

UNDERSTANDING THE MODERN CHINESE CANDIDATE

CHINA CANDIDATE INTELLIGENCE REPORT | 2ND EDITION

AN OVERVIEW OF THE CHINESE LABOUR MARKET



Demographic pressures and governmental policy reforms have resulted in a profound evolution in China's labour market, which has shown its resilience in the face of the COVID-19 pandemic that is still devastating economies around the world. Despite a sharp spike in the national unemployment rate in the latter half of 2020, it had quickly **fallen back to pre-pandemic levels** by the first quarter of 2021.

This can be attributed to growth drivers such as the rise of the digital economy, increasing governmental efforts to promote entrepreneurship and innovation, as well as an ever-growing service sector with new industries constantly emerging. And with the government **proactively stepping up on job-creation measures** and **extending them** to the end of the year, the job market is expected to remain relatively

stable over the next five years for the 200 million skilled workers in China.

As a result, the scale of recruitment is set to increase, especially in sectors like banking and e-commerce, technology, and the life sciences, where the demand for candidates is fast outstripping supply. Chinese banks **hired tens of thousands of fresh graduates** in 2020 while tech giants **created thousands of new jobs** amid a historic crackdown on the sector.

As competition heats up, it is vital for businesses to better understand the factors that draw a candidate to a job and keep them there. In fact, that was the genesis of this report, the findings in which are based on surveys of candidates of Hays China within the past 6 months.



SOME OF THE KEY LEARNINGS IN THIS REPORT INCLUDE:

Career progression and salary package are by far the most important motivators for candidates looking for jobs.

A candidate's level of work experience directly impacts their priorities and what they look for in their next job.

Candidates overwhelmingly prefer foreign multinational corporations compared to state-owned or domestic companies.

TOP 4 MAIN INDUSTRIES WERE SURVEYED



26%

Life Sciences & Healthcare



16%

Manufacturing



13%

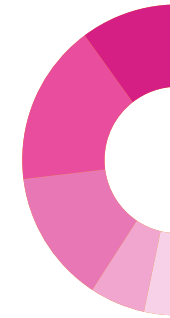
Engineering and Industrial



12%

Technology

YEARS OF EXPERIENCE



19%

Less than 5 years

31%

5-10 years

27%

10-15 years

15%

15-20 years

8%

More than 20 years



01

CAREER PROGRESSION IS A MAJOR MOTIVATOR

Nearly half of the professionals surveyed (46 per cent) picked career progression as the top motivator for seeking a new position, far ahead of the second highest motivator, salary package (16 per cent). These have consistently been the top two motivators for respondents (48 per cent for career progression and 15 per cent for salary package in January 2021).

It was overwhelmingly represented in the segment of junior to mid-level professionals with five to fifteen years of experience, making up 62 per cent of those who picked this as their top reason for seeking a new job. This is par for the course considering that this is typically the period when most people would try to maximise their career development.

Interestingly, a much smaller proportion of professionals overall saw training/development opportunities as a motivator to look for a new job (6 per cent). Likely, these professionals understand career progression in terms of promotions and salary, rather than on the job training.

Global experience seems to be an important factor for respondents, with 76% indicating a preference for foreign MNCs and 45% for foreign SMEs.

TOP FIVE REASONS WHY CANDIDATES ARE LOOKING FOR A NEW JOB



46%

Career progression



16%

Salary package



8%

Work-life balance



7%

Training/development opportunities



6%

Management style and company culture



RECOMMENDATION: SHOW VIABLE CAREER PATHS

Demonstrable career progression is essential to engaging potential candidates and retaining existing staff. To create an effective career progression plan, it is important to work with employees to plot a viable and detailed career path at different points of their time with the company. Make training and development a formalised process and show positive support for employees to take a few hours a week to attend webinars or take short courses with the goal of advancing their careers.

02 SALARY MATTERS

Salary package emerged as the second most important reason for seeking a new job after career progression for all respondents regardless of experience level, current drawn salary, or size of bonus package. Given [increasing living costs in first-tier cities](#) and how larger salaries are closely tied to job satisfaction and better quality of life, it comes as no surprise that Chinese professionals are placing a high value on salary package. This is in fact a [common observation outside of China](#), although job seekers are more [willing to compromise](#) now as businesses recover from the effects of the pandemic.

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92 per cent of the professionals surveyed expected a pay rise over the next twelve months. This belief seems well-founded considering the current positivity of the Chinese economy. There are indicators that domestic small, medium enterprises in particular are doing well, beating Chinese MNCs and foreign SMEs in employees' predictions of salary increases. Meanwhile, there were more reports of a decrease in salary in the next twelve months among employees of state-owned enterprises and foreign SMEs.

◆
Offering more money is a short-term fix. Instead, focus on benefits that are personalised to employee needs.
◆



RECOMMENDATION: COMPLEMENT SALARY WITH BENEFITS

Companies looking to attract top tier talent should consider making salary and bonus information as well as other benefits clear and quantifiable, if not on the job ad, then in early conversations with prospective candidates. In terms of retention of current employees, a transparent performance review process tied to salary increment would be beneficial. Businesses that are less flexible on compensation could compete with other perks like flexible working hours and working methods, stock options, higher number of paid leave days, or even free or subsidised housing.



03 WORK EXPERIENCE CHANGES PRIORITIES

There is a distinct contrast in priorities for professionals who have just started their careers versus those who have been working for some time.

With career development and salary out of the equation, younger professionals with less than five years of experience demonstrated a preference for training/development opportunities, compared to those with more than 20 years of experience.

Similarly, the proportion of career starters who saw benefits such as healthcare insurance and allowance as an important motivator was ten times that of senior professionals.

On the flip side, management style & company culture, job security, and new challenges, which were top priorities for senior professionals seeking new positions, were a lot less important to young professionals.

LESS THAN 5 YEARS OF EXPERIENCE

- Preference for training/development opportunities
- Benefits such as healthcare insurance and allowance



MORE THAN 20 YEARS OF EXPERIENCE

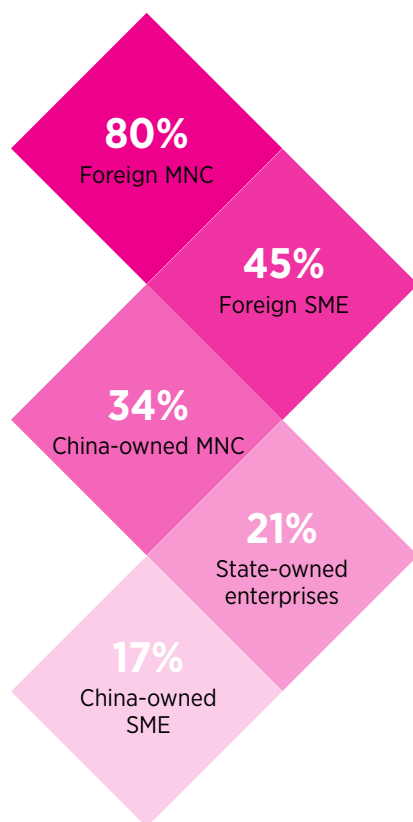
- Management style & company culture
- Job security
- New challenges



RECOMMENDATION: ONE-SIZE-FITS-ONE TALENT STRATEGY

What people look for in their jobs change as their priorities outside of work change, so it is crucial for businesses to understand and cater to the differing wants and needs of employees. Start by understanding the psychographic profile of employees, not just by their amount of work experience, but also what motivates their performance at work. Some might prefer minimal disruptions in their day-to-day, while others relish challenges. Regardless, what this means is the need to thoroughly understand what motivates every individual employee.

PROFESSIONALS PREFER TO WORK AT THESE COMPANIES:



04 FOREIGN MNCS VS. DOMESTIC COMPANIES

Over three quarters of professionals surveyed indicated a preference for foreign MNCs (multinational corporations) when it came to looking for a new job. This is likely because of the perception of foreign MNCs being able to provide formal, structured career development plans to their employees, with the bonus of global experience.

Employees working in foreign MNCs also rated their companies' diversity and inclusion (D&I) policies highly, while more employees of domestic SMEs and state-owned enterprises said they were inadequate or unacceptable.

Notably, respondents seem to lean toward the company type they are currently working at when time comes to switch jobs.

Still, there are a few sectors where domestic companies are more preferred. The robust environment in sectors like technology and life sciences is seeing these professionals increasingly choosing domestic companies, particularly start-ups for the growth opportunities offered as these companies typically provide a larger job scope and an accelerated career path.

RECOMMENDATION: FOCUS ON EMPLOYER BRAND

Foreign or domestic, companies need to take a multi-pronged approach to sell themselves to potential talent and to keep existing employees as well. A strong employer brand significantly impacts the perception of a company and its corresponding ability to hire top quality talent. Investing in activities that showcase employer branding would help to differentiate the company from competitors and stay top of mind for potential employees.

ABOUT HAYS CHINA

Hays Specialist Recruitment (Shanghai) Co., Ltd. is one of China's leading recruitment companies in recruiting qualified, professional and skilled people across a wide range of industries and professions.

Hays has been in China for over a decade with operational offices in Shanghai, Beijing, Suzhou, Guangzhou and Shenzhen. We boast a track record of success and growth, dealing in permanent positions across 14 different specialisms, including Accountancy & Finance, Banking & Financial Services, Digital Technology, Engineering, Finance Technology, Human Resources, Information Technology, Legal, Life Sciences, Marketing & Digital, Office Professionals, Procurement, Supply Chain and Sales. Hays China was named Best Workplace™ and Best Workplaces™ for Women in Greater China 2019, and ranked one of the Best Workplaces™ in Asia by Great Place to Work® in 2020.

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