Party (CCP) in the management system itself and the social responsibility shouldered by SOEs in China. In terms of HRM strategy, social responsibility is translated into the absorption of new graduates, the all-inclusive

fringe benefits, and the high degree of job security as depicted in Figure 10-1. The latter two represent the main features of the 'iron rice bowl' which leads to a low turnover rate, whereas the former process includes rigorous ideological education, which results in the reinforcement and legitimation of the absolute leadership of the CCP and a high degree of workforce stability.

Figure 0-1: Schema for SOE Bank HRM

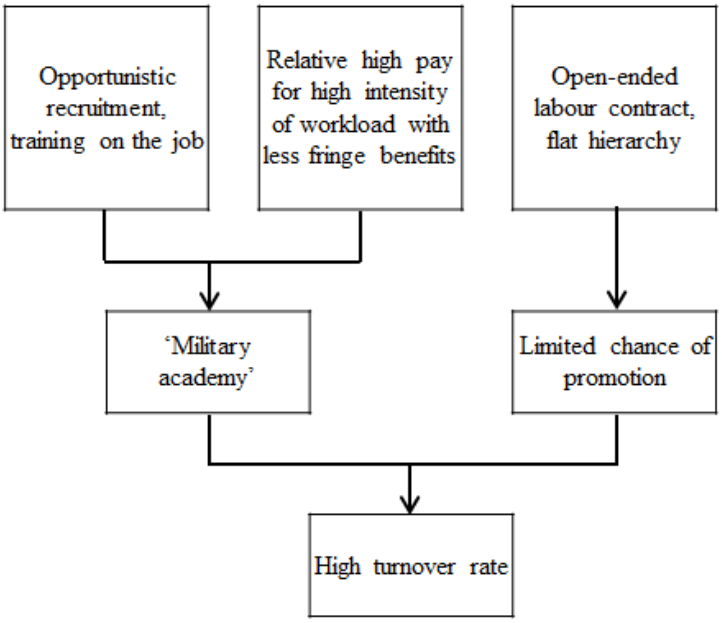


In order to increase the vitality of the management system in SOE Bank, the senior HR manager suggested that recruiting recently-qualified graduates was primarily to bring in 'fresh blood'. Yet the system is still very rigid and the extent to which these new graduates can enact change is questionable. On the other hand, as a future-oriented HR strategy, returnees are recruited on purpose as a way to store talent in support of the internationalisation of SOE Bank in the future. Nevertheless, as shown in Chapter 8, the scope of *current* business limits the actualisation of

returnees' cultural capital, which in turn restricts the utilisation of their human capital.

By comparison with SOE Bank, the pay was reported to be higher in MNC Bank. Yet employees complained that the pay did not match the intensity of their workload, and the fringe benefits provided here were poor. Recruitment in MNC Bank was mainly based on specific job vacancies. Due to the uneven intake, induction training was not easy to organise. Thus interviewees stated that a combination of quick self-learning on the job and being able to fully utilise the resources available at the workplace became the key to their career development. However, the flatter hierarchical structure in MNC Bank led to problems for graduates who consequently had limited opportunities for promotion. Thus respondents implied that they used the work experience and good reputation of MNC Bank as resources that could enable access to potential advancement somewhere else, that is, in another organisation. This was why they perceived MNC Bank as a 'military academy', whose very intensive initial treatment of recruits prepared them for wider deployment later rather than marked the start of a stable local employment relationship. This approach of HRM and its consequences are depicted in Figure 10-2.

Figure 0-2: Schema for MNC Bank HRM



Alongside this approach to new graduate recruitment, MNC Bank has another scheme for those with previous work experience: the employment of 'Management Trainees' recruited for the Business Development Programme for future leadership in the company. As regards new graduates though, compared to SOE Bank the HRM strategy adopted in MNC Bank may appear to be much more short-term oriented. However, this is partly because of its market orientation and operation within the *external* labour market. Training costs appear to be kept down during the initial phase of employment by relying on very highly motivated recruits (notably returnees) to seek out the knowledge they require to do their jobs as they adapt to a particular post (e.g. knowledge of the financial products being sold). High performers are rewarded with advancement while others will be expected to leave, either because they are not happy with their work-life balance or because they see that they are unlikely to be promoted if they stay (or a combination of the

two).

Thus, in terms of its longer-term stance, MNC Bank's strategy relies on there being a surplus of good recruits and sets the internal conditions of employment and training so as to produce relatively low costs so that high turnover becomes part of an economically efficient selection process. On the other hand, SOE Bank takes as axiomatic the assumption that there has been and will continue to be an over-supply of suitably-qualified candidates whom they have a social responsibility to recruit and to equip through induction and training with the appropriate skills to meet their HR requirements.

10.4.3 'Iron rice bowl' -- job security? or discouragement of mobility?

In the previous sections, a comparison was made between the HRM strategies of SOE Bank and MNC Bank. Out of all the strategies and dimensions of HRM, one interesting phenomenon emerged that deserve more attention: the various interpretations and understandings of job security based on different types of labour contracts signed in these two banks. As already mentioned, Chinese SOEs are famous for lifelong safe employment, for an incredibly low turnover rate, and for the rarity of employee dismissals. This extends to a conventional understanding of job security. However, an alternative way of interpreting job security is to look at the degree of mobility and flexibility that labour contracts afford individual employees. In other words, it is a question of whether employees have enough freedom to choose to stay or leave. In this section, we will look at these two

alterative interpretations of job security.

a. Labour Contract

Two potentially positive consequences of the labour contract system are suggested by Cooke (2005): firstly, it enables a higher degree of autonomy and freedom for both SOEs and individuals to choose to start or terminate an employment relationship, and; secondly, employees will be increasingly incentivised as a result of decreasing job security resulting from the contract system. However, the case-study of SOE Bank shows that labour contracts, on the contrary, are more likely to function as a guarantor of job security rather than as a motivating force from reducing it. In the chapter on organisational settings, it is explained how the labour contract system works in SOE Bank. Although new employees need to go through various labour contracts equalling different lengths of employment (starting with three years, then five years, then open-ended employment), the HR manager from SOE Bank admitted that the job security in this bank is still extremely high, largely due to the social responsibility shouldered by SOEs in China. On the subject of dismissal, SOE Bank's HR manager had this to say:

> *'For state-owned commercial banks, "dismissal" is just an idea; an idea rarely put into practice. Although our bank is a listed company, the government still keeps an absolute controlling stake, which attributes to the bank greater social responsibility to absorb the population of unemployed. Therefore, in regard to dismissal, decisions have to be made very carefully and very cautiously.'*

One of the most important 'Chinese Characteristics' of state-owned commercial

banks is the level and type of social responsibility that they shoulder. With the production and accumulation of wealth for the country, in addition to contributions to national tax revenue, Chinese SOEs have an implicit responsibility to government to increase employment opportunities as a way of solving China's on-going employment problem with a view to easing the pressure of unemployment across all of society. This is evidenced by the continuing large-scale campus recruitment fairs that are annually manufactured to help digest increasingly large numbers of graduates produced by the universities each year. It is also illustrated by the job stability of employees currently working in SOEs. Few cases of dismissal ever occur in SOEs in China. This is because maintaining job stability is an effective way to avoid the unemployment problem, and crucially a means to maintain wider stability and harmony in society. However, this social responsibility could turn into a burden that SOEs have to shoulder which potentially could cause problems. As the HR manager said:

> *'Our bank maintains a very high degree of stability. The turnover rate is extremely low - around 1% annually. Human resource management in SOEs can be summarised as a closed-circuit system of employment, leading to high intake and very few leaving* [taking into account retirees]. *This has become one of the main problems facing HR departments in SOEs in China: a closed route to employment contributes to a lack of mobility of human resources.'*

One of the biggest differences between SOE Bank and MNC Bank is the turnover rate. The HR manager said the turnover rate was only one per cent in SOE Bank, which suggests a rather high degree of job security - low turnover rate can be translated into a high rate of stability. Nevertheless, Bob, the assistant president of

this MNC Bank has his own interpretation of job security. Having had employment experience in various state-owned banks, as well as multinational banks, he came to the conclusion that:

> ‘*as far as I know, in state-owned banks they usually sign the contract with new graduates for three years, five years, ten years, and so on. But we do open-ended employment contracts. This allows for more security for employees. In other words, this type of labour contract can be understood as “life long tenure”. … When do we dismiss employees? When they make huge mistakes, or when there’s a severe problem with their attitude toward working. Otherwise, we won’t dismiss employees, except in these extreme cases. As far as I know, at least recently we haven’t stopped any labour contracts or dismissed any employee so far. You could say employment contracts in this MNC are the “iron rice bowl”.*’

Unlike the normal way of thinking about job security, Bob took an alternative approach. He thought flexibility rather than stability allowed for job security. As people tend to look for more job opportunities outside their own organisations, a flexible labour contract could provide them with more opportunity to find a better post, rather than them staying in the same company and them being forced to endure jobs they do not like anymore or in which they have less chance of be promoted. When asked why he thought about this way, he explained:

> *‘I’ve worked in all kinds of banks with different types of ownership. In state-owned banks, they started with a three-year contract, but if I want to leave here for a higher position somewhere else, we have to negotiate with them and go through other paper work. Then I have to plan as, for example, I might only be able start a new job in an MNC after three years. But with the open-ended labour contract, you can just inform them a month in advance that you want to leave for somewhere else. I can just live with this contract without worrying about when this contract is going to end and when I can move on to get a better post in another bank. Generally speaking, your career path should be a tendency to gradually move up. Even in the worst scenario, it can’t be down. If there’s opportunity outside, you need to be ready for it. Therefore, this*

kind of flexibility and freedom as such can be considered as a kind of security.'

After experiencing employment in both state-owned as well as multinational banks, Bob found flexibility to be more beneficial than stability for employees' career paths. His alternative way of thinking about job security is based on the benefits of an individual's career development in the long-term, and not just the length of employment within a certain organisation. His interpretation also indicates that instead of looking for a stable job and pursuing a career path within one organisation, individuals may tend to have open minds towards the job opportunities outside their own company. This reflects the reason behind why employees gave the nickname 'military academy' to this MNC Bank: to denote a place where you gather experience and knowledge and then move on, usually to other places to be promoted.

b. Fringe Benefit

As discussed in Chapter 6, SOEs in China have been experiencing a sharp transition from totally state-owned to part state-owned with shareholders, with the state owning more than 50 per cent of the shares. Through this system, a growing number of private and foreign funds and investment have been brought into SOEs in China. Nevertheless, this particular piece of research has already shown that the paternal nature of SOEs is still a factor in the current situation, evidenced by the type of permanent labour contracts they enter into as well as the all-around fringe benefits provided to employees. In other words, the 'iron rice bowl' is still feeding

its children with job security and off-the-job benefits. The following discusses the type of fringe benefits in more detail by comparing and contrasting the respective cases of SOEs and MNCs.

Here fringe benefit refers to the benefits offered by employers aside from typical salary. As part of human resource strategies, fringe benefits play an important role in SOEs and MNCs, helping to maintain job satisfaction among employees. A chart of the various fringe benefits that the two organisations offer is presented below.

Table 0-2: Fringe benefit in SOE Bank and MNC Bank

Types of Fringe Benefit	**SOE Bank**	**MNC Bank**
Five Social Insurances One Housing Fund	Legally Compulsory	Legally Compulsory
Meal Allowance	Free lunch or RMB 20/day (22 days/month)	NA
Transport Allowance	RMB 200 – 300 / Month	NA
Housing Allowance (In addition to Housing Fund)	RMB 1000 / Month (The amount goes up in accordance with the grades of occupation)	NA
Air Conditioning Allowance (Summer Time 4 months)	RMB 1200 / Year	NA
Heating Allowance (Winter time 4 months)	RMB 30/ m^2 (Entry level is 90 m^2)	NA
Laundry Allowance	Expense of uniform laundry can be claimed	NA
Travelling Allowance	RMB 5000 / Year (for employees work over one year)	NA
Supplementary Medical Insurance	85% of the medical cost (not covered by the basic medical insurance in 5 social insurance) can be claimed	NA
Company Annual Bonus (Supplementary Pension)	3% of one's salary is paid by the company and is collected into a fund, which will function as supplementary pension	NA
Festival Bonus	RMB 4000 / Year (1000 for each main festival: New Year, Spring Festival, National Labour's Day and National Day)	RMB 1000/Year
Other presents organised by Trade Union	Small gifts during all kinds of festival	NA

‘Five Social Insurances’ refers to a pension, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance. Combined with the housing fund, this constitutes ‘Five Social Insurances One Housing Fund’. Among these, endowment insurance, medical insurance and unemployment insurance are paid for by employer and employee, whereas the burden of the other two is shouldered completely by the employer. Employees in both SOE Bank and MNC Bank are insured with Five Social Insurances and One Housing Fund, as one of the compulsory fringe benefits of working in state-owned and multinational banks. However, apart from this the only fringe benefit that MNC employees get is a festival bonus at the end of each year.

By comparison, the fringe benefits that the SOE offers are surprisingly comprehensive. As well as basic insurance, fringe benefits cover nearly all living expenses, from food to laundry, transport, housing, daily living experiences (associated with housing), travel, not to mention the festival bonus. First of all, each employee receives RMB20/day to cover lunch expenses, for 22 days per month. As for public transport, everyone is given 200-300 RMB per month. At the managerial level, this increases, and cars and drivers are allocated to top-level managers. Employees at the entry level are granted RMB 1000/month housing allowance, which is income in addition to the housing fund. This housing allowance also goes up in accordance with the bandings of occupation.

Considering the weather change in summer and winter time, there is also an air

conditioning allowance for four months (RMB 300/month) and heating allowances for another four months (RMB 30/m^2). The heating allowance is based on the size of the flat/house, and the lowest level is 90m^2). Since uniforms are compulsory in SOE Bank, laundering of the uniform is also covered and can be claimed. In addition to these allowances for daily expenses listed above, SOE Bank also offers travelling allowance, at a minimum level of RMB 5000/year. All employees are granted this allowance after a full year of work. As their grades of occupation rise, so too will their allowance. There is also supplementary medical insurance available for all employees, which compensates up to 85 per cent of the medical costs that are not covered by basic medical insurance (as part of the five social insurances).

In order to better guarantee employee's income after their retirement, there is also a supplementary pension scheme called the 'Company Annual Bonus' over and above the basic salary. This means that the company pays three per cent of one's salary into a fund, which functions as a supplementary pension and can be collected by employees at any time after retirement. For the four main national holidays, such as New Year, Spring Festival, National Labour's Day and National Day, there will be RMB1000 as a festival bonus for each employee. Last but not least, trade unions organise events for special occasions, such as the New Year party, and small gifts are given to employees.

In total, there are 10 different types of fringe benefit offered by SOE Bank covering

various social needs of employees, on top of basic insurance and the housing fund, which are available to all employees. These fringe benefits are not based on individual working performance, but come readily available with no strings attached to all employees, and many of them increase their value over time and as grades of occupation go up. However, unlike SOE, the MNC has only the basic Five Insurances and One Housing fund, and the festival bonus is not even as generous in SOE Bank. The income of MNC Bank employees is mainly based on the salary, which is paired to working performance. This difference of composition of income between SOEs and MNCs is also evidenced by the fact that one of the most unsatisfactory things for returnees in SOE Bank is their lower salary, whereas it is the lack of fringe benefits for returnees employed in MNC Bank. Yet the relatively low salary in SOE Bank is compensated for by these fringe benefits to a certain extent, and which returnees employed in MNC Bank envy. According to the details of each fringe benefit given in the Table 10-2, new appointed employees from SOE Bank make at least RMB32500 extra per year compared to employees in MNC Bank. This is not including those expenses, such as laundry and medical expenses, which can be claimed back from the company.

The well-established system of fringe benefits in SOE Bank is a throwback to the social welfarism of the communist era and its constructed work unit (*danwei*). Historically, Chinese SOEs based on the work unit featured an ‘iron rice-bowl’, where a life-long job was guaranteed and ‘cradle to grave’ welfare was provided (Warner, 1995; Ding *et al*., 2000).

> ‘Apart from functioning as a department or organisation, the work unit is also in charge of the management of the household register, the staple and non-staple food supply, all medical services, and all housing. It is also in charge of ideological remoulding, political study, policing and security matter, marriages and divorce, entry into the Chinese Communist Youth League and into the Party….’ (He, 1998: 43-44).

Judging by the various fringe benefits offered by this SOE, it can be said that the company is still embedded with a paternal character, although less and less definitively as economic reform continues. Compared to MNC Bank, the extent of benefits that the SOEs cover can be considered as evidence of this paternalism inherited from traditional SOEs.

10.5 Perceptions of the advantages and disadvantages of returnees in the different settings

With regard to the third research question, an examination of both institutions at both individual and organisational levels was required, the findings of which are assessed in Chapter 10. The case study showed that SOE Bank provides an ‘iron rice bowl’ which amounts to a high degree of job security and all-round fringe benefits offered to its employees. Yet these benefits also came with potentially negative repercussions in the sense that employees must tolerate the bureaucratic and hierarchical management system with career progression based more on tenure in a certain post combined with the efficacy of one’s *guanxi* rather than actual expertise. By contrast, MNC Bank, described as a military academy by employee participants, was essentially favoured by returnees because of its opportunities to

gain professional experience in a rather short period of time, its western-like working environment, and open competition based primarily on work performance. However, it was also observed that MNC Bank had a rather high turnover rate due to the low pay and its use of rather flexible labour contracts. In addition, participants reported that *guanxi* also played a role in the process of recruitment and promotion here.

At the individual level, the primary data used to answer the same question were self-evaluations from returnee participants. This is discussed in Chapter Eight and Nine. In accordance with the personal evaluations made by returnee participants from both SOE Bank and MNC Bank, the advantages they believed they possess are very similar. Returnees working in both organisations found their acquisition of advanced linguistic and communication skills, their familiarity with other cultures, their ability to adapt into new environments, and their capacity to handle problems independently and with an open mind particularly useful. They had problems, however, with the inconvenient timing of the recruitment process in relation to the academic years of foreign universities.

A different picture is painted by managers' points of view and when the features of organisational settings are taken into account. Returnees' major advantage in SOE Bank seemed to lie with their CV, which attracts more attention from HR managers by the fact of their overseas educational background. The senior HR manager also praised their professionalism during the interview and their restrained and cautious

attitude at work. Yet, although this quality was recognised as an advantage from a managerial perspective, for returnee interviewees, this was the factor that contributed to their experiencing a difficult time in terms of integration. It appeared that overseas educated participants could comply with the norms of SOE Bank, but they were not comfortable or satisfied with doing so.

Otherwise, returnees did not seem stand out from their locally graduated peers. In addition, the work environment did not require much materialisation of the advantages returnees said they possessed. Combined with potential misunderstandings by people with no overseas experience, and the consequent underestimation of the value of overseas education, this leads to returnees' experiencing job dissatisfaction when confronted with a state-owned organisational setting.

On the other hand, the returnees working in MNC Bank were able to take greater advantage of the skills they had acquired from overseas education, as something that resonates with the bank's multi-national work environment. However, the manager also suggested that the performance of returnees was not always considered better than that of local graduates, especially compared to those who graduated from top universities in China.

10.6 Implications for policy and practice

Drawing on the findings of this research, particular that relating to the value of

overseas education and the capital possessed by returnees, as well as how human capital is produced and how this leads to productivity and contributions by employees to their organisations, this section sets out advice for both research organisations and policy makers.

As regards the rationales behind their utilisation of human capital, there are striking differences between the two organisations. It is apparent that SOE Bank stressed the importance of hierarchical power, while MNC Bank emphasised the maximisation of profit. SOE Bank recruited new graduates who were exclusively 'easy to shape'. With its multi-layered hierarchical structure, the wage and promotion system in SOE Bank was time and seniority-related. Combined with all-inclusive fringe benefits, it created a rather stable and secure workplace - a hard-to-break 'iron rice bowl' for employees. It valued staff development from entry in order to ensure that they 'fit in'. The rigid hierarchical structure and ideological education helped to improve the conformity and loyalty, which reinforced the power of central management. The low transparency and double-standard execution of regulations was raised as an issue by the participants however.

Contrary to SOE Bank, job responsibility was reported to be clear-cut in MNC Bank, and the working environment was rather straight-forward and competitive due to its performance-related wage and promotion system, which exhibits its profit-oriented character. Candidates with relevant work experience were preferred,

as they were more likely to be productive in a shorter time span in comparison with new graduates. However, the rather flat and compact structure of MNC Bank made promotion opportunities unpredictable. Combined with the low HR investment - low pay and lack of training for general staff - the turnover rate was increased. Participants considered MNC Bank as a 'military academy', where they made use of various resources provided by the working environment to gain experience by paying the tuition fee (low pay). And then they 'graduated and settled' somewhere else.

Combining both individual and organisational perspectives, and with regard to the capital held by Chinese returnees, social capital originated from their advanced socio-economic origins and cultural capital primarily derived from their overseas higher education. Yet whether these forms of capital were transformed into human capital (which is instrumental in terms of productivity), and whether this human capital could be utilised by employers, is dependent upon the nature of each organisational setting.

Acknowledging the contingency of this transformation of one type of capital into another, the findings of this research have implications for both SOE Bank and MNC Bank in China. Firstly, recruiting overseas educated graduates is a type of HR strategy in SOE Bank used to boost its global national competitiveness. Nevertheless, tensions occur in the extent of its relation to the international market. Due to the heavy involvement of the CCP, SOE Bank is neither fully corporatised

nor completely market-connected. And the extent to which different forms of capital (social capital, cultural capital) possessed by overseas educated graduates can be converted into human capital (which leads to productivity and contributions in economic growth) is contingent upon the level of internationalisation and marketisation of the organisational setting in question.

Due to the mechanistic design of the structure, the intense value placed on hierarchical power, and its high degree of collectivism, cultural capital from returnees was hardly utilised in SOE Bank. Involvement in the globalised economy is an inevitable process that SOE Bank has to experience. Therefore, as preparation for the impact of the world economy, SOE Bank needs to be proactive by downplaying the role of administrative control by the CCP and strengthening professionalisation in finance and business departments to an international standard. If this is achieved, the value of transnational human capital is likely to be better utilised and applied.

Secondly, because of internationalised business practices and a multi-cultural working environment, the cultural capital possessed by overseas educated employees at MNC Bank is transformed into human capital at a more efficient ratio compared with SOE Bank. However, HR strategies adopted by MNC Bank do not translate into the long-term utilisation of this transnational human capital, as the turnover rate remains high. Low pay and limited chance of promotion are factors that result in this higher turnover rate of young graduates. Thus the capital

possessed by returnees is concentrated at the lowest levels of the organisational structure, which does not help reproduce nor strengthen such capital. Consequently, transnational human capital cannot be further developed and utilised to greater extent. Although MNC Bank deployed the Business Development Programme to cultivate talent for future leadership, the degree to which it preserves human capital is still questionable. For this reason, it would be advisable to adopt a more talent friendly HR programme that works to retain more benefits over time through a method of maximising and reproducing human capital to increase productivity and economic capital growth in the long-term (as opposed to adopting a HR strategy that is beneficial in the short-term).

Thirdly, this study showed that the Chinese banking market did not form a competitive environment for SOE Bank, considering the limited size and scale of MNC Bank as well as the types of business that MNC Bank is allowed to implement. The HR manager said the management system was a self-sufficient one in accordance with the internal labour market rather than external market-oriented. In order to reduce the rigid bureaucracy of the management system in the state-owned sector and evolve toward a more vital and professionalised one, the government policy should work toward loosening control over the multinational sector, and in turn promote competition among all types of ownership rather than retaining a monopoly. This marketised policy could also lead MNC Bank to a more future-oriented management plan. With the scale and the business activities of MNC Bank unlimited, it is more likely to adjust its strategy toward the generation

of long-term benefits that cater for its future expansion rather than survival.

10.7. Research contribution

With respect to the field of employment research on China, a large quantity of research focuses on returnees in academia and entrepreneurship, while little attention, has been paid to their association with public and private sector organisational settings and culture. This project has gone to significant lengths to demonstrate the importance of the relation between returnees and the public (SOE) sector and private (MNC sector) in China, in connection with the post-Mao reform era and its effects for the organisation of work settings, culture, and HRM practice. At its most qualitative level, it makes an empirical contribution to understandings of the early career development of Chinese returnees.

As per the implications of this empirical research for policy and practice outlined in the previous section, a gap in the field of employment research on China has been plugged with regard to knowledge of the value of overseas education for the Chinese labour market, the type of capital possessed by educated returnees, as well as the way in which such capitals are produced and utilised towards ends of productivity and the evolutionary transformation of the organisational settings themselves – i.e., SOE/MNC management, culture, and HRM practice.

At its greatest level of generality and generalisability, this project has contributed to academic understanding of Chinese economy and society in a manner that it is

envisaged other researchers involved in the study of global trends and the political and economic world market may find useful. In particular, others may use this as an empirical resource to draw wider conclusions from, especially in the order of management style, gender, and division of social class. The former has been shown to be evolving from imperatives of efficiency toward a market-oriented system, yet retaining characteristics evocative of an 'iron rice bowl' socialist mentality.

Gender inequality, however, has not improved since the beginning of Deng's era, in fact worsening, and attitudes toward female career development are predominately conservative across women and men alike. Compared to men, young women were more likely to be employed as frontline make-up artists for the retail banking sector, as a means to exploit gender relations to improve sales. Moreover, women participants demonstrated less ambitious career planning than men.

The quality of the sample of participants brought to light the social division of class in China, particularly the existence of a business elite and a political, or bureaucratic, elite. Due to the close relationship between SOEs and the state government, participants working in SOE Bank were more likely to come from families associated with or steeped in political power. Respondents in MNC Bank, on the other hand, were similarly from family backgrounds that had a history of success in business and entrepreneurial fields. The formality of the recruitment process in SOE Bank made it difficult to observe their social class, however, as standardised exams and interviews masked the influence of '*guanxi'*. By contrast,

MNC Bank participants' openness to talk of alternative, *guanxi*-like routes to employment, as well as the capitalistic nature of their business-class family background, clearly signified their social status as what some might call bourgeois. In short, participants in MNC Bank demonstrated the characteristics of a middle class of bourgeoisie, while their counterparts in SOE Bank follow in the footsteps of a politically minded, currently dominant class of bureaucratic elites.

10.8 Suggestions for future research

Although this project made contribution to the knowledge in various ways, there are still limits and space to be improved. Thus, the next section will give suggestions for future research. Given the limited resources of this PhD project, this small-scale qualitative study encountered limitations. This section provides suggestions for future studies based on the identification of generic cases, and the potential for generalisation and transferability.

Firstly, because of limited resources and the intentional small-scale of the study, conclusions drawn from the two case studies are challenged by their capacity to be generalised. The extent to which conclusions about SOE Bank and MNC Bank can be generalised to other such organisations in the financial sector of each ownership type deserves further testing. Thus I would like to suggest that future research in the same vein attempt a large scale survey, whose design would draw on the experience and insights gained in the present study, and which might support the findings generated by this study.

Secondly, this study focused on two types of ownership: an SOE and an MNC in the banking sector. The research site could be multiplied in terms of the sector and types of organisations. For example, considering the growing importance and labour market share of the private sector, as well as its distinctive features, companies in this field could constitute another, equally interesting avenue of research encompassing alternative organisational settings of Chinese returnees. In addition, sectors like information technology (IT) and computer science could be taken as alternative sites for research, as the survey conducted by People's Daily in 2007 suggested nearly a quarter of overseas educated participants chose these sectors as a career.

Thirdly, this study captured some features of the early career experiences of Chinese returnees. It showed little substantial difference between returnees and local educated graduates, partly due to the nature of the job at the entry level, as it is standardised and has low autonomy. Following up the career development of Chinese returnees over a longer period of time would have allowed for a better examination of how patterns were emerging, however, especially if comparing them with their local peers. It would allow more space to ascertain how, when and where their cultural capital and social capital is actualised, as well as the increased identification of the influence of overseas education in the long term.

Fourthly, the literature review illustrated graduates' difficulty gaining job opportunities in the labour market in China in light of the growing number of

graduates produced by HEIs. This study concentrated on the early stages of graduates' career trajectory, whereas a comparison between returnees and local graduates who do not have jobs or lie in the situation of un/underemployment could also be of interest.

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Appendix

A.1 Interview schedule with RETURNEES

Interview No:

Date & time of interview:

Length of interview:

Interviewee Details

Name:	University:
Age:	Degree:
Gender: male / female:	Major:
Hometown:	

Introduction

Hello, my name is Di Zhang from the University of Warwick. You agreed that I could call you to follow up the career experience questionnaire you completed recently. Is this still a good time to talk to you?

If now, proceed and note time interview started: ……
If postponed, note date and time of appointment: ……

This interview follows up the issues covered in the questionnaire; about your current job, career experiences and your experience of being a 'returnee'.

Before we start I'd like to stress that the information that you provide will be treated in confidence. Nothing you say will be passed on to any third party or cited in a way that enables you to be identified.

Is it OK if I record the interview? This is to enable me to be concentrate on our conversation and make notes later.

PART 1. CAREER EXPERIENCE

1.1. Before we begin, can I just check whether you are still working as a:

Job title: Department: Length of time in job:

(IF NOT, WRITE IN NEW DETAILS AND DATE OF MOVE)

I'd like to start by asking a few questions about your current job…

1.2. How did you *get* it?

- Do you know how many other people applied for it at the time?

- Did it involve an interview or a more complicated selection process...?

1.3. Why do you think *you* were taken on?
[RELATE TO ADVANTAGES OF RETURNEES WHEN THEY ARE IN SEARCH OF A JOB]

Motivation

1.4. You mentioned in the SQ1.2 that you would prefer 【types of orgs】can you tell me why you would prefer this/these type(s)?

【**If** the ideal types of org. is not the same as the respondent working at the moment, then ask 】Why you chose the current one instead?

1.5. You mentioned in the SQ 1.3 that you would prefer 【types of sectors】, can you tell me why you would prefer this/these sector(s)?

【 **If** the ideal types of sector are not the same as the respondent working at the moment, then ask】 Why you chose the current one instead?

1.6. You mentioned in your SQ 1.4. that you applied (no. of org. applied)

organisations. Did you consider any other options at the time you got this job?
[PROBE FOR WHETHER THEY APPLIED FOR OTHER JOBS AND WHETHER THESE WERE IN THE SAME SECTOR /REGION /OCCUPATION]

1.7. Why you accept this job? [MOTIVATION]
(Income; job security, fringe benefit; work/life balance; self-evaluation; goals and expectation)

1.8. Are there any difficulties you confronted when you were looking for a job? (e.g. Have you applied unsuccessfully? Why do you think that was?)
[DISADVANTAGES OF RETURNEES IN SEARCH OF JOB]

Adaptation and Integration

1.9. Can you please talk about the relevance between your higher education and the job you are currently doing now?

1.10. We are interested in what people do on a day-to-day basis, could you talk me through what you did today/yesterday? (when did you start? … what did you do first?... was it typical?... How did it differ?
[PROBE FOR TASKS, VARIETY & ROUTINE, EXTENT TO WHICH THEY HAVE MANAGEMENT ROLE. ASK FOR EXAMPLES OF MOST INTERESTING/MOST DIFFICULT/MOST TEDIOUS THINGS THEY HAVE HAD TO DO IN THEIR JOBS RECENTLY]

1.11. a. [TO THOSE WHO CHOSE "LESS THAN 1 MONTH" OR "1-3 MONTHS" ON SQ. 1.8] In survey question 1.8, you said it only took you "less than 1 month" or "1-3 months" to master the main work tasks, what do you think makes it easy and fast for you to achieve that?

Are there any problems even the whole adaptation process seems smooth?

b. [TO THOSE WHO CHOSE "4-6M, 7-12M; MORE THAN 1 YR" ON SQ.1.8] In SQ. 1.8, you said that it takes you "4-6M, 7-12M; MORE THAN 1 YR" to adapt to the new job, why was that?

1.12. Concerning the SQ 1.9, how well have you managed to integrate yourself into the working environment?

1.13. Does the company make it easy for new employees to integrate to the working environment easily? How? How effectively does this work? Are there ways in which more could be 'done'?

1.14. How well do you feel you carry out your current job?

What do you consider to be your advantages, in terms of being qualified for your current job?
…..and what (if any) are your disadvantages?
… and how do these influence on your performances?

1.15. Can you describe the working environment or corporate culture in this company as far as you experience it? [EXPLORE THE PERCEPTIONS OF EMPLOYEES ON THE WORKING SETTING]

1.16. Do you find it easy for you to get along with? If yes, how?

If no, How you find hard to fit in?

1.17. Can you expand on the career path you've experience in this company?

- Have you experienced any obstacles in your career development? If so, why?

  [PROBE IF NECESSARY - Any problems encountered in taking up opportunities that you would have liked to take?]

- What contribute to the promotion?

[IF APPLICABLE, ACCORDING TO THE STATEMENT IN QUESTIONNAIRE]

Job satisfaction

1.18. What kind of fringe benefit do you have? Which one do you particularly value?

1.19. In the survey question 1.9 you made a general evaluation on your job satisfaction with your career to date. Is this still the case? Why?

a. What do you like about your current job?

b. Are there any aspects of it that you don't like? Why?

1.20. How do you see your career progressing from here?

- In both the short- and long-term?
- Within this company?
- In this sector or occupation?
- Do you think you will have to leave this region to further your career?
- Need further training/education?

PART 2. IDENTITY: OVERSEAS EDUCATION AND SOCIAL RELATIONS

2.1. Do you consider 'returnee' have particular attributes as employees (strength and weakness)? If yes, can you elaborate on the features?

2.2. Do you regard the overseas education you completed as an advantage or a disadvantage, in terms of enabling you to get the kind of jobs you want?

2.3. Are there many people doing the same job as you who have the overseas education and qualification as you? Are there graduates doing the same job as you do are educated in China?

2.4. Does whether people have overseas education or not affect the task they do, or any aspect of their jobs?
[THE USEFEULNESS OF OVERSEAS EDUCATION PARTLY DEPENDS ON THE TYPES OF JOB AND TASK, PAY ATTENTION TO THE JOB DESCRIPTION]

2.5. Do you find returnees and local graduates are treated differently in your company? If yes, please elaborate what are the differences?

- What's your opinion on this phenomenon?

2.6. Are there any differences in the way that Chinese and overseas educated employees work together or interact socially?

2.7. Do you consider the social network with other returnees as a crucial part of your career and life? (e.g. help you feel easier to integrate into the working environment?)

2.8. With the benefit of hindsight, what do value most about your overseas education?

[IF NOT OBVIOUS FROM ANSWER TO PREVIOUS QUESTION] Do you regard the years you spent abroad as a good investment? [PROBE, IF NOT APPARENT - Did it prepare you for the kind of work you are doing now and how?]

2.9. Do you think you have particular strengths as a employee because you are educated overseas? Any weakness?

2.10. Do you think that locally educated graduates have particular strength? Or weakness?

Interviewer's notes [IMPRESSION OF RESPONDENT and IMPRESSION OF JOB – IN TERMS OF EXPERT, STRATEGIC AND INTERPERSONAL SKILLS REQUIRED]

A.2 Interview schedule with LOCAL GRADUATES

PART 1. CAREER EXPERIENCE (same with returnees')

PART 2. IDENTITY: OVERSEAS EDUCATION AND SOCIAL RELATIONS

2.1. Are there many people doing the same job as you who have the overseas education and qualifications?

2.2. Does whether people have overseas education or not affect the task they do, or any aspect of their jobs?
[THE USEFEULNESS OF OVERSEAS EDUCATION PARTLY DEPENDS ON THE TYPES OF JOB AND TASK, PAY ATTENTION TO THE JOB DESCRIPTION]

2.3. Do you find returnees and local graduates are treated differently in your company? If yes, please elaborate what are the differences?

- What's your opinion on this phenomenon?

2.4. Are there any differences in the way that Chinese and overseas educated employees work together or interact socially?

2.5. Do you think you have particular strength as an employee because you were educated in China?

2.6. Do you think that overseas educated graduate returnees have particular strength? Or weakness?

Interviewer's notes [IMPRESSION OF RESPONDENT and IMPRESSION OF JOB – IN TERMS OF EXPERT, STRATEGIC AND INTERPERSONAL SKILLS REQUIRED]

A.3 Interview schedule with MANAGER

Part 1 and Part 2 -------- HRM

Part 3 ---------- Evaluation on Returnees

Part 4 ---------- Organisation Culture

PART 1. RECRUITMENT AND TRAINING

I'd like to start by asking a few questions about the process of recruitment in this company.

1.1. You recruit recent graduates for jobs in this company? Which jobs?
1.2. How do you recruit for these posts?

1.3. Do you recruit non-graduates for the same jobs?

1.4. Do you recruit both Chinese and overseas educated graduates for these posts?

1.5. Do you look for specific subjects studies?

1.6. What's the proportion of returnees in the annual intake (last three years)?

1.7. Do you see any difference between returnees and local graduates during the process of recruitment? (e.g. do they perform differently in interviews? Different requirements of salary or working conditions? Different strengths and weaknesses?)

1.8. In terms of allocation of posts, any different decision made according to whether they studies in China or overseas?

1.9. Do you have any induction programme to help the new graduate employees to integrate into the working environment?

1.10. Are there many different types of training available to employees in job where you recruit graduates? Apart from the basic internal training, is there any external training available (e.g. inviting professors from uni, or sent employees to university or other country?)

1.11. In terms of *fitting into the organisation* and *meeting the requirements of their jobs*, do you see any difference between returnees and local graduates?

PART 2. WAGE AND REWARD SYSTEM AND PROMOTION

2.1. What kind of wage and reward system has been adopted in this company? (Is it possible for employees to negotiate the salary? Or salary has been decided by a concrete wage level system according to certain criteria?)

2.2. How does the system of promotion and career development in this company?

Can you see any difference between returnees and local graduates in terms of career progression and promotion?

2.3. Does any particular department recruit more returnees than others? Why?

2.4. What kind of labour contract is the most common one? Short-term? Or long-term?

2.5. Has the company found it necessary to dismiss graduate employees? If so, on what grounds?

2.6. How do you perceive the job security in this company?

PART 3. WORKING PERFORMANCE

3.1. As a manager, in terms of overall performance once employees are fully integrated, do you see any difference between returnees and local graduates?

If so, what's the difference? Strengths and weaknesses as employees?

3.2. Are there advantages in employing graduates who studied overeas?

3.3. Are there disadvantages of employing graduates with an overseas education background?

PART 4. ORGANISATION CULTURE

4.1. According to the public documents, the corporate culture in this company is “_____”
Is that still the case?

4.2. Can you give some examples to elaborate the meaning of this culture/slogan in practice?

4.3. In the reality, or say everyday practice, anything you think need to be improved to meet the standards of this culture?

4.4. Is there any form of employee representation available? (trade union)?
What are the main functions and responsibilities? How does it work?

Interviewer’s notes [IMPRESSION OF RESPONDENT and IMPRESSION OF JOB – IN TERMS OF EXPERT, STRATEGIC AND INTERPERSONAL SKILLS REQUIRED]

A.4 Questionnaire (English)

Basic Information:
Gender: Male/Female
Age: 16-20/ 21-25/ 26-30/ 31-35
Hometown:
The highest degree: under college diploma/college diploma/Bachelor/Master/Doctor
Type of Org.： MNC/SOE
Job title:
Department:
Length of time in this company:

Section 1. Career Experience

1.1. How many organisations have you applied when you looked for jobs? And how many of them you took interview?

Applied Interviewed

- Only the one I am current working for
- Less than 5
- 5 – 10
- 10 – 15
- 15 – 20
- More than 20

1.2. When you were looking for jobs, which type of organisations did you prefer? (Please choose one); And which ones have you applied? (Please tick all apply)

	Applied	**Preferred**
	tick all apply	choose one
Foreign multi-national companies		
State-owned enterprises		
Private companies		
University or academic institutions		
Public service (civil servant)		
Non-government organization (NGO)		
Establishing own business		
Freelance		

1.3. When you were looking for jobs, which sector did you prefer? (please tick all apply)

	Applied	Preferred
	Tick all apply	Choose

		one
Financial intermediation		
Real estate		
Manufacturing		
Production and supply of electricity, gas and water		
Wholesale and retail trade		
Hotels and restaurants		
IT and communication		
Health care and social welfare		
Education, culture and arts, radio, film and television		
Scientific research and polytechnic service		
Government/ party agencies, public administration		

1.4. How high a salary did you expect? (RMB)

- 2,000 – 3,999
- 4,000 – 5,999
- 6,000 – 7,999
- 8,000 – 9,999
- More than 10,000.

1.5. How did you find out about this job?

- Careers service at the institution you studied in
- Through employer's website
- Newspaper/magazine/website
- Professional work or educational contacts or networks
- Personal contacts, including family, friends and social networks
- Other, please specify: _____

1.6. When you made choice of job, please scale the importance of the following considerations: (1.the least important, 5.extremely important)

	1	2	3	4	5
1. Salary					
2. Fringe Benefits					
3. Space of promotion					
4. Long-term job security					

5.Interesting /Challenging work					
6. Contribution to future career path					
7. Interrelationship (Communication)					
8. Working environment					
9. Flexibility of work/life balance					
10. Autonomy					
11. Length of work					
12. Training opportunities					
13. Relevance to your HE major					
14. Social status					
15. Socially useful work					

1.7. Do you have any employment experience prior to joining this company?

- Yes, previous work experience is highly relevant to the current job.
- Yes, but not relevant to the current job.
- No, I do not have any previous working experience.

1.8. How long did it take you to master the main work tasks?

- Less than 1 month
- 1 – 3 months
- 4 – 6 months
- 7 – 12 months
- More than 1 year

1.9. How long did it take you to integrate socially within this working environment?

- Less than 1 month
- 1 – 3 months
- 4 – 6 months
- 7 – 12 months
- More than 1 year

1.10. How well do you handle the following aspects of your job? (1. Not a problem at all; 5. Very difficult to handle)

	1	2	3	4	5
Interrelationship					
Professional knowledge					
Practical process					

1.11. What is your current salary per month (RMB)?

- 2,000 – 3,999
- 4,000 – 5,999
- 6,000 – 7,999
- 8,000 – 9,999
- 10,000 – 15,000
- More than 15,000

1.12. Please scale your satisfaction of the following elements of your job: （1. Not satisfied at all；5. Very satisfied）

	1	2	3	4	5
1. Salary					
2. Fringe Benefits					
3. Space of promotion					
4. Long-term job security					
5. Interesting/Challenging work					
6. Contribution to future career path					
7. Interrelationship (Communication)					
8. Working environment					
9. Flexibility of work/life balance					
10. Autonomy					
11. Length of work					
12. Training opportunities					
13. Relevance to your HE major					

14. Social status					
15. Socially useful work					
16. Overall how satisfied are you with your job?					

1.13. Please assess the following in respect to your company. 1—not valued at all; 5—highly valued.

	1	2	3	4	5
1. Team work					
2. Mutual trust/respect					
3. Helping each other with difficulties					
4. Standardisation (objectives, responsibility)					
5. Performance evaluation					
6. Discipline					
7. Consistency and unified actions					
8. Effective communication					
9. Information sharing					
10. Developing employee potential					
11. Individual dignity respected					
12. Ideological education					
13. Good working environment					
14. Professional ethical standards					
15. Responsibility (conscientiousness)					
16. Loyalty to organisation					
17. Commitment to the job					
18. Empowerment (Capacity to take autonomy decisions)					
19. Democracy (participation of employees in decision-making)					
20. Role modeling					

21. Top-down leadership					
22. Shared values					
23. Common goal					

1.14. Please assess the following in respect to your company. 1—not valued at all; 5—highly valued.

	1	2	3	4	5
1. Efficiency					
2. Results oriented					
3. Standards					
4. Quality					
5. Customer orientation					
6. Satisfying customer needs					
7. Customer number one					
8. Encouraging innovation					
9. Reform-oriented mind-set					
10. Achieving excellence					
11. Serving society and accountability to society					
12. Clear goals and objectives					
13. Meeting short-term profit					
14. Meeting long-term profit					

Section 2: Opinions towards overseas education and returnees (RETURNEE ONLY)

2.1. Are you a Returnee?

- Yes
- No (you may want to skip section 2, please go to section 3)

2.2. What's your overseas experience?

- I have received higher education.
- I have received compulsory education (primary school, middle school or high school)

- I did short-term training or exchange programme which less than 6 months
- I did internship or worked overseas
- Other: please specify

2.3. Which country have you been to?

- USA
- Canada
- UK
- Germany
- France
- Australia/New Zealand
- Singapore
- Japan
- Korea
- Other: please specify

2.4. How long did you spent overseas?

- Less than 1 year
- 1-2 years
- 2-3 years
- 3-4 years
- 4-5 years
- 5-6 years
- 6-8 years
- 8-10 years
- More than 10 years

2.5. Why did you decide to return to China? (please tick all apply)

- Reunion with family and friends
- Foundation of career that already have
- Major has been studied is more suitable for jobs in China
- Convenience of living in China
- Familiarity with Chinese cultural environment
- Little chance to find a good job abroad
- Hard to integrate in foreign society
- Visa limitation, returning home is nothing special
- Other: please specify

2.6. What does the title ‘returnee’ attribute to you? (Please tick all apply)

- Sense of belonging to this category
- Improvement in the social status
- Change in the conditions of employment
- Alienation from the others
- Life experience
- Nothing special
- Other: please specify_____

2.7. In terms of social network,

- most of my friends are returnees
- my friends are both returnees and local graduates
- most of my friends are local graduates

2.8. Being a returnee, do you think it's an advantage to help you get a job?

- Strongly agree
- Agree
- Not sure
- Disagree
- Strongly disagree

2.9. Considering the following advantages, please scale to what degree do they help you better doing your job? (1. Not useful at all; 5. Very useful)

	1	2	3	4	5
An aptitude for foreign languages					
Advanced knowledge and skills					
Knowledge of different cultures					
Broadened mind					
Relatively high social status					

2.10. Which part of your life has been highly influenced by the experience of studying and living abroad? *(1.not influenced at all; 5. influenced very much)*

	1	2	3	4	5
Social skills					
Personal capacity					
Understanding of the value of money					
Moral values					
Life style					

2.11. Does overseas education and experience of living abroad benefit the returnees' future development in China?

- Yes, it helps very much.
- It helps to some extent.
- Very little.

Section 3. Personal information (for all respondents)

3.1. Educational background：

Course of your Bachelor Degree：_____

University of your Bachelor Degree：_____

Course of your Master Degree：_____

University of your Master Degree：_____

3.2. Occupation of your parents:

Father's occupation：_____

Mother's occupation: _____

Would you be willing to participate in a follow-up interview?

- **Yes, I would like to take a telephone interview: Please state your contact detail (Email & Phone No.)**
- **Yes, I would like to take a face-to-face interview: Please state your contact detail (Email & Phone No.)**
- **No thanks.**

THANK YOU VERY MUCH FOR YOUR CORPORATION! ALL THE BEST WISHES TO YOU!

A.5 Questionnaire (Chinese)

中国海归与本土毕业生就业状况对比调查问卷

第一部分: 基本信息

性别：男 / 女

年**龄**：

最高学**历**:

籍**贯**：

单位类型：国企/ 外企

职务名称：

所属部门：

就**职**此**单**位的工作**时间**：

第二部分: 工作经历

2.1. 您在择业时，曾申请过多少家单位？在申请的所有单位中，有几家单位进入面试阶段?

	申请	面试
仅申请面试现就职的一家单位		
少于 5 家		
5-10 家		
11-15 家		
16-20 家		
多于 20 家		

2.2. 当您择业时，您理想的供职机构是哪种类型？您申请过那些类型的单位?

(请您选择一个理想的职业类型，选择您所申请过的所有单位类型)

	理想的职业类型（单选）	申请过的类型（多选）
外企		
国企		
民企		
高校及科研机构		
公务员		

国际组织及非政府组织		
自己创业		
自由职业		
其他(请注明):_____		

2.3. 当您择业时，您理想的就业领域是哪个？您曾申请过哪些领域？(请您选择一个您认为理想的就职领域，选择您所申请过的所有就职领域)

	理想的职业领域（单选）	申请过的领域（多选）
金融保险行业		
房地产业		
制造业		
电、煤气、水力供应		
批发，零售贸易业		
酒店餐饮业		
信息技术(IT)产业、通讯业		
医疗，社会保障		
文化教育，艺术，广播，电影电视业		
科学研究，高新技术开发		
国家机关，党政机关，公共管理		
其他(请注明)： _____		

2.4. 您择业时所期待的月薪是多少元人民币?

- 2000 以下
- 2000-3999 元/月
- 4000-5999 元/月
- 6000-7999 元/月
- 8000-9999 元/月
- 1 万元/月 及以上

2.5. 您当时是通过何种途径了解到您现在所在单位招聘信息的?

- 您就读大学里的就业信息机构
- 现就职机构的官方网站
- 报纸杂志网站
- 专业的就业教育信息提供机构
- 个人的社交关系，家人朋友介绍

- 其他(请注明): _____

2.6. 在您找工作的时候, 请注明以下各项因素的重要程度: (1—很不重要; 5 – 非常重要)

	1 很不重要	2 不重要	3 一般	4 重要	5 非常重要
1. 薪酬					
2. 各种福利					
3. 升职空间					
4. 长期的工作保障 （铁饭碗）					
5. 个人兴趣					
6. 对今后职业发展的帮助					
7. 人际关系					
8. 工作环境					
9. 工作/个人生活的平衡					
10. 工作中的自主权(自己决定工作如何完成)					
11. 工作时长					
12. 各种培训的机会					
13. 与大学所学专业的相关性					
14. 社会地位					
15. 对社会的贡献					

2.7. 在接受此工作之前, 您是否有过从业经验 (在校时的实习不列入从业经验)?

- 没有. 我是以**应届毕业生**身份加入现在的单位的.
- 有过, 并且曾经的工作经验与现任工作相关.
- 有过, 但是与现任工作不太相关.

2.8. 在您就职此单位初期, 您熟练掌握各项工作业务内容需要多长时间?

- 1 个月以内
- 1-3 个月
- 4-6 个月
- 7-12 个月
- 一年以上

2.9. 在您就职此单位初期，您用多长时间从心理上，社交上适应新的工作环境？

- 1 个月以内
- 1-3 个月
- 4-6 个月
- 7-12 个月
- 一年以上

2.10. 您在工作中遇到的最大的困难主要体现在哪方面? (1—没有困难; 5—很大的困难)

	1 非常容易	2 容易	3 一般	4 有难度	5 难度很大
复杂的人际关系					
专业知识技能					
具体操作细节					

2.11. 您现在的月收入属于如下哪一个范围?

- 2000 元/月以下
- 2000—3999 元/月
- 4000 – 5999 元/月
- 6000 – 7999 元/月
- 8000 – 9999 元/月
- 10000—15000 元/月
- 15000 以上

2.12. 对于以下工作中的各项要素，您的满意程度是？（1 很不满意；5 非常满意）

	1 很不满意	2 不满意	3 一般	4 满意	5 非常满意
1. 薪酬					
2. 各种福利					
3. 升职空间					
4. 长期的工作保障 （铁饭碗）					
5. 个人兴趣					
6. 对今后职业发展的帮助					
7. 人际关系					

8. 工作环境					
9. 工作/个人生活的平衡					
10. 工作中的自主权(自己决定工作如何完成)					
11. 工作时长					
12. 各种培训的机会					
13. 与大学所学专业的相关性					
14. 社会地位					
15. 对社会的贡献					
16. 整体的工作满意度					

2.13. 请根据您现在单位的情况, 评价单位对以下各要素的重视程度. (1—完全不重视; 5 – 非常重视)

	完全不重视 1	2	一般 3	4	非常重视 5
团队合作					
相互尊重信任					
相互协助解决困难					
标准化 (清晰的岗位职责, 任务目标)					
工作表现评估					
严格遵守各项规章制度					
行动一致统一					
高效的沟通交流					
信息资源共享					
挖掘发展员工的潜力					
尊重个人尊严					
党委组织教育					
良好的工作环境					

员工遵守职业道德标准					
员工的责任感（认真勤勉）					
员工对单位的忠诚度					
员工对工作的奉献精神					
权利下放					
民主(员工参与重要决策)					
树立行为榜样 业务标兵					
由上至下的领导 等级制度森严					
价值观一致					
目标一致					

2.14. 请根据您单位的情况，评价贵单位对以下各要素的重视程度 (1 – 完全不重视; 5—非常重视)

	1 完全不重视	2 不重视	3 一般	4 重视	5 非常重视
工作效率					
结果导向					
业务规范和水平					
服务/产品质量					
顾客导向					
满足顾客各种需求					
顾客就是上帝					
鼓励创新					
革新导向的思想体系					
成就卓越					
服务社会 承担社会责任义务					
清晰的目标和发展方向					
注重短期利益收获					
注重长远利益					

第三部分：对海外留学和海归的认识与观点 (海归)

3.1. 您是否是海归?

- 是
- 不是 (请您跳过第三部分,直接作答第四部分问题. 谢谢)

3.2. 您在海外的经历是? (多选)

- 接受过本科及本科以上的高等教育--- 留学国家_____; 留学时长 _____.
- 接受过基础教育 (小学,初中或高中)
- 半年以内的短期培训或交流活动
- 曾在海外工作/实习
- 其他: _____

3.3. 您为什么回国发展？（多选）

- 与家人朋友爱人团聚
- 在中国已经有事业基础
- 我的专业在中国有更好的发展
- 看好中国经济发展前景, 机会多
- 在中国生活方便舒适
- 很难融入国外社会，相比较更加熟悉适应中国的社会文化氛围
- 在国外很难找到好工作
- 签证限制， 回国很正常
- 其他因素(请注明)： _____

3.4. “海归”这一称谓对您意味着什么？（多选）

- 对这一社会群体的归属感
- 社会地位的改变
- 就业机会和条件的改变
- 与他人的疏离感
- 其他 （请注明）：_____

3.5. 您的社交圈是不是大部分由海归构成?

- 是，大部分是海归
- 海归与非海归比例相当
- 不是，非海归占比例较大

3.6. 您认为, 您的海归身份对找工作很有帮助吗?

- 非常认同
- 认同
- 不确定
- 不认同
- 非常不认同

3.7. 您认为以下优势对您胜任现在的职位的帮助情况如何？（1—完全没有帮助; 5—非常有帮助）

	1 完全没有帮助	2 帮助不大	3 有一定帮助	4 有帮助	5 非常有帮助
外语优势					
在国外习得先进的技术和理论					
了解适应不同的文化					
眼界开阔					
海归社会地位较高					
其他：_____					

3.8. 您认为海外生活经历对留学生在以下这些方面改变影响的程度如何？（1 – 影响改变很小; 5 – 影响改变非常大）

	1 影响很小	2 影响较小	3 有一定影响	4 影响较大	5 影响很大
品味修养					
能力素质					
金钱观念					
道德观念					
生活方式					
其他(请注明)：					

3.9. 您认为海外留学经历是否更有利于留学生在国内发展?

- 有很大帮助
- 有一些, 但是不明显
- 几乎没有

第四部分：个人因素

4.1. 学历背景：

学士学位的**专业**：_____

学士学位的**毕业**院校：_____

硕士学位的**专业**：_____

硕士学位的**毕业**院校：_____

4.2. 父母**职业**状况：（如果已退休，**请**您填写退休前的工作）

父**亲职业**：_____

母**亲职业**: _____

4.3. 您是否愿意参加接下来的一个访谈？

- 愿意接受电话采访：请留下您的姓名和联系方式（手机/邮箱）

  姓名：_____

  电话：_____

  邮箱：_____

- 愿意接受面对面采访：请留下您的姓名和联系方式

  姓名：_____

  电话：_____

  邮箱：_____

  地址：_____

- 不愿意

非常感谢您的合作! 祝您今后的事业与生活一切顺利!