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**University of Nottingham**

**A study on the role of Guanxi networks  
on job search in a China's second tier city:  
Yuncheng**

**By  
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**2012  
MSc Management**

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## **Abstract**

There has been considerable research concerning the concept of Guanxi on its different aspects. This dissertation will only focus on one aspect of Guanxi: its role on the job search process. Using a China's second tier city as a case study, this study will explore the role of Guanxi networks on job search in Yuncheng,

The research method used in this study is qualitative approach. The research findings derived from semi-structured interviews with 20 respondents selected from Yuncheng. The main finding of this research is that Guanxi networks are influential in Yuncheng even with the economic reform. Especially, it is found that interviewees' fathers play a dominant role in the job search process. The study in Yuncheng also reveals that Guanxi is most influenced in searching jobs in the state sector.

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# **Chapter One: Introduction**

## **1.1 Introduction**

The rapid economic growth and abundant job opportunities presented by the Chinese market has attracted much attention from academics in exploration of the key factors that influence the job search process. The most dominant strategy used by job seekers is the use of Guanxi. Guanxi has been traditionally viewed as a cultural practice in Chinese society (Fei, 1992; King, 1991). However, others have argued that it can be explained in terms of the institutional environment presented by China's transition to market economy (Guthrie, 1998). As China continues with economic reform, Guanxi might evolve and perform different roles with different strategic implications.

A number of studies has been carried out in many urban Chinese cities and presented that Guanxi is influential in job search. However, most of the cities are first tier cities, whether Guanxi is still influential in second tier cities is not sure. Also, no previous studies have ever been conducted in Yuncheng, a second tier city in Shanxi, China. Therefore, it is chosen as a case study to explore the role of Guanxi on job search.

## **1.2 Research Objectives**

The main research objective of this dissertation is to examine whether Guanxi is influential in the job search and acquisition in Yuncheng.

Next, as it is generally believed that Guanxi has great influence on job search and acquisition in state sector, but limited in non-state sector. Another objective of this study will be focused on identifying the efficacy of Guanxi in job search in state and non-state sector in Yuncheng.

Furthermore, there is a lack of research to explore role of the Guanxi practices in job search such as gift giving and ‘Qingke’ (Banquets). This study will attempt to explore the role of those two Guanxi practices by analysing the examples derived from interviewees.

Finally, as Guanxi has its implications and influence on interviewees, the interviewee’s views and suggestion towards Guanxi and the labour recruitment methods will be provided.

## **1.3 An Outline**

This dissertation is arranged into six chapters. Chapter one starts with an introduction of the context, following with the research objectives and its importance. Chapter two deals with the literature review, which consists of four main parts. The

first part of literature review will present basic knowledge of Guanxi and the theoretical framework. The next two parts of literature review will be relevant research findings. The literature review will be concluded with a justification to the research questions for this dissertation.

Chapter three describes and analyzes the research methods employed in this study. It begins with the explanation and justification of the choice of research methodology, following with the actual research process and then finishing with the difficulties and challenges as well as the limitations.

Chapter four presents the research findings obtained from the interviews. It contains four main themes: (1) characteristics of interviewees, (2) job search experiences, (3) roles of Guanxi, (4) participants' views and suggestion. Chapter five is the data analysis which is based on the theories and concepts reviewed in Chapter two. Finally, Chapter six first presents the conclusion that answers the research questions. Theoretical implications and practical implications will be provided and last part is the suggestion for future study.

## **Chapter Two: Literature Review**

## **2.1 Guanxi**

This section will give an overview of Guanxi in terms of definitions, types and characteristics. Then, the Guanxi practices will be discussed. Lastly, there will be an overview of the theoretical framework.

### **2.1.1 Defining Guanxi**

As a key concept for understanding Chinese social behaviour and social interactions, Guanxi has much richer and complex meanings than the apparent English equivalents ‘relation’ or ‘connection’ may indicate (Huang, 2008). This complexity causes difficulties in defining the concept precisely. In western literatures as well as in Chinese ones, scholars defined it at various levels and from different perspectives.

Lovett et al. (1999) defines Guanxi as a network of informal interpersonal relationships and exchanges of favours established for the purpose of conducting business activities throughout China and East Asia. According to Cheng (2011), Guanxi is described as social relations or ties which establish certain privileges, including access to resources and opportunities, and the term is most often used in Chinese contexts. Wong (1998) defined Guanxi as a special type of relationship which contains trust, favour, dependence and adaptation. Bian (2006) regards Guanxi as a

Chinese phenomenon, and defines it as a dyadic, particular and sentimental tie that has the potential of facilitating favour exchanges between the parties connected by the tie. In addition, Fan (2002) pointed out that Guanxi is considered as a unique Chinese construct and a product of Confucian values and the contemporary political and socio-economic systems. Additionally, Chen (2001) noted that ‘shared experience’ is a crucial element of Guanxi. To conclude, over the last few decades, a growing body of literature has emerged in the definition of Guanxi. All the views can be broken down into two perspectives: the cultural perspective and the institutional perspective (Gold et al., 2002).

#### **2.1.1.1 Cultural Perspective**

On one hand, Guanxi is an essential element of Chinese culture, a phenomenon deeply rooted in the Chinese psyche (Ibid). The concept of Guanxi derives from Confucian ideas about social rules, values and structures (Zhang and Zhang, 2006; Tsui and Farh, 1997). Confucianism traditionally stresses the importance of family, friends, and social harmony (Yang, 1995), which are three important aspects of Chinese culture that have been cited as being highly related to Guanxi behaviour (Hwang, 1987). Moreover, it assumes individuals as a part of larger social order with clearly differentiated role relationships (King, 1991). Correspondingly, Confucius pointed out that there are five relationships (pronounced ‘wu-lun’ in Chinese):

emperor-subject, father-son, husband-wife, elder-younger brothers, and friend-friend (Ibid). The word ‘lun’ is actually a concise description of the Guanxi among these five relationships (Buttery and Leung, 1998). Further, ‘lun’ is used to describe the designated proper human relationship and means the differentiated order among individuals (King, 1991). These strong role expectations in Confucian philosophy reflect the relations-based nature of Chinese culture (Song and Werbel, 2007).

Two Chinese scholars, Liang Shumin and Fei Xiaotong, are well known for their works on Guanxi (Huang, 2008). Liang (1949) argued that ‘Chinese society is neither ko-jen pen-wei [geren benwei]’ (individual-based) nor she-hui pen-wei [shehui benwei] (society-based), but kuan-his pen-wei [Guanxi benwei] (relation-based).’ Fei (1992) utilized the image of ‘ripples formed from a stone thrown into a lake. Each circle spreading out from the centre becomes more distant and at the same time more insignificant’. He refers to this as ‘differential mode of association’ (chaxu geju). In social network analysis, this metaphor identifies a multi-layer network: the individual (‘the rock’) is at the centre, the inner circles (‘ripples’ near the rock) are strong ties with higher personal significance, the outer circles (‘ripples’ away from the rock) are weaker ties with lower personal significance. Furthermore, it is generally agreed that Guanxi is a specifically Chinese idiom of social networks, integrally linked to other building blocks of Chinese sociality such as ‘ganqing’ (sentiment), ‘renqing’ (human feelings), ‘mianzi’ (face), and ‘bao’ (reciprocity) (Gold et al., 2002). Consequently,

building and maintaining Guanxi networks is a dynamic and lifelong process for every Chinese person (Lin, 2001).

#### **2.1.1.2 Institutional perspective**

On the other hand, scholars regard Guanxi as a response to specific institutional and historical conditions (Gold et al., 2002). The institutional perspective is influential in recent sociological scholarship on China. To institutionalists, Guanxi is not unique to Chinese society because its equivalents exist in other countries (Huang, 2008). An example is 'blat' in Russia (Michailova and Worm, 2003). During the late 1980s and early 1990s, both China and the former Soviet Union ran shortage economies in which Communist party cadres exercised the power to control and distribute scarce resources and opportunities according to a rigid state planning system (Ibid). As a result of the inflexibility of the state control system, individuals had to develop and maintain relationships with the party cadres to obtain planned resources and to cope with uncertainties (Huang, 2008).

The most clearly institutional position on the existence of Guanxi has been staked out by the influential works of Andrew Walder (1986). He was among the first to conceptualize Guanxi in terms of 'instrumental-particular ties', and he argued that Guanxi in the form of patron-client relations within the work unit (danwei) is a response to the situation where powerful officials controlled access to scarce, rationed

necessities such as housing, and non-wage benefits (Gold et al., 2002). The central notion is that there are specific structural and institutional conditions that have given rise to the reliance on Guanxi to obtain resources and accomplish tasks in China's transforming economy (Ibid). For example, Guanxi relations between entrepreneurs and local government officials are seen as the lifeblood for the development of private businesses in several coastal cities in China (Tsui et al., 2006). In the labour market in China, Bian (2002; 2006) found that Guanxi was usually used as an effective way to gain favour and benefits from the job assigning authorities.

### **2.1.2 Types of Guanxi**

In respect of the types of Guanxi, scholars classified the types into different categories based on different perspectives. Zhang and Zhang (2006) propose three typologies of Guanxi: obligatory, reciprocal, and utilitarian types at the individual level. In their view, the basic formation of Guanxi belongs to be an obligatory type, which based in family or relatives. Also, they argued that obligatory type may be the most important relationship with regarding to Chinese society and Chinese organization. This refers to 'qingqing Guanxi' in Chinese context. Second, reciprocal type includes all kinds of relationships with neighbours, classmates, colleagues and other closer friends. To develop this type of Guanxi, there must be a reciprocal exchange of favours among those individuals. In Chinese terms, this refers to 'renqing'



(Ibid). The third type is based on utilitarian Guanxi, which is the relationship with general acquaintances. Zhang and Zhang (2006) regard this type as a 'fee-for-service' because of its transactional nature. Consequently, the utilitarian type may be associated with corruption and bribery.

In addition, Fan (2002) put forward the concept of 'business Guanxi'. In his view, Guanxi can be classified into three categories: 'family', 'helper' and 'business Guanxi'. The concepts of 'family' and 'helper' belong to the obligatory and reciprocal types of Guanxi respectively. Business Guanxi is defined as the process of finding business (rather than personal) solutions through personal connections. This may be largely related to the utilitarian Guanxi.

Tsui and Farh (1997) suggest that there are three categories of Guanxi according to the different role expectations: 'chia-jen', 'shou-jen', and 'sheng-jen'. In their view, 'chia-jen' refers to family relationship and 'Shou-jen' refers to friends, co-workers or subordinates (Ibid). In addition, 'Shou-jen' is governed by reciprocity in relationships and mutual expectations (Song and Werbel 2007). 'Sheng-jen' refers to relationships with acquaintances or strangers. This type of Guanxi is thought to be temporary and superficial relationships (Tsui and Farh, 1997).

Among the different categories identified by scholars, they all emphasized the

significance of the relationship with family members and friends. This is in line with the traditional Confucian concept that stresses the importance of family and friends.

### **2.1.3 Characteristics of Guanxi**

According to Bian and Ang (1997), a basic characteristic of Guanxi is familiarity or intimacy: for any two persons to develop Guanxi, they must know and share a good deal about each other. In other words, Guanxi develops between persons who are strongly rather than weakly tied. In addition, Lee and Anderson (2007) argued that Guanxi is not merely a relationship but also a tie through which the parties exchange valued materials or sentiments.

Second, another key characteristic of Guanxi is trustworthiness, because cultivating Guanxi successfully over time creates a basis of trust in relationships (Gold et al., 2002; Don and Dawes, 2005). It is argued that trust is an essential element in long-term orientation of Guanxi (Lee and Dawes, 2005). Moreover, trust is the result of relatively long-time interactions and the basis for future exchange relations (Bian and Ang, 1997). Since exchanges facilitated through Guanxi are not formally or legally institutionalized, such trust is a basic component of a Guanxi connection (Ibid).

Third, many scholars believed that perhaps the most important characteristic of Guanxi is reciprocal (Zhang and Zhang, 2006; Bian and Ang, 1997; Luo, 2000)). According to Lee et al. (2001), Guanxi refers to a special type of relationship that bonds the exchange partners through reciprocal exchange of favours. For example, if one of the exchange partners receives favour or help from others, it is implicit that they are expected to repay the favour or help in the future (Zhang and Zhang, 2006). Simultaneously, the recipient partner must consciously reciprocate to avoid damaging his or her own social prestige (Mianzi) (Ibid). However, if an able person refuses to help one's Guanxi, he or she loses trust from others, and the failure to reciprocate may ultimately destroy the relationship between participants of the exchange (Zhang and Zhang, 2006; Bian and Ang, 1997). In Western networks, reciprocity often involves the exchange of goods and services of roughly equivalent value (Powell, 1990; Park and Luo, 2001). However, the Chinese Guanxi often links people across uneven social ranks, with the weaker party calling for special favours without reciprocating equally (Park and Luo, 2001).

Fourth, Guanxi is utilitarian. Zhang and Zhang (2006) argued that it does not necessarily involve favour exchange, whereas economic consideration becomes an exchange and an important factor. In the view of Luo (1997), Guanxi is always used as a resource to utilize personal specific purpose. Fan (2002) also pointed out that business Guanxi can be characterised as utilitarian, tactical and opportunistic, as a

result of the current political and social-economic, utility driven systems in China.

#### **2.1.4 Guanxi Practices**

Guanxi building and maintaining are still popular practices in contemporary China even after the market reform (Yuan, 2010). Gift giving ('Songli') and holding banquets ('Qingke') are the most common practices in the formation, maintenance, modification, and reproduction of Guanxi. Ku (2003) pointed out that in instrumental Guanxi, gift giving and other practices are motivated by personal interest such as obtain a job assignment. Gift-giving is seen as an act of reciprocity and can be seen as a form of relationship investment, that if cultivated well, can uplift interactions between businesses (Clare, 2003). Moreover, gift exchanges tend to reflect an expectation of preserving a long-term relationship (Ku, 2003). In addition, the concept 'Qingke' refers both to a straightforward goal to maintain Guanxi and to social occasions that involve entertaining friends and guests (Yuan, 2010). Ku (2003) even argued that 'zouhoumen' (walking through the back door) is widely known to be the most effective and sometimes the only way to get things done.

However, gift giving and other practices might be regarded as forms of bribery and corruption (Taormina and Gao, 2010). According to Levy (1995), recent laws in China specify that taking bribes, including gifts, is a serious criminal offense. Furthermore, pilot studies revealed that participants were reluctant to reveal

information about giving gifts (Taormina and Gao, 2010).

### **2.1.5 Theoretical framework**

The topic of how social networks matter in work and employment has been studied for decades. As market economies are imperfect because of information asymmetry problems, job seekers and employers have insufficient or inaccurate information about each other (Bian and Huang, 2009). As a result, job seekers sometimes find jobs through formal recruitment channels may be ineffective and time consuming. Researchers have looked at network ties as an informal information channel through which persons are matched to jobs (Bian and Ang, 1997). Network tie refers to a tie between two individuals can be strong or weak, differing in the time spent in interaction, emotional intensity, intimacy, or reciprocal services characterizing the ties (Bian, 1997). The distinction between friends and acquaintances provides a simple but clear example of differences in tie strength (Bian, 1997; Granovetter, 1973).

Based on the distinction between strong and weak ties, Granovetter (1973) has proposed a hypothesis about the strength of weak ties: he suggests that individuals are likely to learn non-redundant information about job openings through networks of weak ties. It is largely due to networks of weak ties are wide ranging and tend to bridge individuals across social group boundaries, rather than strong ties. According

to Lin (1982, p. 135), “Strong ties characterize the intimate social circle of individual with similar characteristics and weak ties characterize infrequent interactions and peripheral relationships among dissimilar individuals”. In a word, Granovetter believed that weak ties of infrequent interaction or of low intimacy are more frequently used than stronger ties.

Granovetter’s initial theoretical work was subsequently developed by Lin’s (1982, 1990) social resource theory (Zang, 2003). Lin argues that in a class society, weak ties link persons of different hierarchical rank and bridge information. In addition, ‘social resources’ – power, wealth, and prestige of social contacts can be accessed through weak ties. Lin also argues that social contacts with high social position will lead to jobs of high status for job seekers because of their positional advantages in accessing job information or in influencing the hiring process (Lin, 1999).

Granovetter's (1973) weak tie argument and Lin's (1982) social resource theory have stimulated fruitful research on how individuals are matched to jobs through networks of social contacts in market economies in North America and western countries, as well as in China where its economy experienced a market reforms (Bian and Ang, 1997).

## **2.2 Relevant Research Findings**

This section will give a review of the research findings.

Based on Granovetter's work, empirical research has provided mixed findings on the efficacy of networks of strong and weak ties in labour markets. A variety of studies from North America and Western Europe (with some exceptions) generally supported the Granovetter's view of the strength of weak ties (Bian and Ang, 1997). Also, in the view of Song and Werbel (2007), broad networks of weak ties are commonly seen as effective in Western countries. Moreover, Green et al.(1999) found that weak ties, such as acquaintances and casual friends, are not only more likely to lead to jobs but also more likely to lead to better jobs in American cities such as Atlanta, Boston and Los Angeles. Furthermore, a representative sample of workers in New York showed that help in locating high-prestige jobs is secured more likely through weak ties than strong ties (Lin et al., 1981). In addition, Yakubovich (2005) examined the role of weak ties in job search in a local Russian labour market. He found that individuals search through weak ties is, in fact, more likely to lead to jobs than search through strong ties. Huang and Western (2007) also found that in Australia, social networks are less advantageous than market methods and strong ties are less important than weak ties in securing good outcomes.

However, other studies found that tie strength has no effect on labour-market outcomes (Obukhova, 2012). In a Dutch study by Degraaf and Flap (1988) and a survey in Detroit-area by Marsden and Hurlbert (1988), both found no relationship

between tie strength and the social status of contacts, which implies that strong and weak ties might be equally essential to get social resources (Bian, 1997). Korpi (2001) studied the job search among the unemployed in Sweden which explores the limits of social networks by highlighting a situation in which networks are less likely to be of great importance.

Furthermore, contrary to Granovetter's hypothesis, some researchers found that under certain conditions, strong ties are not only more likely to lead to jobs but also more likely to lead to better jobs (Obukhova, 2012). Murray et al. (1981) conducted a study at one Canadian and one U.S. University which reveals that strong ties are approximately seven times more prevalent than weak ties. Another example was provided by Watanabe's (1987) study in Japan. He found that respondents in a 1985 Tokyo survey tended to learn job information through strong ties based on family and community networks more often than through weak ties. Moreover, Bian and Ang (1997) argue that in job search in Singapore, job changes are facilitated through stronger ties more frequently than through weaker ones.

### **2.3 Relevant Research on China – Guanxi and Job Search**

This section will first give a brief view of some findings of Guanxi as strong ties



in China. Then it will outline the major changes of Chinese labour market, the influence of Guanxi will also be discussed. Finally, some controversial findings about Guanxi in China will be showed.

### **2.3.1 Guanxi as strong ties**

Yang (1994) noted that the three important Characteristic (intimacy, trust, and reciprocal) that make Guanxi distinctive and more related to strong ties than weak ties. Bian (2002) also characterize Guanxi as strong ties and then compare it with weak ties' roles in job mobility processes.

In the early 1990s, Bian (1997) found in his 1988 Tianjin study that strong ties are more effective in matching persons to jobs than weak ties. With regard to China, Bian (1997) distinguishes between weak ties used to gather job information in a market economy and strong ties used to access influence from authority in a state economy where labour markets are either greatly altered or nonexistent. His Tianjin study indicates that workers had neither the legal right nor the personal freedom to exchange their labour power for expected returns (Bian, 1997; 2002). What was important was whether one could influence job-assigning authority through the strong ties of mutual trust and reciprocal obligation.

It is argued by many researchers that Guanxi was important in job search mainly because the state sector monopolized urban employment before 1988 (Zang, 2003). However, such a condition was essentially removed after 1988 with the market reform. In fact, Bian (2002) still found that strong ties are more effective than weak ties in securing favours from job assigning authorities even after the market reforms in China.

This study will follow Bian's view of Guanxi as strong ties. It was explained by Song and Werbel (2007) as the principle of reciprocal obligations only applies to strong ties. As a result, one appears to be likely to assist others who have strong ties than those with weak ties. Thus, help in securing jobs is much more likely to be effective using strong ties rather than weak ties in Chinese society.

### **2.3.2 Changes of Labour Market and Influence of Guanxi**

In China, jobs were assigned by state authority before the emergence of labour markets in the early 1990s (Bian and Ang, 1997). There is no doubt that changes to the labour market have been profound in recent few decades. The following part will give a brief review of the changes, and it will be categorized into three periods:

#### **1) The pre-reform period (1956-79):**

China's 'socialist transformation' around 1956–1958 marked the beginning of a

new policy of state job assignments (guojia fenpei) (Bian and Huang, 2009; Hanser, 2002). Under this policy, all urban jobs were monopolized and assigned by Chinese government, and labour was treated as a national resource and private labour rights were denied (Huang, 2008). Knight and Song (1995) regard this period as the absence of labour markets. According to Bian (1997), individuals were given no freedom to apply jobs they want, and they were required to wait for state job assignments. Even they could express their job preferences, it did not affect their final assignments.

In fact, everyone actively tries to use their Guanxi in order to attain a desirable assignment (Bian, 1994). Bian (1997) found that some got their wanted jobs only when they were connected, directly or indirectly, to job-assigning authorities. Also, from the mid-1950s to the mid-1980s there were no employment services or advertising, so that Guanxi was the only means available for finding a work (Bian, 1994).

## 2) The early reform period (1980-92):

With the emerging of household businesses, private companies, and international joint ventures around 1980s, state monopoly of urban jobs began to change (Gold, 1990). In the view of Hanser (2002), market reforms had led to a general relaxation of state control over the economy and labour market. These changes had opened many new formal routes to employment. In 1986, 'Temporary Regulations on Labour

Contract System of State-owned Enterprises' was issued by the administration, with which all state-owned enterprises were required to recruit new workers based on voluntary contract with them (Cai, 2003). According to Wang (1998), 'labour contracts' were trialled in certain cities and then expanded nationally. As a result, employment has become more and more market-oriented (Cai, 2003).

By the late 1980s, because of a lack of advertising and formal hiring procedures, Guanxi became the predominant means of channelling individuals into work units (Bian, 1994). Parents' networks, kin ties, friends and acquaintances ties were extensively used to search employment information, to create application opportunities (Ibid). There are also other means such as through employment service centres or formal application, but only to a small proportion. Furthermore, Bian (2002) also argued that the role of Guanxi in this system was not to collect job information, because even they had information, job seekers could not apply for jobs. Instead, they use networks like Guanxi to influence job authorities, so jobs could be assigned as favours to someone who was strongly connected.

### **3) The further reform period (1993 to the present):**

The policy of state job assignments was abolished and labour markets became the predominant modes of labour allocation (Bian and Huang, 2009). Since 1992, state assignments had been replaced by the policy of 'bilateral choices' which meant

that job seekers and employers can choose each other (Bian, 2002). Under this new policy, state labour bureaus could no longer control and assign jobs. However, administrators and managers of organizations in the public sectors gained much of the authority to hire employees (Ibid). In 1994, labour law made labour contracts mandatory in all organizations, and labours of state owned enterprise were under intense competition from non-state counterparts (Huang, 2008).

In 1998, Hanser (2002) found that through his interviews, the scope of the 'fenpei' system had been drastically curtailed. Furthermore, a large number of state employers started losing their jobs, indicating that lifetime employment were no longer provided and disappeared (Bian et al., 2005). Simultaneously, there were huge numbers of rural migrant labours competing for jobs with urban residents (Bian and Huang, 2009; Cai, 2003). However, Keister (2000) found that major industries and giant enterprises reorganized as business groups, remained under the state, and were closely monitored by the government. As Bian (2002) indicated that administrators and managers of organizations in the public sectors controlled the authority to hire employees, he found that strong ties were used by job seekers to influence these new decision makers in order to work in the reforming public sectors. Additionally, Bian and Huang (2009) found that networks of personal contacts became both active and dominant when labour markets grew in their own right after 1992. They argued that Guanxi was found to increase one's opportunities of moving into jobs of higher

market connectedness after reforms.

### **2.3.3 Controversial Findings about Guanxi**

In China's emerging labour markets, the roles of Guanxi play in job search appear to be complex, and mixed findings have contributed to a lively debate about increasing or decreasing significance of Guanxi (Bian, 2002; Hanser, 2002; Huang, 2008; Bian and Huang, 2009).

Bian (2002) found that a growing proportion of job seekers relied on Guanxi networks to secure employment opportunities during the 1990s. He argued that formal search channels were ineffective thus creating growing scopes for Guanxi to facilitate the flow of information about jobs and influence the hiring process. In contrast, Hanser (2002) put forward the importance of Guanxi in urban employment was in decline. She believed that new job search avenues were created by economic reforms, notably voluntary job shifts between employers and across cities, and the job specificity and skill marketability of young people. Moreover, she called attention to differentiating Guanxi from social ties, arguing that social tie involving passing information should not be seen as the use of Guanxi because it is not in line with the characteristic of reciprocity.

## **2.4 Research Questions Explored**

A number of researches have studied the role of Guanxi on job search in urban Chinese cities. Bian and Ang (1997) found that job changes are facilitated through Guanxi frequently than through weak ties in the city of Tianjin in 1988. Zang (2003) carried out the survey in Zhongshan City in 2000 found that Guanxi is still an important factor in job search during reform. However, those cities are always first tier cities in China, and in developed area. No studies have been conducted in a second tier city Yuncheng where the economy is under developed economy. It is not clear that the situation of Yuncheng is consistent with the previous findings. Therefore, in order to fulfil this gap of knowledge, the core research question will focus on examining the role of Guanxi in job search in Yuncheng.

Many researchers believed that Guanxi influence job search and acquisition in state sector, but limited in non-state sector (Bian and Ang, 1997; Bian, 2002; Huang, 2008). In addition, due to the market reform continued to be carried out in China, others argued that the importance of Guanxi was decline. Therefore, lots of studies were conducted to explore the influence of Guanxi in state and private sector. However, the study of it in Yuncheng is absent. This study will explore the influence and effectiveness of Guanxi in job search in state sector and non-state sector in Yuncheng.

Furthermore, a number of studies have revealed that how respondents use Guanxi as means for getting advantages in job search. However, few cases or

examples were provided with behaviours such as gift giving and ‘Songli’ used by participants in their job search. Since most respondents were reluctant to share information about giving gifts and ‘Songli’. This research will try to explore on the role of gift giving and ‘Songli’ during the job search process.

Among the many studies, few pay attention to the participants’ own views. Participants may provide some valuable suggestion and opinion towards to the use of Guanxi to search job. This study will also focus on the participants’ views and suggestion on Guanxi and recruitment in Yuncheng.

To sum up, there are four questions for my dissertation, which are presented as follows:

1. To what extent, do job seekers find job information and obtain jobs in Yuncheng rely on Guanxi?
2. To what extent, do Guanxi influence job search in state and non-state sector?
3. How do job seekers use Guanxi practices (Gift giving and ‘Qingke’) in the process of job search?
4. What is the job seekers’ opinions and suggestion towards Guanxi



as a strategy in job search?

## **Chapter Three: Methodology**

### **3.1 Introduction**

This chapter concerns about the design for this study, it will firstly focus on the choice of appropriate research methodology. Among numerous methodologies,

qualitative research best suits the nature and objectives of this research topic. First of all, the justification for the selection of interpretive research among the various research paradigms will be discussed. Next, the choice of qualitative research instead of quantitative research methods will be explained. Then, case study as one of the five qualitative research approaches will be chosen for this research. Furthermore, interview as the data collection method will be discussed and justified. After the explanation and justification of the choice of research methodology, the dissertation will concentrate on the actual research process which generally consists of three parts: data sampling, data collection and data analysis. Finally, difficulties and challenges as well as the limitations of this study will be provided in order to enable audiences to get a fully and comprehensive understanding of this research.

## **3.2 Methodology Choices**

### **3.2.1 Interpretive Research Paradigm**

The initial step in the research design is associated with the selection of the most suitable research paradigm for this study. According to Silverman (2010), paradigms have been described as ‘overall frameworks for how we look at reality’. Jupp (2006)

and Bryman (1988) both define a research paradigm as ‘A cluster of beliefs and dictates which for researchers in a particular discipline influence what should be studied, how research should be done, how results should be interpreted and so on’. In addition, researchers have identified different traditions or paradigms in management research. According to Neuman (2006) and Maylor & Blackmon(2005), there are three major paradigms which were positivism, critical theory and interpretivism. Silverman (2010) put forward two main research paradigms: positivism and constructionism. With regard to Gephart (2004), he pointed out three types of research traditions: positivism and postpositivism, interpretive research and critical post modernism. Interpretive research is one of the most important paradigms recognised by many scholars. For this study, as the topic is to explore the role of Guanxi’s influence on job search, interpretive research paradigm appears to be most appropriate for this research.

Qualitative research can be positive, interpretive, or critical, depending on the underlying philosophical assumptions of the researcher (Gephart, 2004). Firstly, a positivism view assumes that all true knowledge is scientific, and that all things can be completely and objectively described and measured (Bullock and Trombley, 1999). However, positivist social science was criticised for ignoring the importance of individual subjectivity and the role of the 'observer' in the constitution of social reality

and as well the role of consciousness in shaping the social world (Jupp, 2006; Andrew, 2012). In this research, cultural knowledge is essential as Guanxi is deeply rooted in Chinese psyche and Guanxi is based in social action and a result of human reaction (Gold et al., 2002). Consequently, positive paradigm is not suitable for this research. Secondly, critical paradigm is also not suitable because it often brings ignorance and misconception into a new consciousness (Gephart, 2004).

In contrast, interpretive paradigm describes a meaningful social action, socially constructed meaning, value relativism and a situation created by human interaction (Neuman, 2006; Maylor and Blackmon, 2005). Moreover, Neuman (2007) notes that interpretivism is ‘the analysis of socially meaningful action through the direct detailed observation and/or in-depth interview of people in natural settings in order to arrive at understandings and interpretations of how people create and maintain their social worlds’. Furthermore, the foundation assumption for interpretive research is that knowledge is gained through social constructions such as language, consciousness, and shared meanings (Klein & Myers, 1999). Thus, interpretivism is a way to gain insight through discovering meanings. In addition, interpretive research acknowledges the intimate relationship between the researcher and what is being explored, and the situational constraints shaping this process (Burrell and Morgan, 1979). Additionally, interpretive paradigm assumes that people create and associate their own subjective and inter-subjective meanings as they interact with the world around them (Schutz,

1973). As mentioned previously, the purpose of this researcher is to investigate how Guanxi affects the way job seekers get job information and the hiring process in Yuncheng. The significance of the Guanxi influence on job search becomes even greater when in a second tier city Yuncheng. Therefore, the interpretive paradigm is appropriate for this research as to understand the human behaviour of Guanxi. Thus, the interpretive paradigm is most suitable for this study.

### **3.2.2 Justification for the Qualitative Research Method**

In general, there are two kinds of research methodology: quantitative and qualitative research method. The two research methods can both provide valuable contributions to scientific knowledge, and hence, should be regarded as complementary not competing, and used separately or together depending on their ability to provide the best answer to the research question (Van, 1979). This section aims to explain and justify the choice of a qualitative research method for this study. To explain why qualitative techniques are more appropriate, the definition and characteristics of both methods are discussed and compared as well as the limitations.

By definition, quantitative research method is an inquiry into a social or human problem, based on testing a theory composed of variables, measured with numbers, and analyzed with statistical procedures, in order to determine whether the predictive generalizations of the theory hold true (Creswell, 1994). Quantitative research tends

to be associated with the realist epistemology (Jupp, 2006). Essentially, data concerned with quantitative research can be analysed in terms of numbers (Langley 1999). On the contrary, according to Creswell (1994), qualitative research can be defined as an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting. Qualitative research is multi-method in focus, involving an interpretive, naturalistic approach to its subject matter (Denzin and Lincoln, 1994). This means that qualitative researchers study things in their natural settings, attempting to make sense of or interpret phenomena in terms of the meanings people bring to them (Ibid). Furthermore, qualitative researchers see the world as interconnected and therefore a rich opportunity for understanding the nature of humanity (Cavana et al. 2001). In essence, qualitative research enables researcher to investigate the nature human behavior as this research topic Guanxi involves the notions of human ideology.

In addition, qualitative research explores things in more depth and detail than quantitative research (Fletcher and Brown, 2005). For this study, the purpose is to explore the insider role of Guanxi's influence on job search. Therefore, qualitative method is particularly relevant to this research topic. Moreover, qualitative research allows researcher to gain a good understanding of individual's attitudes and behavior or feelings about a topic, or term used in discussion of that topic (Craig and Douglas

2005, p. 225). In comparison, quantitative method was unable to fully reveal the underlying meanings individual associated with particular activities of social process (Esterberg, 2002). Further, as the research topic is a relatively new topic, qualitative methods can be used to explore Guanxi's role on job search in depth analysis rather than to evaluate others' ideas (Hill, 2003). In summary, given these arguments, qualitative research method would be a better fit for the topic of this study.

### **3.2.3 Case Study**

According to Creswell (2007), there are five main qualitative approaches: (1) narrative research, (2) grounded theory, (3) case study, (4) ethnography and (5) phenomenology. Among the five approaches, a case study is chosen for this study.

The case study method was invented by the Harvard Business School over 80 years ago (Barbazette, 2004). Case study is a feasible method to study a complex issue or object which emphasizes detailed contextual analysis of a limited number of events (Flyvbjerg, 2011; Soy, 1997). Moreover, case study is especially effective in approaching phenomena that are ambiguous and fuzzy; dynamic processes rather than static; and includes a large number of variables and relationships which are complex and difficult to predict (Gummesson, 2008).

For this research, Guanxi is a cultural concept which is highly complex and ambiguous; therefore, case study methodology is suitable for this research. The boundaries of this case study is set in the China's second tier city Yuncheng

### **3.2.4 Interviews**

#### **3.2.4.1 Interviews as a Qualitative Method**

Qualitative research methods consist of three types of data collection: in-depth, open-ended interviews, direct observation and written documentation (Patton, 2002). Based on the methodological discussion, interview was chosen as the most appropriate technique of data collection for this research. This method is the most popular and most widely used approach by qualitative researchers. According to Potter (1996: p. 96), interview can be defined as a technique of gathering data from humans by asking them questions and getting them to react verbally. The purpose is to obtain descriptions of the life-world of the interviewee with respect to interpreting the meaning of the described phenomena (Kvale, 1996). By conducting a well designed interview, the researcher can investigate the interviewee's views and life experience related to particular issues of specific topics. Even sometimes conducting interviews is time-consuming, researcher can get depth and useful information from the respondents. Furthermore, Alvesson and Svensson (2008) indicate that qualitative interview often refers to in-depth, loosely or semi-structured interview, with such an



informal conversation participants can express their views opinions freely, thus researcher may obtain important themes and value-added knowledge.

#### **3.2.4.2 Semi-structured Interviews**

There is a variety ways of interviews available for qualitative research: structured/survey interviews, semi-structured interviews, unstructured interviews and group interviews/focus groups (Alvesson and Svensson, 2008: p120-122). In this study, semi-structured interviews were carried out as a data collection approach. It will be conducted by face to face communication with interviewees.

Compared with structured interviews which have a formalized and limited set questions, a semi-structured interview is carried out with a flexible and open framework (Bryman, 2008). In a semi-structured interview, researchers need to decide in advance of what ground and questions to be covered, such as preparing an interview guide (Lindlof and Taylor, 2002). However, researchers may raise new questions based on what the participants' response as well. Additionally, interviewees will be given freedom to respond in as much depth as they want, and opportunities to discuss any further related issues or topics they want to cover (Cassell and Symon, 2004). Also, interviewee is allowed to talk freely about the subject (Gray, 2004). This results in them raising issues and topics that may cover new aspects which researchers may not have initially thought about and thus contribute to a deeper insight of the

research topic (Banister and Booth, 2005). However, according to Denzin and Lincoln (1994), the conversation may go on different track and become too general if researchers do not set boundaries and framework. Therefore, boundaries and framework are essential to ensure that discussion will remain within the research topic.

In semi-structured interviews, probing is a highly effective way to stimulate interviewees to provide more information (Patton, 2002). It can provide an abundance of rich information and sometimes reveal particularly interesting information that leads to a new line of questioning (Bernard, 2005; Gray, 2004). For this research, the researcher asks the interviewees to elaborate on the previous comment by questioning like “Can you tell me more about this?”; “Can you give another example?” etc.

### **3.2.4.3 Framing the Interview Question**

It is necessary and important to frame the interview questions for this study. Patton (1990, p.295) suggests that good research questions should, at a minimum, be open-ended, neutral, singular, and clear. In addition, research questions should not reflect the researchers own points or biases because it may otherwise restrict interviewees’ answers (Silverman, 2005; King, 2004).

Given these considerations, the questions in this study are open-ended and

unbiased (Appendix I). This allows interviewees to share their own job search experiences and express their perspectives towards this research topic. However, as discussion may go beyond the research topic, the main questions are designed to maintain the answers within the boundaries of this study. The sub-questions are provided to gain in-depth details about interviewees' job search experiences and opinions about the research topic.

### **3.3 The Research Process**

#### **3.3.1 Data Sampling**

Different from quantitative research with random sampling and a large population size, sampling for qualitative research usually relies on small numbers with the aim of studying in depth and detail (Miles & Huberman 1994; Patton 1990). Even though research samples are often small, each case is studied intensively in order to generate a great amount of information. Ziebland and McPherson (2006) suggest that sampling strategies in qualitative research typically aim at representing a wide range of perspectives and experiences. In the view of Ezzy (2002), seeking a richness of data about a particular phenomenon, the sample is selected purposefully rather than randomly.

In generally, there are three types of the most common sampling methods in

qualitative research: purposive sampling, quota sampling, and snowball sampling (Marshall, 1996). These three types are all forms of non-random sampling or non-probability sampling. For this research, purposive sampling is employed to choose interviewees. As the topic of this study is to explore the role of Guanxi on job search, participants with job search experiences will be the initial requirement. All the participants were recruited from the researcher's student networks and personal contacts. The researcher maintains good relationships with most of the participants; therefore they are willing to share their personal experiences and views about Guanxi. During the process of recruitment, as the topic of this research is related to Guanxi, which is a sensitivity concept, thus researcher will only tell the participants that the interview is about the participants' job search experiences.

The researcher got contact with 25 people, and 20 people were interviewed at last. Therefore, the size of the research sample is 20, 12 male and 8 female, aged between 20 and 30. An overview of the interview profile is shown in Appendix II.

### **3.3.2 Data Collection**

This research data is obtained from a combination of both primary and secondary sources. The primary source was collected from a series of semi-structured interviews. The secondary source is the collection of literatures, books and journals.

The interviews were conducted between 27<sup>th</sup> July and 7<sup>th</sup> August 2012. Phone calls were made to participants in advance to ask for permission and to inform them about the research topic and time duration needed for interviews, as well as the exact interview time and places. The places for interviews were based on the choices of participants for their convenience. 10 interviews were conducted at their home, 5 at their working place and 5 were conducted in coffee shops. All interviewees were guaranteed that the information they provided will be confidential. Also, as most interviewees are close friends or classmates with me, they were willing to share lots of personal and sensitive information such as gift-giving behaviour. Most interviews lasted about 1.5 hour; few lasted as long as two hours. Furthermore, short hand notes were taken during interviews.

Additionally, a tape recorder was allowed to be used during each interview. However, some interviewees were uncomfortable to talk with the seeing of tape recorder. So when I put the recorder in my pocket, interviewees gradually forgot the existence of it and. Each interview was assigned a code, for example 'Participant 1, 31 July 2012'. Moreover, most interviews were conducted by mandarin, some by the local dialect which is similar to mandarin.

### **3.3.3 Data Analysis**

With regard to data analysis, material available consists of two parts. First is the

research diary taken during each interview. Second is the interview transcript from recording with only key information being transcribed. The data collected from qualitative interviews is voluminous and fragmented. Coding is an efficient and effective way to analyze the materials. Coding can be defined as marking the segments of data with symbols, descriptive words, or category names (Lewins et al., 2005). In this research, four main themes were identified and each theme consists of several sub themes. However, the themes remained to be modified till the end of dissertation. Meanwhile, the secondary data will be applied in the process of data analysis in order to enrich and complete the study.

### **3.4 Difficulties and Challenge**

One difficulty needed to be concerned is that interviewees may be unwilling to talk directly about the issues whether they found jobs with the help of Guanxi. Furthermore, Taormina and Gao (2010) also pointed out that when regarding to topics such as ‘gift giving’ and ‘songli’, participants tended to hide their experiences and were reluctant to reveal information about it. In order to overcome these difficulties, firstly when I got contact with them, and didn't let them know that I was investigating the topic of Guanxi, but only told them that the content of the interviews was about their job search experiences. Then, during the interviews, I was rather a listener and tried to perform neutrally. My role was to let interviewees to elaborate on their experiences and opinions. In addition, I promised them the confidentiality and due to

the close relationships, many interviewees shared lots of their personal and sensitive information.

One challenge encountered in my interviews was that many interviewees always forgot my research role and didn't regard me as an interviewer seriously. As most of them held close relationships with me, they were always joking with me, sharing some funny stories and talking some irrelevant topics. In addition, many interviewees were interested in my experience of studying in the UK and asking a lot of questions about it. In order to overcome it and make the interview go smoothly, firstly I informed and reminded them that I was collecting data for my dissertation and the result of the dissertation is crucial to my graduation from the University of Nottingham. They understood the importance and thus treated the interviews as formal ones. Furthermore, I found that when I took notes during the interview, participants would be more serious and not make fun with me.

### **3.5 Limitations**

The study suffered from a set of limitations. First, the most important issue may be related to the problem of bias. Sims (2008) indicates that interviewees may simply guess what the interviewer wants from the conversation and respond accordingly. For this research, some respondents may not provide the true information with regards to some sensitive topics, because they may feel vulnerable or uncomfortable. Secondly,

the representativeness of the sample has not been proven. There were only 20 interviewees and most of them are friends or classmates with interviewer. Further, most of the interviewees were graduated from university which can only present a very small portion of the population.

Lastly, translation is another big issue in this research. All the interviews were carried out in mandarin or local Yuncheng language. However, the presentation of the findings is in English. Translation of the notes and data transcripts into English is a time-consuming activity and may easily result in some errors. Since some English words cannot fully express the exact meanings of mandarin. Especially it is sometimes difficult to translate some local Yuncheng language into English. Therefore, there existed the probability of the misinterpretation of the findings in this research.



## **Chapter Four: Findings**

This chapter presents the findings that obtained from the interviews which carried out with the 20 interviewees in a China's second tier city Yuncheng. In addition, as the data collected from the interviews is limited, some findings will be acquired from the secondary sources from literatures, books and journals. This chapter will be categorized into four themes. The four themes, generated and elaborated from the literature review and the research questions, are demonstrated as following:

- (1) Characteristics of interviewees
- (2) Job search experiences
- (3) Roles of Guanxi
- (4) Participants' views and suggestion

In this research, participants are identified by a code from 1 to 20 in order to protect their confidentiality (Appendix II). Also, all names quoted in this article are pseudonyms.

#### **4.1 Characteristics of Interviewees**

This Section provides a brief summary of characteristics of the participants. As described in Appendix III, the sample had 20 interviewees in total. Most interviewees are male; it is due to the researcher he could only reach lots of male friends or classmates. As a result, the gender composition is not balanced. It is one limitation of the sample. However, it is not influence too much on this research topic. Next, most interviewees are aged around 25, and only 4 are aged between 25 and 30. Since most were just graduated from schools around one or two years, only 4 people had 3 or more years of working; while 5 people just worked for one year; more than half of the participants had 2 years of working.

For education level, 3 of the interviewees held a college and technical school degree. 13 people got a bachelor's degree and 1 people got master's degree. 19 people are working in state sectors: 7 people in government bureaus, 2 in state-owned schools and 2 in state-owned hospitals, and 8 people in state-owned enterprises. In comparison, only 1 people working in private enterprise. However, the table only presents the current jobs of interviewees. From the information gathered from interviewees, 8 people had experiences of working in private enterprises in large cities including Beijing, Tianjin, Taiyuan and Wuhan, instead of Yuncheng. Those 8

interviewees resigned their jobs and then came back Yuncheng.

The wages of the interviewees were found to be very low: 18 people were under 2000RMB. Only one interviewee had a highest wage which was 5000 RMB, and another one got 2500 RMB. The two people were all working in state-owned enterprises. In contrast, the wage of the interviewee who worked at private enterprise was 1400 RMB in his first year, and after working for 2 years now his wage rose to 1900 RMB. Furthermore, 6 people's wages were below 1000 RMB and 3 of them were all working in Government bureaus. In addition, one thing needs to be mentioned is that the 8 people who had found jobs in large cities not in Yuncheng got much higher wages, the lowest was 3500 RMB, and the highest was 7500 RMB.

As shown in the table, a total of 9 interviewees didn't change their jobs when they got first employed in Yuncheng. 6 people changed their jobs for once and 3 people changed 2 times, only two people had the experiences of changing jobs 3 times or more. However, it is noted that 8 people left their jobs in other cities because of returning Yuncheng. One interviewee got her first and second job in two private hospitals in Taiyuan, then she came back Yuncheng and found another two jobs in two private hospitals, lastly she found a job in a state-owned hospital. Therefore, this interviewee had changed jobs for 4 times in total.

## **4.2 Job Search Experiences**

This section discusses the different ways that interviewees got their jobs without the help of Guanxi. It is categorized into three parts depending on the source of job information.

### **4.2.1 Job Information from School**

Firstly, the most commonly used method to gather job information by interviewees is the information provided by their schools. 17 interviewees said they had tried to find jobs through this way. However, only 7 people got employed and all of them left their jobs due to a variety of reasons. Some interviewees went back Yuncheng because their families want them back; some couldn't afford the high housing prices in large cities; some couldn't bear the high working pressures and living pressures. Surprisingly, all of them mentioned if they came back home they could find jobs with the help of Guanxi. It can be illustrated by the following examples:

Respondent 4 described his experience:

“Before graduation, I participated in many job fairs in school. I was hired by a private enterprise located in Beijing with a salary of 4,000 RMB per month. It

was a great chance and valuable experience for me since my horizon was widened and my insight into the industry was deepened. However, the living cost was extremely high and unaffordable for me. After half a year, I decided to move back Yuncheng. Not only because I can enjoy a more convenient living condition such as a house and a car, but also my family gets lots of local Guanxi networks that makes it easier to find jobs.”

Respondent 7 described:

“I got an offer from a company via campus onsite interview in the last year of my bachelor. This company is located in WuHan. They offered me 5000 RMB per month, which is a decent job. I worked there for a year. If things just continued in this way, I might be able to buy a house. But my parents missed me so much that they really want me to work somewhere close to them instead of WuHan. And also I don't want to stay too far from home. What's more, I can enjoy the benefits of finding jobs with the help of Guanxi in Yuncheng. So that's why I come back...”

Respondent 10 described his working experience in a foreign firm:

“Because my university has a good reputation and fame, lots of foreign enterprises come to our school to recruit students and sign contract with them

directly. Through one job fair in school, I got an offer from a Japanese firm located in Tianjin with a start salary of 4000 RMB. However, the work load was very heavy and I always worked overtime. Besides, I can't afford the high house price and I got married last year, we can't rent a house all the time. So I decided to come back Yuncheng, my parents can also give me a lot of help by using their Guanxi..."

The other 10 people failed to find jobs through this way, and most of them believed that it was a better choice to come back Yuncheng because they could use Guanxi to find jobs. One of them described:

"One of the most important reasons that I came back is that my families would help me to find jobs as there is huge web of Guanxi..."

#### **4.2.2 Job Information from Media**

5 interviewees said they had searched job information through media such as newspapers, TV and internet. Only two people found their jobs but one of them left his job very soon. Respondent 2 described why he left the job:

"Since I failed to find a job during my last year in school, I searched job information through various forms of media after I got home. I did find one in a

private enterprise by the advertisements in newspaper. The first month is probation without wage. Then they only offered me 600RMB per month for the first year. I left there after 2 months. Who would like to do a heavy work load job with such low wage? Then I turned to my father and he started using his Guanxi...”

Respondent 20 is the only one who worked till now and didn't change job. She described how she got the job:

“I studied finance in my university. After graduation I came back home to find jobs, I saw a bank recruiting information on internet. Then I prepared for it and passed the exam. I did it all by myself without any help from others.”

The other 3 people all mentioned that it was impossible to find a good job in Yuncheng through the advertisements from media. The participants all mentioned that they were not satisfied with the work condition and wages. Besides, most of them believed that the most effective way to find jobs is through the help of Guanxi.

Respondent 14 described the situation:

“At first, I didn't want my parents' help because I wanted to prove myself. Then I searched all kinds of recruitment information from media, and also attended

some interviews. But wages are too low, no one more than 1000 RMB per month. Most of the jobs also have no future. After lots of failure, I understood why in Yuncheng almost everyone found jobs with the help of Guanxi...”

#### **4.2.3 Job Information from Weak Ties**

As mentioned previously, weak ties generate non-redundant information about job openings Granovetter (1973). However, for this research, only one interviewee had used kinds of weak ties to get a job. 7 people said that they had received the job information from weak ties, 6 thought it would be useless to put effort in applying for the jobs, 1 interviewee tried it but failed to get the job. All in all, 8 interviewees mentioned that they had received job information from weak ties; most of them ignored the information.

Respondent 1 described how he got the job and why he left:

“I studied computer science in university. My tutor referred me to a job in my senior year, but he couldn't give me much help. I prepared it very well and entered that firm. It was a newly established Internet firm. But the salary was only 1000 per month. I couldn't live alone in that city with such a low wage. So I went back home to find jobs *in Yuncheng...*”



Respondent 9 described how she tried to find a job:

“I got the recruiting information from a newly met friend who worked in a bank in Yuncheng, who just entered last year. I went to apply for the job. I passed the exam but didn't get through in the interview, which was really a pity. I think it is too hard to find a good job in *Yuncheng by oneself alone...*”

### **4.3 Roles of Guanxi**

This section will firstly describe the roles of Guanxi on job search. Then, it will focus on the state and non-state sector. The final part of this section is the limitation of Guanxi, some examples will be provided as well.

#### **4.3.1 Interviewees' Fathers**

It is found that the interviewees' fathers had been played a fundamental role in the job search process. Surprisingly, 15 people said that they got their jobs with the help of their fathers. Their fathers could largely influence and decide the job choices of participants. 5 of them obtained their jobs directly from the assistance of their fathers, while the other 10 pointed out that their fathers used their own Guanxi networks to help the interviewees to get the jobs. Their fathers usually tended to utilize their relationship with friends include classmates as well as colleagues. The

findings of the other 10 interviewees will be provided in the next section of this section. The following examples are used to illustrate the jobs directly obtained from the help of the interviewees' fathers.

Respondent 3 described:

“My father is the director of the executive office. He told me that he would arrange me enter their work unit (‘Danwei’ in Chinese context) after my graduation. But I need firstly pass the Civil Service Examination, and I took part in the exam and got enough marks to pass it. For the interview part, my father held good Guanxi with the examiners of the interview. So I got the job...”

Respondent 8 described:

“My father is the director of a government bureau. He could easily let me enter the bureau. Although I didn't participate in the Civil Service Examination, I can easily get any position I want...”

In addition, there were several participants indicating that they just got the jobs their fathers provided to them, and even didn't know the procedure because their father did not tell them. One participant said that

“I don't think it is me who care and eager to find a job, it is my father, he will do everything for me...”

### **4.3.2 Friends**

#### **4.3.2.1 Fathers' Friends**

Most interviewees said that they just finished their study and returned Yuncheng, they didn't have much time and chance to develop their own networks. Thus, a large proportion of Guanxi used to facilitate job search was actually their fathers' Guanxi networks that they had developed for a long time. All in all, 10 of the participants said that their father utilized all kinds of Guanxi to help them to get employed. For instance, some participants pointed out that without the help of their father's friends, they could not find decent jobs in government bureaus.

Respondent 4 described how he entered one of the government bureaus:

“After I resigned my job in Beijing and came back Yuncheng, my father used his Guanxi networks to help me to find jobs. My university holds a famous fame and I have some work experiences, so there are a lot of chances for me to choose from. At last, I complied with my father's suggestion so I enter the government bureau of Finance. Because my father has a good relationship with the financial secretary...”

Respondent 13 described:

“My father has a Guanxi with the mayor of Yuncheng. The mayor signed a document and that’s the reason I entered government bureau of Environment Protection...”

5 of the participants said that they could obtain the jobs in state-owned schools and hospitals not only because they got the ability and qualification, but more importantly, their parents worked in that organizations or in related departments and developed a wide range of Guanxi networks with key or important persons.

Respondent 16 described his story:

“I graduated from a normal university and I got the teacher certification after one year. But the competition of entering state-owned schools is very fierce, without the help of Guanxi to enter a state-owned school is very difficult. Fortunately, my father had a friend who worked in a state-owned school for more than 20 years. What’s more, that *friend*’s daughter needed my father’s help to enter his work unit...”

#### **4.3.2.2 Interviewees’ Friends**

In addition, only 1 of the interviewees assigned his job through his new developed Guanxi after he went back home for 1 year. He described:

“I always went to a badminton club to play badminton. Then I got familiar with an uncle, he is the manager of a state-owned enterprise. One time he asked me what my job was, I said I was searching for it. He asked my education level and my major, and then he said ‘you can come to my place if you want’. Then he gave me a lot of help, finally I became one staff of the company...”

### **4.3.3 Relatives**

3 participants got their jobs with the help of their relatives. Relatives include both immediate family members and distant kinship ties (Bian, 1994).

Respondent 11 described how she got the job with the help of her aunt:

“I can enter the state-owned hospital is because my aunt works there. She kept a good Guanxi with director of the hospital. But personal ability and the relevant certification are also needed. I got the nurse qualification so that made the thing very easy for me to enter this hospital...”

Respondent 19 also described how he joined his brother’s business:

“When I didn’t finish my university study, my elder brother wanted to join his business, he is the manager of the firm. So after graduation, I went to his firm

directly...”

Respondent 12 described:

“My uncle is the deputy director of government bureau of Labour. So I entered one of the departments and it was a sinecure job...”

#### **4.3.4 Certification**

6 interviewees mentioned the importance of certification. 2 of them are in state-owned enterprises and the other 4 are in state-owned schools or hospitals. They all agreed that the ability and relevant certification is essential. One participant worked in a state-owned school described:

“I need have the ability to do that job and as well as the Teacher Certification. The chance will only give to those who have the Guanxi. But Guanxi alone is not sufficient, ability is also important. The jobs in school are different from the jobs in the government bureaus where people can enter those places only if they have a strong Guanxi with the core people who got the power.”

#### **4.3.5 Gift Giving and ‘Qingke’**

For this research, many interviewees pointed out that gift giving and ‘Qingke’

were effective ways to get closer to people who were in high-status. Also, most people agreed that “It is very common in Yuncheng that people got what they needed by doing things like giving gifts or money (‘Song li’) to the important people who have power or inviting them to dinner (‘Qing ke’). Everybody knows it, but no one would talk about it publicly.” Therefore, it makes the conversation embarrassed when the researcher tried to get information about gift giving and ‘Qingke’. In this research, 7 interviewees said that after they got the jobs, their families did ‘Qingke’ as ways to express their gratitude to the helpers. No one did it during the process of job search. 5 respondents said that they knew a number of people had the behaviours of gift giving in order to find a decent good job, but they were not sure about it because this type of information was very sensitive and confidential. Only one interviewee in this research shared his story about money giving:

“My father knows the director of a bureau, but not very familiar. So if I want to get the job in that government bureau, 20,000 RMB is needed. At last, my father gave 20,000 RMB to the director and I got the job. After that, we don’t have further interactions or contact...”

Respondent 8 even commented:

“...you can have the chance to do the favours (gift giving or qingke) only if you have Guanxi to the leaders. Many people want to give money but they don't have the Guanxi...”

#### 4.3.6 State Sector and Non-state Sector

Huang (2008) conducted a research in Chinese cities between 2003 and 2004 found that 37 of the 48 interviewees (77%) used their Guanxi networks to obtain state-sector jobs. For this research, 19 of the 20 interviewees had obtained their jobs in state sector, 18 of them were through the help of Guanxi. Most of them pointed out that another crucial reason was a high education level. 5 people said that their education levels were the highest in their work units.

Respondent 4 explained:

“In fact, I knew when I competed for the job in government bureau, lots of other job seekers also have the Guanxi, and some of them even were the relatives of some leaders. But because I have a higher education level than others, I could enter the government bureau much easier. Then I found that my education level was the highest in my work unit. But I think it was quite normal because people with higher education levels would not go small cities like Yuncheng to find jobs, they tend to go places much developed like Beijing and Shanghai...”

In addition, two respondents from the state-owned enterprises pointed out that to enter a state-owned enterprise is much harder than enter a government bureau. One of them explained:



“If one got a powerful Guanxi, he can have a job in government bureau very easily, even if you can't do anything. But it is not same in a state-owned enterprise, you must have a good education background and relevant knowledge or technique.”

Furthermore, only 1 interviewee got a job in non-state sector: a private enterprise in Yuncheng. The interviewee also got help of Guanxi.

Respondent 18 described:

“My uncle was the sales manager of the private enterprise. He introduced me to the general manager and I got a chance to apply for the job. My major was research and development of products. I showed my ability during the interview and the manager was very satisfied. I think the main reason I could get the job is not because Guanxi, but more related to my own ability and a bachelor degree.”

The limitation of the sample is only one interviewee working in the private sector. It is not representative for this study in Yuncheng. Huang (2008) found in her research that the influence of guanxi is limited, resisted or eliminated in the non-state sector. However, Zang found that Guanxi is still an important factor in job search in Zhongshan (Guangdong) where the economy is highly market based.

#### **4.3.7 Limitation of Guanxi**

There a number of interviewees indicating that the influence of Guanxi has been declining recent few years.

Respondent 15 described:

“I entered the government bureau in the year of 2010 with the help of Guanxi. However, in the next two years there were no more people entering my work unit. Because in most of the government bureaus in Yuncheng, there were no more places for new people to enter. Guanxi of any kind cannot make the change. Also, there was no public recruitment recent few years...”

Respondent 17 described:

“After the year I entered the enterprise, the structural reform was undertook the next year. No one can enter the enterprise with a good Guanxi only, he or she must have a bachelor degree at least...”

Respondent 13 commented:

“Two years or three years ago, people with a very powerful Guanxi could enter almost any government bureau even they didn't hold a degree or didn't pass the Civil Service Examination. But from last year, you must pass the Civil Service

Examination first. Next, it depends on the whether the work unit is full or not.

Because now most of the government bureaus are full of people...”

#### **4.4 Participants' Views and Suggestion**

##### **4.4.1 Satisfaction and Pressure**

Among the 20 interviewees, 11 people are generally satisfied with their current jobs and the working pressure is not high and acceptable. Another 9 are not satisfied, because the wages are lower than their expected ones. The only participant in private enterprise is satisfied with his current job. The following part will focus on interviewees in state sector.

Among the 8 interviewees in state enterprises, 4 of them are relatively satisfied with their jobs. They deem their passion and abilities has been explored, as well as new technique and skill has been introduced. Overall, these 4 people find the jobs bring less pressure. In addition, another 4 interviewees are not satisfied with their jobs. One of them stated:

“I think the main tasks are always completed by our young staff, but we could only get low basic salaries. While those leaders who are 40-50 years old even cannot use the computers still enjoy their work easy and their salaries are several times higher than ours.”

Two of them were unsatisfied because of the long working time and low salaries. They wanted to change their jobs but couldn't find better jobs.

Another interviewee described the pressure from his uncle:

“I am satisfied with the job, since I got the job with the help of my uncle. Just because of this, I must work hard and don't want lose face of my uncle. In order to improve my performance, I need to take my part time to learn course...”

There are 7 interviewees working in government bureaus, all felt no or little working pressures. 5 of them are relatively satisfied with their jobs. They all pointed out the treatment in government units were fairly good, and they always got plenty of leisure time. One interviewee described:

“Most of the working is relaxed and leisurely, occasionally busy for a while. Also, civil servants are treated better and better, and I will get a wage raise a few months later.”

However, several people complain that some people don't do anything and just have fun in the work unit. One described:

“Because some people can't do anything, they just play games or watch movie in front of their computers. And there are other people like me we are able to do a lot of work, so our leaders just leave tasks to us. But all the people get

the same salary. It is not fair. I know in every government bureau, there are a lot of people not working at all. I think it is because they have very powerful Guanxi...”

One of the two interviewees, who are not satisfied with the job in government bureau, said that it is wasting youth time and always very boring. He mentioned he would just work for few years, and then will leave the job. The other one, are very unsatisfied, described:

“I have been working here for three years, the salary is 800 RMB all the time. I don't know how long it will be lasted. I don't want work here and maybe I can start my business. But I paid 20,000 RMB to get this job, if I quit the job I am not reconciled to this.”

The 4 interviewees worked in state-owned schools and hospitals are not very satisfied with their jobs. The main reason is that they all think the salary is a little low but still acceptable. However, the pressures for them are moderate.

#### **4.4.2 Guanxi and Fair Competition**

Among the 20 interviewees, 19 got their jobs with the help of Guanxi. They all think finding jobs through Guanxi is normal and common things in Yuncheng. However, 10 of them said they prefer fair competition for recruitment activities. One

of them commented:

“If I am the director, I think using Guanxi is necessary sometimes. But there must be some fair competition for our work unit to hire employees. Because some people who enter the bureaus by Guanxi don't have high motivation to work and contribute less. Also, those people may affect the normal operation of bureaus. It is better that the efficacy of fair competition is much influential than that of Guanxi.”

The other 5 interviewees who got their jobs through Guanxi prefer to use Guanxi to find jobs, and they will also further develop their Guanxi networks. They pointed out that Guanxi is the key factor to get things done in Chinese society. One interviewee even believed: “If you can find a powerful Guanxi, you can get achievement and earn more money without hard working.” Accordingly, they think fair competition cannot fully realise with the influence of Guanxi.

Another 4 participants felt that either finding jobs by Guanxi or through fair competition is reasonable. However, it is deemed that people with the help of Guanxi will have many more opportunities and chances to get decent jobs. Simultaneously, people need to improve their own abilities instead of relying heavily on Guanxi.

## **Chapter Five: Data Analysis**

### **5.1 Job Search Experiences**

Among the 20 participants, finding jobs through the information provided by their schools is the first choice. About 17 people (85%) tried this way, and 7 of them got their first jobs. However, it is found that whether people got jobs or not they all came back Yuncheng. The reasons include high working and living pressures, families' requirements. Interestingly, all interviewees argued the importance and influential of Guanxi. The interviewees all had the expectation of finding good jobs with the help of Guanxi. The findings in Yuncheng are in line with most of the research findings (Bian, 1997; Huang, 2008; Zang, 2003) in Chinese cities that Guanxi is influential in job search. Furthermore, it also reflects that the view that most interviewees trusted and relied in Guanxi.

Secondly, few participants searched job information through media and weak ties. It can be explained that in Yuncheng where the market economy is not so developed compared with the first tier cities, few jobs seekers tends to find jobs through mass media or weak ties. They would rather to use strong ties: Guanxi. The

research findings in American and Western countries generally supported the Granovetter's (1973) view of the strength of weak ties. For this research, Yuncheng is much less developed than cities in developed countries, there is little scope for weak ties to provide non-redundant information about job openings. Furthermore, especially good job information would not spread through weak ties in Yuncheng. Therefore, few interviewees would like to use weak ties to find jobs.

## **5.2 Roles of Guanxi**

In research, a total of 19 interviewees had experiences of using Guanxi networks to facilitate job search. 5 of them got jobs directly from their fathers, 10 obtained their jobs with the help of their fathers' friends, 3 got jobs through the help of their relatives, and 1 found his job from his new established Guanxi with a manager. This will be analyzed and discussed by the three typologies of Guanxi: obligatory, reciprocal, and utilitarian types (Zhang and Zhang, 2006).

### **5.2.1 Interviewees' Fathers**

In this research, 15 interviewees (75%) got jobs with help their fathers, it can be summarized a dominant role of their fathers. This type of Guanxi is the obligatory type which refers to the blood or in-law relations and exists exclusively among family members (Su and Littlefield, 2001). Since family is the basic unit of social networks



in China, it is argued that obligatory type is the most important emotional Guanxi in Chinese society (Peng et al., 2001). According to Zhang and Zhang (2006), the obligatory type plays an important role in such a dynamic environment as that of China. Furthermore, it can maintain the harmony and order of the society in many areas of China (Ibid). Hwang (1987) and Yang (1994) noted that fulfilling one's obligations to one's family members is culturally expected by the traditional Confucian concept and also the new ethics in contemporary China. Basically, among family members, fathers always occupy important social positions because of strong gender biases in the employment structure in China (Bauer et al., 1992; Stockman, 1994).

For this research, interviewees' fathers exercise enormous power over their children and also influence their occupation choices to a large extent. Some interviewees' jobs were even determined directly or chosen by their fathers. Therefore, fathers play a significant role in the job search process in Yuncheng. In addition, from the examples, it can also be concluded that fathers who got a higher bureaucratic rank and power were more likely to use Guanxi to help their children to enter government bureaus. This supports the findings of Lin and Bian (1989) that individuals tended to be assigned jobs in state sectors as their high-status fathers had better Guanxi with the authorities who assigned jobs.

### **5.2.2 Friends**

Half of the interviewees got their jobs with the help of their fathers' friends or their own friends. This type of Guanxi is the reciprocal Guanxi. It refers to "Renqing Guanxi" In Chinese terms (Zhang and Zhang, 2006). As discussed in the literature review part, there is a reciprocal exchange of favours among those individuals when they develop Guanxi networks (Ibid). According to Hwang (1987) and Lee et al. (2001), if one receives help from the other with reciprocal Guanxi, it is implicit that he or she is expected to repay the favour in the future (Su and Littlefield, 2001). Meanwhile, the one provided the help must do his or her best to avoid feeling guilty or damaging his or her social prestige (Su et al., 2004). Luo (1997) thought that when Chinese weave their Guanxi, they also weave a web of Renqing burden. It means that when enjoying the benefits of Guanxi, Chinese also take on reciprocal obligation that must repaid in the future (Ibid). Furthermore, a low probability of the failure is needed as it may harm or even destroy the relationship between partners (Zhang and Zhang, 2006). As a result, the exchange of favours reinforces the Guanxi among Chinese people and facilitates social interactions.

For this study, exchange of favours may lead to a direct improvement on the job search of individuals. The story of Respondent 16 is a good example to illustrate this view. Also, even other interviewees didn't mention a clear reciprocal exchange during the process that their fathers utilized the Guanxi, there must be the behaviours of

reciprocal exchange during the formation of the reciprocal Guanxi. This can explain why interviewees' fathers regularly seek their friends for help.

In addition, only one participant found job through his new met friend, and the other 9 were through their fathers' friends. Since most participants were newly graduated and lack of time to develop a Guanxi that is long-term orientation and mutual trust. However, their fathers usually found their friends who were more likely to contact someone who was a cadre, had a high-status occupation, or worked in a work unit in the state sector (Bian, 1994).

### **5.2.3 Relatives**

3 interviewees assigned jobs with the help of their relatives. This is also belongs to the obligatory type of Guanxi. It is argued that most Chinese firms especially family firms believe that the only people could trust are their family members (Peng et al., 2001; Yeung and Tung, 1996). Among the 20 participants, only one interviewee had a job in his family business. There is no sufficient evidence support the point of view mentioned above. Since the research sample is limited and maybe the family business is less developed in Yuncheng.

To sum up, finding jobs through relatives, together with finding jobs with the help of the interviewees' fathers, are the obligatory type. It can be concluded that a

large proportion of the Guanxi types used to facilitate job search in Yuncheng are within the scope of obligatory type.

#### **5.2.4 Certification**

In this research, though Guanxi was essential for job seekers to get the chance to enter those work unit, relevant certification was found to be important to secure jobs in state-owned schools and hospitals where the certification was needed. Huang (2008) found that the efficacy of Guanxi on state-sector jobs nowadays is relative and conditional on individuals' competence. Therefore, it can be argued that in the state sector, using Guanxi alone is insufficient to win a job. However, Guanxi exerts essential influence on hiring the applicants who are already qualified and have relevant certifications.

#### **5.2.5 Gift Giving and 'Qingke'**

The behaviours of gift giving and 'Songli' are related to the utilitarian type of Guanxi as this type is always regarded as a 'fee-for-service' and odious from moral perspective (Zhang and Zhang, 2006). Some interviewees may hide their own experiences even they found jobs through this way. The previous researches on the examples of gift giving and 'Songli' were scarce. This case study in Yuncheng found that most people believed that the people use gift giving and 'Songli' to gain benefits

are very common, but the empirical examples were still limited. 'Songli' was widely used by 7 interviewees as means to appreciate the job helpers after they obtained jobs. However, no examples were provided that 'Songli' was used to obtain jobs in this study.

With regard to gift giving, only one shared his experience about the behaviour of money giving. The experience of this interviewee proved the view that this type is usually indirect, loose and temporal and may consist of only a single transaction (Yeung and Tung, 1996). The behaviour of gift or money giving is inevitably closely associated with corruption and bribery (Zhang and Zhang, 2006). However, most interviewees thought it is common sense in Yuncheng. Many also mentioned others' behaviour of using the utilitarian type of Guanxi to find jobs. However, due to the nature and characteristics of this type, it is hard to get direct evidence and resources to test the frequency and effectiveness of using utilitarian Guanxi to find jobs. As people are willing to pay money for the service, the helper must have a higher bureaucratic rank and position, and the good consequence or result can be guaranteed to a large probability.

#### **5.2.6 State Sector and Non-state Sector**

In state sector, scarce resources are allocated according to Guanxi rather than based on bureaucratic rules (Park and Luo, 2001). Bian (1994) also found that job

seekers would tend to contact a Guanxi with people who worked in a high-ranking work unit in the state sector. According to Huang (2006; 2008), the influence of Guanxi networks is most pronounced in searching for work in the state sector.

In this study, 18 interviewees (90%) used Guanxi to get jobs in state sector. As illustrated by the examples, Guanxi was heavily involved in getting jobs in state-owned firms and state bureaus. 15 of the 18 interviewees got their jobs through the help of their fathers or fathers' friends and acquaintances. Most of their fathers and the helpers always worked as cadres or leaders, had high-status occupation in the state sector. Without the influence from Guanxi, it would have been impossible for the interviewees to enter these work units in state sector. However, it is also found that sometimes Guanxi alone is not sufficient, education levels and relevant qualifications are also essential in employment processes (Huang, 2008). Especially in state-owned enterprises, Guanxi alone couldn't ensure the employment. Also, a strong Guanxi alone could no longer provide a job in state bureaus recent two years as previously it could do.

In non-state sector, it is generally believed to be more subject to market-based evaluations of economic performance, and the opportunities to utilize Guanxi is limited (Huang, 2008). Consequently, Huang (2008) argued that the frequency and effectiveness of Guanxi is reduced in non-state sector. For this study, only one interviewee is found to be worked in a non-state enterprise and he also got his job

with help of Guanxi. However, the interviewee emphasized that key factor is not Guanxi but his own ability. Furthermore, as private enterprises and foreign firms are rare in Yuncheng, there is little opportunity for job seeker to find jobs in these places. Accordingly, it is difficult to detect whether Guanxi is also playing an important factor in the job search in non-state sector in Yuncheng.

### **5.2.7 Limitation of Guanxi**

Even though Guanxi has been a powerful and effective mechanism for the search and obtain of some jobs especially in state sector, it is not limitless. Many interviewees who gained their jobs in state bureaus through Guanxi few years ago all indicated that it is very difficult to get jobs with the help of Guanxi alone in recent two years. There are in general two reasons: one is that there is no more place to let more people enter the work unit; the other one is the standard is improving a lot that limits and restrains the influence of Guanxi. However, this declining role of Guanxi is not related to the argument by many scholars that market reform in China recent decades would reduce the role of Guanxi in job search (Hanser, 2002; Guthrie, 1998).

## **5.3 Participants' Views and Suggestion**

### **5.3.1 Satisfaction and Pressure**

In this research, among the 19 interviewees who got jobs with the help of Guanxi, 10 interviewees were satisfied with their jobs. 4 interviewees working in state enterprises found their jobs were good and less pressure. However, the other 4 interviewees were not satisfied with their jobs in state enterprises. The reason included long working time, low wages, and also pressure from family numbers. To sum up, about half of the interviewees who got their jobs in state enterprises with the help of Guanxi were not satisfied and felt high pressure. Although all the participants used Guanxi to enter state enterprises in Yuncheng, some of them need to bear the low wages and high working pressures.

The 7 interviewees working in government bureaus felt no or little pressures and 5 were relatively pleased with their jobs. Since the jobs in government bureaus were always easy and leisure, with good treatment and low working pressures. However, there are several drawbacks working in government bureaus. First, some participants with good ability were required to work more, whereas there are some people with strong Guanxi working less. However, they still get the same wages with the former ones. It makes the participants feel unfair but could only get used to it. Second, one participant mentioned that working in government bureaus is wasting time and boring. Furthermore, one interviewee pointed out even if he wanted to change job, but due to he had paid a huge amount of money to get that job, he could not leave the job easily. There may be many other familiar cases in Yuncheng as well,



but it is very difficult to reach this type of information.

To conclude, most participants who were unsatisfied stated the low wages. To some extent, in Yuncheng, a second tier city, the wage levels for new employees are far behind the first tier cities. Even Guanxi can help individuals to get jobs, but the job content especially the high wages cannot be guaranteed.

### **5.3.2 Guanxi and Fair Competition**

It is found that all participants thought using Guanxi to find jobs is normal and not surprising in Yuncheng. However, more than half of the total interviewees expressed their willingness towards fair competition rather than Guanxi. One reason is that the participants in this research have good education levels and high abilities, they may prefer to rely on formal recruitment methods. Only 5 interviewees tend to rely on Guanxi since they believed the powerfulness of Guanxi in Yuncheng. As Guanxi is a special cultural concept in Chinese society (Bian, 2002), Guanxi is effective in getting access to scarce resources which is controlled by a limited number of individuals. However, with the economic reform proceeding continually, more and more Chinese firms may use fair competition for recruitment activities more than before.

## **Chapter Six: Discussion and Conclusion**

### **6.1 Discussion**

This dissertation studies on the role of Guanxi networks on job search in a

China's second tier city: Yuncheng. It is found that Guanxi is widely used to obtain job information as well as acquisition of the jobs. The result supports the view by many scholars that Guanxi networks are still influential in China's emerging labour market even after the economic liberalization. Also, it makes contribution to the empirical findings in the China's second tier cities.

Furthermore, it is found that interviewees' fathers play a dominant role in the job search process. This type of Guanxi belongs to the obligatory type of Guanxi. In addition, a number of interviewees got their jobs with the help of their relatives which are also within the scope of obligatory type. Thus, it can be stated that the obligatory type of Guanxi is frequently used by job seekers in Yuncheng. Additionally, the reciprocal type of Guanxi is found to be the most effective method used for job search, and there is a reciprocal exchange of favours. It enables job seekers to reach to the persons with high status or occupation, those persons play crucial role in the job hiring procedures.

Huang (2006; 2008) argued that the influence of Guanxi networks is most pronounced in searching for work in the state sector. The study in Yuncheng also reveals the same result. Guanxi was heavily involved in getting jobs in state-owned firms and state bureaus in Yuncheng. However, it is also found that the role of Guanxi is decline in state sector because the space for people to enter the position is limited and the requirements are improving with a high education levels and relevant

certification. Interestingly, Hanser (2002) argued that the declining role of Guanxi is due to the market reform, but the case in Yuncheng didn't prove the view.

## **6.2 Implications**

### **6.2.1 Theoretical Implications**

The case study in Yuncheng further supports the view that Guanxi network is influential in job search. It also enlarges and contributes to the empirical studies as few researches have been conducted in a China's second tier city.

Previous research focused less on the role interviewees' fathers. In this research, the role of interviewees' father is found to be dominant in the interviewees' job search process in Yuncheng. Not only they can directly provide jobs for interviewees, but also interviewees' fathers could use their large and wide Guanxi networks to help interviewees to search jobs.

Furthermore, this research has looked at the roles of Guanxi practices: gift giving and 'Qingke'. The existing theories mentioned that Guanxi practices could be used to maintain and develop Guanxi, but didn't explain how to maintain and didn't give empirical examples. This research has given some examples about the use of gift giving and 'Qingke' by interviewees. 'Qingke' is only used by interviewees as a way to express gratitude to the people who give them assistance in gaining the jobs. The

money giving behaviour by one participant illustrated that it can be used to obtain jobs in Yuncheng.

### **6.2.2 Practical Implications**

This research has generated several practical implications for some parties.

Firstly, for the large multinational enterprises (MNEs) and private enterprises that operate or invest their business in Yuncheng: it is essential to take fully considerations of the role of Guanxi when hiring employees. Since this study revealed that Guanxi is highly used by individuals to search jobs in Yuncheng. However, it is suggested that MNEs and private firms should still focus on formal recruitment methods. From the data generated from this research, job seekers with high education levels and abilities would prefer fair competition rather than use Guanxi to obtain jobs. They don't need to rely on Guanxi to find jobs.

Second, with respect to state-owned enterprises and government bureaus, it is better to further limit and restrict the use of Guanxi for recruitment by requiring certain education levels and certifications. As in many government bureaus there is no more place to recruit new capable employees. Furthermore, many interviewees in this research indicated that the existence of free riders in government bureaus. With a much strict requirements to enter government bureaus, free riders cannot easily get

their jobs in bureaus with the effective of their Guanxi.

Lastly, this study also has some implications for job seekers, especially for graduates. From the findings it can be concluded that the main reason for a large number of interviewees came back Yuncheng to find jobs is because they can enjoy the Guanxi networks in Yuncheng. However, the sample for this study shows that the wage levels are generally low: the majority is around 1000 RMB to 2000 RMB. Many interviewees are unsatisfied with the wages. Therefore, if graduates prefer high wages it is suggested that they find jobs in first tier cities rather than Yuncheng, but it is much difficulty. On the contrary, to find jobs in Yuncheng with the help of Guanxi is relatively easy. For those graduates with high education levels and relevant certification, they could easily get jobs in Yuncheng with the help of Guanxi. However, as the efficacy of Guanxi is decline recent few years, it become much hard for job seekers to obtain jobs with powerful Guanxi only.

### **6.3 Suggestion for future study**

Firstly, this study was carried out in a China's second tier city Yuncheng and was restricted to the sample size. In addition, most of interviewees are graduates which can only represent to a small proportion of the job seekers. The outcomes cannot be fully applied to other second tiers cities in Yuncheng. Future studies could be carried out in other cities. Second, the research method being used is only

qualitative interviews. The sample size is 20, the findings and analysis are still limited. Therefore, further studies can use both quantitative research method and qualitative research method. Furthermore, as only one interviewee engaged in the private firm, the role of Guanxi on the non-state sector is not answered. Also, the empirical examples of gift giving and 'Qingke' in this research are still limited. Since no one use 'Qingke' during the process of job search, and gift giving is only illustrated by one example. Future studies can enlarge the research sample to explore the role of Guanxi in private sector and further investigate the efficacy of gift giving and 'Qingke'.

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## **Appendix I: Interview Questions**

### **Part 1. Bio-information**

Gender 性别

Age 年龄

Hometown 籍贯

Current occupation 工作类型

Service Length 工作年龄

Education Level 学历

Wage 收入

## **Part 2. Experience about Job Search. Open question**

Through what way to find the jobs. 通过什么方式找工作

Have you get the favour from other. (Eg. Getting the help from parents, family, friends)有没有找人帮忙（得到父母，家人，朋友的帮忙?）

How did you get the job information? 怎样得到工作信息?

Have you changed the jobs? If have, how many times? 有没有换过工作，换过几次?

Can you share your experiences of finding jobs? 可以分享下您找工作的经验教训?

Can you share the experiences of finding jobs from other people you know? 分享一下你周围的人是怎样找工作的?

Are there any experiences make you feel dissatisfy? 有没有经历让您觉得很不满意

## **Part 3. View and suggestion on Guanxi**

What is your opinion about finding jobs by Guanxi? (Gift giving, 'Qingke')您怎样看待通过关系找工作。（送礼请客现象）

Do you think finding jobs by Guanxi is a normal things in Yuncheng? 您觉得在运城这是不是一个普遍现象?

The situations of finding jobs from the people you know 您周围的人通过关系找工作的情况

## **Part 4. View about jobs**

Are you satisfied with your job? Are there any difficulties for you to do the job? Do you feel relax and happy to do your job? 您对自己的工作满意吗？觉得有什么工作困难吗？觉得工作轻松吗？

Do you have the high pressure? (Have you got the pressure from your family and others?)觉得压力大吗？（有没有来自家人或者其他人的压力）

### Appendix II: Participants Profile

Number	Gender	Age	Years of Working	Interview Time (min)
1	male	24	2	60
2	female	23	2	50
3	male	25	2	80
4	male	25	1	60
5	female	24	1	60
6	male	25	2	70
7	male	24	2	60
8	female	24	1	70
9	male	26	3	110
10	male	28	5	90
11	female	24	1	80
12	male	29	4	60

13	male	24	1	70
14	female	24	2	60
15	male	30	8	100
16	female	22	2	50
17	male	24	2	60
18	male	23	2	50
19	female	24	2	40
20	male	25	2	60

### Appendix III: Characteristics of Interviewees

Characteristics	Number of interviewees
<b>Gender</b>	
Male	13
Female	7
<b>Age</b>	
20-25	16
26-30	4
<b>Education level</b>	
Master' s degree and above	1



Bachelor' s degree	13
College and technical school	6
<b>Current occupation</b>	
Government bureau	5
State-owned schools and hospital	6
State-owned enterprise	8
Private enterprise	1
<b>Economic sector</b>	
State	19
Non-state	1
<b>Years of Working</b>	
1	5
2	11
3 or more	4
<b>Wages</b>	
below 1000	6
1000-2000	12
2000 and above	2
<b>Times job changed</b>	
1	4
2	3
3 or more	2