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CAREER PATHS OF CHINESE MIDDLE MANAGERS

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Career Paths of Chinese Middle Managers

The following statement continues a series of monographs published at The Business School, The University of Michigan. Previously, publications have appeared under the following titles: "A Managerial Profile: the Woman Manager" (1985); "A Managerial Profile" (1984); "The Newly Promoted Executive: A Study in Corporate Leadership" (yearly, 1983-1987); "A Managerial Profile: The Asian Manager" (1987b); and "A Review of Managers in U.S. Industries" (1987a). The following statement is limited to Chinese managers' career paths which is first in a series of four--the others pertaining to their education, sociological patterns, and lifestyles--and is prefaced by almost identical background material as stated in the other three research statements.

All the above studies, including the 436 Chinese managers described in this statement, responded to similar questionnaires in order to permit both longitudinal and cross-comparisons. Accordingly, the final data base resulted in 436 Chinese managers, 282 males and 150 females (4 did not indicate their sex), who were compared with 6,223 U.S. managers; 319 Asian¹ managers; and 8,720 U.S. top-level executives such as Chairmen, Presidents, and Vice-Presidents. Data summaries of the monographs have appeared in scholarly journals, professional association publications, and in newspapers and periodicals in the U.S. and in foreign countries.

Two goals underlie the research: (1) to create a descriptive profile of the Chinese manager's career path, particularly those located in Beijing; and (2) to compare the career paths of Chinese managers with comparable Asian and U.S. managers.

If those two goals are met, the preeminent goal will result in better understanding of and communication between those managers who have significant business interchanges across national boundaries. Understanding both similarities and differences in managerial style creates opportunities for improved commercial relationships and understanding between people. To achieve these goals, the statement focuses on two background statements and four topics relating to career paths as based on questionnaire responses.

BACKGROUND

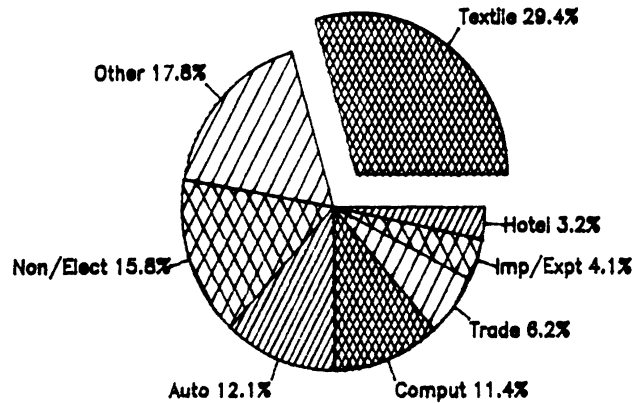
Industries Represented

Over thirty-one manufacturing and non-manufacturing Chinese industries are represented in the sample. Because the focus was upon specific industries, the majority of responses came predominantly from seven which closely participated in the study: Textile Manufacturing (29.4 percent); Non-electrical Machinery (15.8 percent); Automotive Manufacturing (12.1 percent); Computer Technology Manufacturing (11.4 percent); Wholesale Trade (6.2 percent); Import/Export Services (4.1 percent); and Hotel Management (3.2 percent).

The remainder of the sample (17.8 percent)--often with few persons in the group--came from diverse categories such as the government, education, and the legal area.

Thus the data are more representative of manufacturing managers rather than non-manufacturing, somewhat influencing the conclusions drawn in later analyses. Simply for contrast, in 1952, 56.9 percent of the gross output value of China stemmed from agriculture and only 15.3

Chinese Industries Studied



percent from heavy industry. By 1985 those data showed an agricultural decline down to 34.3 percent of gross output value but an increase in heavy industry to 35 percent. (Statistical Yearbook [China Stat], 1987, p. 20)

An interesting fact is that in only the textile industry do women managers outnumber the men: 51.2 percent to the males' 48.8 percent. Overall, the one-third female managerial presence is quite parallel to U.S. and Asian managers where 20 percent of the managerial workforce were women (Hildebrandt, Miller, Edington, 1987a, 1987b), but slightly lower than the data cited in the Statistical Abstract of the United States [Stat Abst U.S.], (1987), which suggest females hold 42.7 percent of the managerial and professional positions. In Great Britain 20 percent of the managerial workforce is women. (Davidson & Cooper, 1987). Total Chinese women in the workforce in 1985 was 36.4 percent of the total labor force. (China Stat, 1987, p. 103)

If there is a bias toward sexual stereotypes and type of industry, it is that Chinese women are disproportionately represented in the

textile field. On the other hand--and to the credit of China's insistence on the omission of sexual stereotypes across industry lines-- women are represented in managerial positions in many industries.

Enterprise Size²

It is not difficult to aver that the data represent larger industries, a precise two-thirds (66.6 percent) of the managers coming from firms in excess of 2,700 employees. In part this skewed information is due to accessibility; the larger firms being easier to contact for purposes of the study.

There is currently discussion on how to measure the size of Chinese enterprises. Some suggest that on the basis of employee numbers 3,000 and above is large; 500 to 3,000 medium; and below 500 a small enterprise. We had no way of knowing the gross operating revenue of the enterprises studied, so the classifications which follow are more labor rather than capital-intensive. If classification were on the basis of gross operating revenue--a common measure for size in the U.S.--some Chinese feel a large company would gross in excess of 50 million yuan; a medium enterprise 5 to 50 million yuan; and a small one less than 5 million yuan. But no formal government statement for the moment is forthcoming.

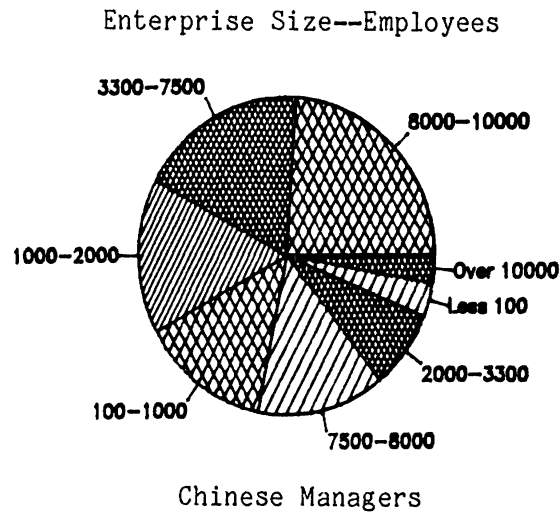
An exact number of the enterprises surveyed and their number of employees is seen in the following table.

Table 1

Enterprise Size by Employee Number

<u>Employees</u>	<u>Percentage</u>
Less than 100	3.4
100-500	10.0
500-1,000	4.0
1,000-2,000	15.8
2,000-3,330	8.0
3,330-7,500	18.2
7,500-8,065	14.0
8,065-10,000	23.5
Over of 10,000	<u>2.9</u>
	100.0*

*Rounding will sometimes result in percentages greater or less than 100%. In some instances a very precise number-of-employee figure was used by respondents, that common figure being given the managers by top management.



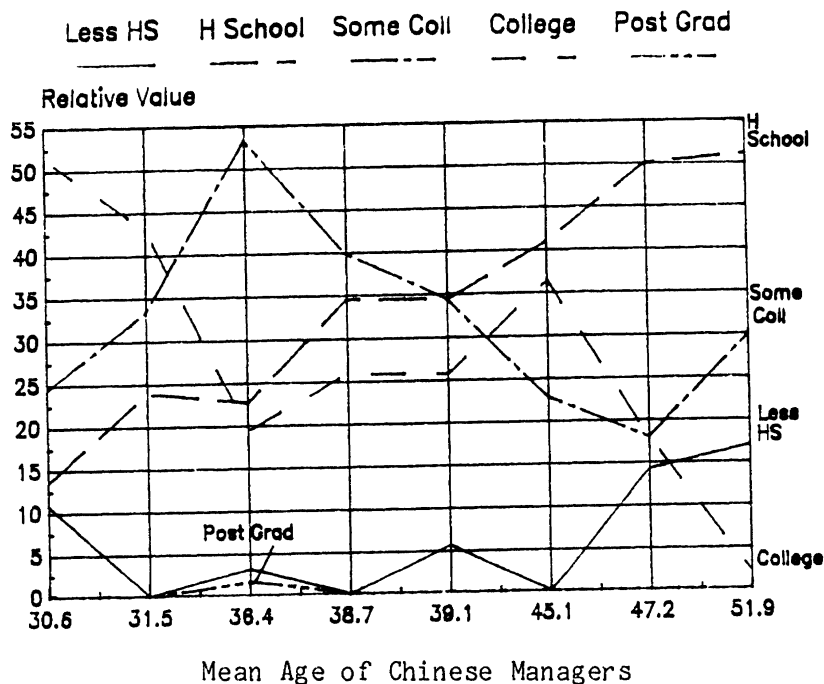
Time Spent With Present Enterprise

General Secretary Zhao Ziyang in speaking to the 13th National Congress of the Communist Party of China on October 25, 1987 made these statements:

Basically, the development of science and technology, the revitalization of the economy and indeed the progress of the whole society all depend on improving the quality of the work force and training large numbers of competent personnel. Education is of fundamental importance to the fulfillment of our great long-range mission. We must therefore continue to stress the strategic role of education and do a better job of tapping intellectual resources. As the economy develops, the state should increase year by year the funds allocated for education, while continuing to encourage people from all walks of life to raise money to set up new schools. We should stick to the principle that education must serve socialist modernization. [Zhao, 1987]

Educational data, correlated with the years spent with the present employer—in the manufacturing and non-manufacturing categories noted in question one—suggest that none of the managers with an enterprise in excess of 25 years had a post-graduate³ degree. For example, in 1952 there were only 2,763 graduate students (China Stat, 1987, p. 629) compared with 87,331 enrolled in 1986. Moreover, within that same span of years, nearly a third (31.3 percent) had less than a high school

Education/Age Comparison



education. Predictably, with China's increased national emphasis on education, the younger managers--mean age 31.5, and employed in a company less than one year--obtained an undergraduate education (42.9 percent). Those young employees with an enterprise 1-5 years--mean age 30.6--have the highest undergraduate degree percentage, 51.4 percent.

In other words, younger managers are better educated than their older counterparts. For instance, only 20 percent of the managers with a company in excess of 15 years obtained an undergraduate degree.

Yet a lack of mobility characterizes the Chinese manager: just over a quarter (27.7 percent) of them spending in excess of 21 years with the same enterprise. Asian and U.S. managers in excess of 21 years with a company had respective percentages of 2.8 and 12.7, the Asians suggesting thereby even more mobility than the U.S. Of the 141 managers working in Beijing, 95 percent of them were born in Beijing; thus, only 5 percent of the managers came from outside the city, for three potential reasons noted in the following paragraphs. Only 1.7 percent of Chinese female managers working in Beijing came from outside the city, again attesting to the axiom that females particularly born in Beijing work in Beijing.

A brief statement of the communist worker's dependence (Walder, 1985) on the enterprise is in order, for several factors do and often did have an influence on the longer time in grade of the Chinese managers when compared with other managerial systems.

(1). Economically a state-owned factory in China is influenced via central government planning, suggesting that a high degree of control over the enterprise and the employee is centrally administered.

for a manager to leave his or her place of work is possible but economically infeasible for in so doing the manager would lose seniority--if he went to a collective or private enterprise--and have to begin anew in his or her other position. If another state enterprise would accept them the seniority would carry over, but to be accepted is no minor task. Additionally, a housing move most likely would be involved, moving to the housing units of the new unit; this too would require approval. Finally, to give up many state supported benefits--if one wished to move to a collective enterprise--could result in loss, for instance, of death benefits, minor dependent benefits, and usually a decrease in old-age pensions. Worker welfare via the enterprise is not an easy perquisite to omit, particularly because some enterprises are total working and living environments. (Schermerhorn, 1987; Nelson and Reeder, 1985) Economic reasons become forceful motivations for remaining in the same unit, regardless of personal likes or dislikes.

(2). Politically the Party has a parallel structure to the central government's structure and role within Chinese enterprises. Workers' political attitudes are observed and evaluated in addition to one's work, in part illustrated in a statement by Committee Secretary Xing Chungzhi (Top Cadres, 1987) of Hebei Province:

We are not accusing these young cadres of being good for nothing or that all of them are bad, but there really exists a problem of upgrading their ideological and political quality. Education in the basic principles of Marxism-Leninism is a most fundamental education which must never be overlooked.

Such a political oversight group includes a second form of employee control, influencing promotions, raises, and in some instances denying approval of leaving an enterprise.

(3). A third reason for lack of mobility is migration policies. Workers, managers included, may more easily move from larger cities as Beijing, Shanghai, or Tinanjin to medium sized cities, to smaller cities, to towns, to the countryside. But to move in reverse order is difficult, those constraints being enacted in the 1950's in an attempt to control large migrations to the cities, where were located the industries and larger cooperatives. Indeed, neighborhood committees keep track of the number of persons within a home/apartment to ensure no additional friends or family members move into the area.

In short, individual mobility may be desired, but the impediments imposed via central planning, the Party, and migration policies are exterior constraints over which the manager has little control, forcing him or her to remain in the same position much longer than in western countries.

Adding the factor of age produces no surprises: the older aged managers have been with a firm longer. Managers in excess of 30 years had a mean age of 51.9; those with the same enterprise 26 to 30 years had a mean age of 47.2.

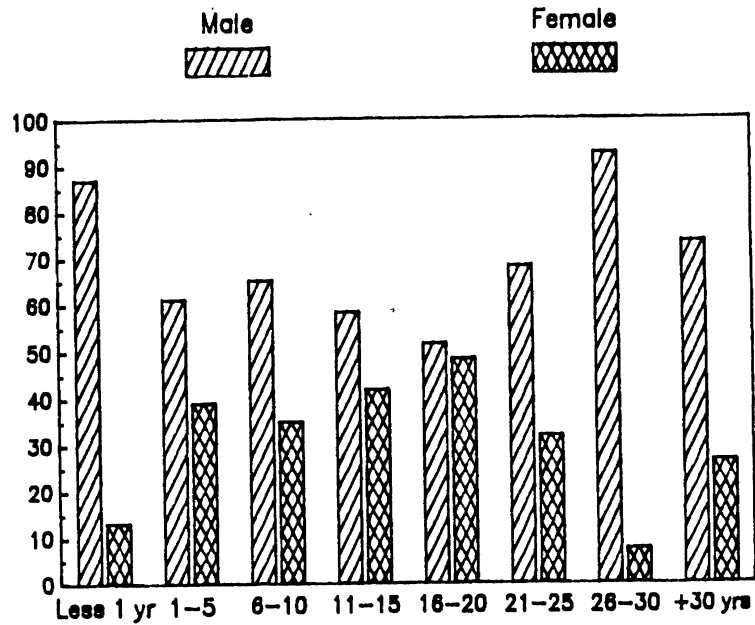
Table 2 lists the number of years with an employer along with the sex, mean ages, and education of the managers.

Table 2

Years with Enterprise, plus Age, Sex, Education

Years	Sex		Education					Age	
	Male %	Female %	Less than H.S.	H.S.	Some College	College degree	Post-Graduate	Mean	
Less than 1 yr.	5.3	87.0	13.0	--	23.8	33.3	42.9	--	31.5
1-5	30.4	61.1	38.9	10.8	13.5	34.3	51.4	--	30.6
6-10	14.5	65.1	34.9	3.2	22.6	53.2	19.4	1.6	36.4
11-15	8.3	58.3	41.7	5.7	34.3	34.3	25.7	--	39.1
16-20	13.6	51.7	48.3	--	34.5	39.7	25.9	--	38.7
21-25	10.1	68.2	31.8	--	40.9	22.7	36.4	--	45.1
26-30	6.5	92.6	7.4	14.3	50.0	17.9	17.9	--	47.2
Over 30	11.3	73.5	26.5	17.0	51.1	29.8	2.1	--	51.9

Years with Enterprise



Chinese Managers

CAREER PATHS

1. Length of Time in Previous Position

Lack of mobility for the Chinese manager is further supported when viewing the time spent in a previous position. However, opportunities for promotion will increase if at least one of General Secretary Zhao's economic reforms and his managerial criterion for reward can be implemented:

Select qualified managers through competition, and reward or penalize them mainly according to the economic performance of the enterprises, including the increase or decrease in their assets, so as to help a large number of capable and daring entrepreneurs to emerge in the course of keen competition for markets. (Zhao, 1987)

Review of the data suggest that the level of education makes little difference as to the rate of promotability within a company as both lesser educated persons of at least a high school education and those with an undergraduate degree spent similar amounts of time in their previous positions.

Vividly different than their Asian counterparts, 27.4 percent of Chinese managers spent 15 or more years in a previous position, 13.8 percent, 11 to 15 years; and 10.7 percent, 6 to 10 years, suggesting that promotions and movements laterally or vertically come slowly when compared with other Asians. Only 6.9 percent of the Asian managers, for instance, were in their previous position 15 or more years.

Long lengths of time spent in previous positions are a result of the current managerial system. It is difficult to leave a company; it is difficult to move from one position to another; it is difficult to change any pattern once the worker has a given role within an industry. Nelson and Reeder (1985) assert that at least 90 percent of the Chinese

workforce remains at the same position, only personnel selected for managerial roles assuming different jobs for training purposes. One manager according to Nelson and Reeder (1985, p. 21) stated, "We believe a worker should do one kind of work. Some work is complicated. He will do it better and have better suggestions than if he knows only a little about several different jobs."

Three major options for moving out of an enterprise are possible:

(1). An employee proves him or herself so competent that they are asked to move from their present workplace--usually defined as a physical location--to another workplace within the same enterprise under the same ministry. For instance, a textile manager of factory #1 ultimately responsible to the Ministry of Textile could be promoted to a higher position in textile factory #2 as determined by leaders at a higher level. In other words, a higher level of authority most often makes the decision to promote an employee, the employee having little force in changing his or her position.

To move to another workplace in another enterprise under a different ministry is more difficult, regardless of managerial competence. A higher level authority must give approval of a change in position.

(2). Some managers selectively curry the favor of leaders, specifically the president and the Party secretary of the workunit, often through various forms of support. It is not unheard of for networks to flourish in some enterprises, promoting some employees who are looked upon favorably regardless of job competence. To incur disfavor from higher authority can have severe effects: perhaps slowing promotions, losing face, or even resulting in a job transfer (Chesanow, 1985).

(3). Employees below the age of 25 may want to apply for a college entrance examination hoping thereby to remove themselves from the company position in which they currently work. If they pass the college entrance examination, the employees then attend college, at the end of which the government assigns them a new position--as based on several employee ranked choices--to an enterprise which is in need of their expertise.

Currently there is dissatisfaction among some students who pass their entrance examinations and obtain a higher education, especially in the U.S. China Youth News noted, "We are a country with a severe

shortage of qualified personnel. Yet in many places a large amount of talent is kept idle and wasted." (Gargan, 1987). For instance, some Chinese students worked hard to obtain an MBA degree and returned to China, but then were assigned managerial positions which did not make good use of their advanced business training. Indeed, currently within the U.S. there are over 30,000 Chinese students and visiting scholars, some of whom may delay their return for fear of not receiving a position commensurate with their advanced academic training. Recognizing the issue, top Chinese leaders including acting Prime Minister Li Peng, have given priority to investigating the problem. (Gargan, 1987).

Lack of job opportunities commensurate with academic training is also a criticism leveled by students of some Chinese universities. Limited job opportunities and assignment of all but a few positions by the State (Ignatius, 1987) is causing increasing concern on college campuses. Increasingly, educated students, those who are potential managers and leaders by virtue of their education, seek more of a say in job allocation, an area affecting them directly.

Currently, Chinese readers are aware that changes are underway to permit higher educated students to select their own jobs after graduation. A recent meeting (January 1988) of the State Education Commission has implemented a new policy to begin in 1993 of supplying employers with information on higher educated students. On the other hand employers will supply the Commission with their employment needs. As a result, prospective students will be able to select a job based on those openings, and, after having passed an employment examination, will be able to sign an employment contract. Beijing's Quinghua University

and Shanghai's Jiaotong University will immediately try out the new system. (College Graduates to Choose Jobs, 1988).

Special incentives will be offered those students who elect to work in remote and backward areas of the country.

It also seems that institutions of higher education will be influenced through students selecting their own positions. For instance, if many enterprises request students trained in certain subjects and the institutions have not offered those subjects, those students may have a more difficult time locating a job. Hence, institutions may begin to alter their curriculums to meet the needs of the enterprises.

Once in a unit it is difficult to move out of that unit; there is rigidity in the system which encourages, indeed supports employees remaining life-long with the enterprise recommended to him or her by the government. Hence, Chinese managers, in comparison to their U.S. and Asian counterparts, are limited in their ability to move out of the enterprise selected for them. However, radical changes in the current lifetime job security structure (Bronfenbrenner, 1984) will apparently be met with resistance because the "iron rice bowl" (life-long job security) concept is now strongly entrenched in the workers.

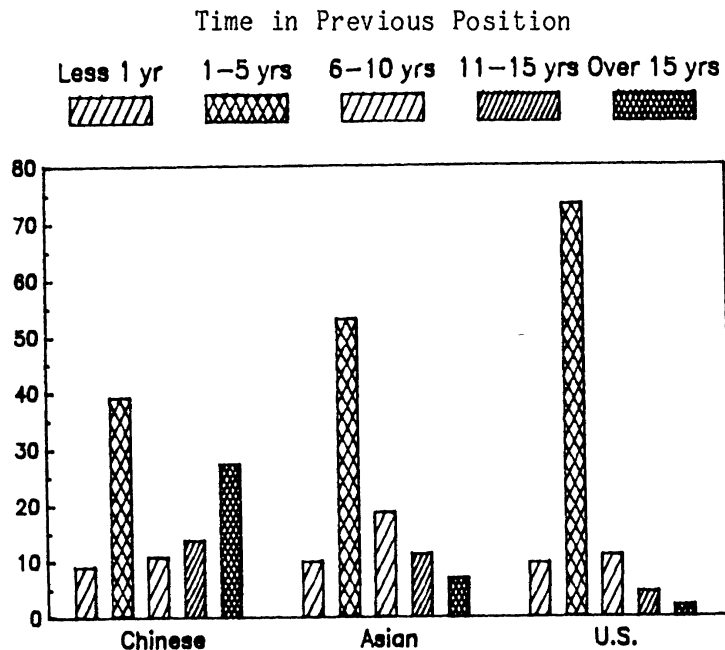
Nevertheless, there are winds of change blowing through Chinese enterprises. (Adoption of Labor, January 4, 1988) One variation is the contract concept whereby employees/managers contract on their own with an enterprise--say for as long as three years--for an agreed upon sum of money and other benefits. At the end of their contract they may be asked to remain or are released to search out another enterprise,

including possibly joint venture firms who because of the gradual liberalization of the labor market, may recruit competent people if housing and other perquisites are available. (How PRC Joint, January 18, 1988) Such changing of employer locations, while giving employees an opportunity to change positions also jeopardizes their life-long work concept and could result in a group of migrant workers/managers. Some argue that 3 percent of the contract workers are looking for new jobs, seeking new contract opportunities on the expiration of their previous contract. (Chip Off the Old Bowl, 1987).

Comparative data for time spent in a previous position appears in the following table.

Table 3
Time in Previous Position

Time	Chinese	Asian	U.S.
Less than 1 yr.	9.0%	9.9%	9.6%
1-5 yrs.	39.1	52.9	73.0
6-10 yrs.	10.7	18.6	10.9
11-15 yrs.	13.8	11.2	4.5
Over 15 yrs.	27.4	6.9	2.0



2. Areas of Responsibility

One of the revealing indices for tracing the careers of U.S. and Asian managers and U.S. executives is their career movement through functional areas. The Chinese study uses those same tracking criteria but adds an additional one not found in western societies: political and ideological responsibilities, two micro areas holding significant positions in macro governmental and political structure. This background is important to understanding the specific career paths of Chinese managers.

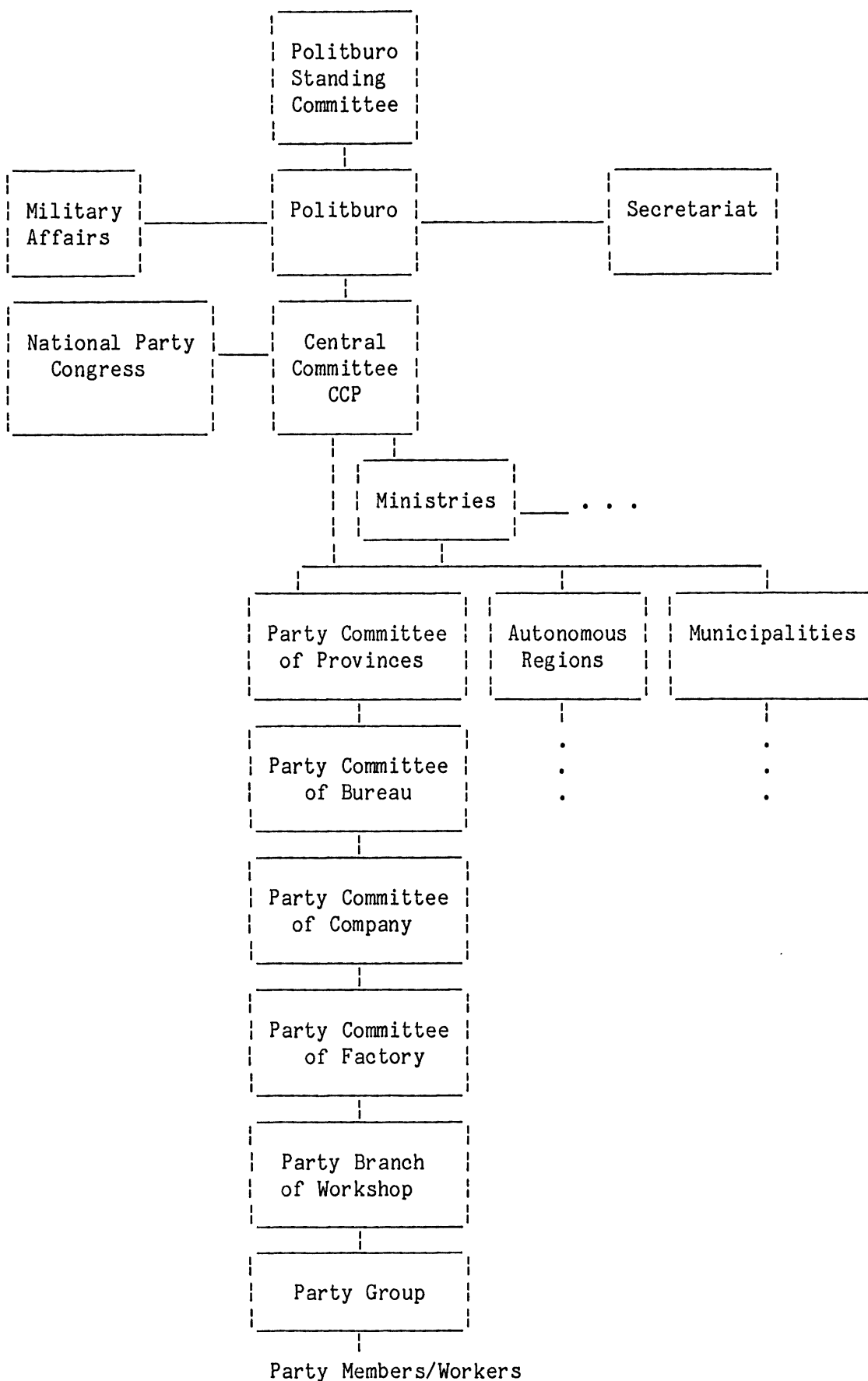
Chinese Communist Party

To understand the Chinese Communist Party (hereafter referred to as the CCP) and its influence in business, the following simplified diagram suggests a structure parallel to the government.

General Secretary Zhao heads a standing committee of the Politburo which in turn is responsible to the Central Committee of the CCP. Central Committee doctrines are disseminated to the Ministries, the Bureaus, the Provinces, the Autonomous Regions, the Municipalities, the Companies, the Factories, the Workshops, and the Party Groups. On each level are located CCP members, each working to ensure adherence to and seeking support for the communist principles laid out by the top echelon Politburo Standing Committee.

Consequently, some CCP party secretaries are present in factories to act as oversight persons ensuring acceptance of political and ideological principles of the party. Few do manual labor, few engage in direct production activities, labor over a machine, or operate advanced technological devices. They instead are within factories for four core purposes:

Chinese Communist Party



- (1). To communicate higher level instructions and documents summarizing doctrines of the party, disseminating these throughout the organization, at all levels, to all workers.
- (2). To organize discussion cells wherein communist doctrines may be reviewed and communicated. An example would be that General Secretary Zhao's October 1987 speech could be reviewed and analyzed by factory members of the CCP and non-members.
- (3). To act as an oversight group, determining that the principles of the CCP are implemented and adhered to with minimum diversions. Some Chinese suggest that exactitude to communist principles is a requirement within any factory if that factory is to be truly communist. Adherence to four cardinal principles must also occur, as they are the political and ideological touchstones which a CCP member uses as a yardstick: (1) Keeping to the socialist road; (2) Upholding the people's democratic leadership; (3) Accepting leadership of the communist party; and (4) Accepting Marxism-Leninism and Mao Zedong thought.
- (4). To enlist new members of the factory into the CCP, and if the potential members are accepted, thereby enlarge the party base in the factory.

One can quickly see that this ideological path places individuals whose sole purpose within units is not to oversee production, rather obtain adherence to and support for communist principles. When 133 enterprises were asked (Han and Ma, 1981; Xiao, 1981) which factors contributed to the "good" performance of their enterprise, nonintervention of the Party committee in administrative matters was a positive factor. Thus Party intervention and its separation from enterprise functioning was an early theme, later carried forward by General Secretary Zhao (Zhao, 1987) in October 1987 along with six other points concerning needed reforms:

- (1). Separating Party and government
- (2). Delegating powers to lower levels
- (3). Reforming government organs

- (4). Reforming the personnel system relating to cadres
- (5). Establishing a system of consultation and dialogue
- (6). Improving a number of systems relating to socialist democracy
- (7). Strengthening the socialist legal system.

(Zhao, 1987)

Therefore, the government is aware of the current influence of Party secretaries and overlapping responsibilities. On the other hand, workers whose sole effort is directed at political/ideological persuasion recognize the importance of that position and are reluctant to give it up. In the current study 4.7 percent of the managers began their careers in the political/ideological category; that position represents a major divergence from Asian and U.S. managerial groups. More significantly, over one quarter (27.3 percent) of the Chinese managers later suggest that the political/ideology area is one of the fastest routes to positions of importance within an enterprise, a promotional track unheard of in the west, yet one which even young managers consider a significant avenue for their promotion. Lindsay and Dempsey (1985) include a revealing statement by a student:

Political education is an indispensable part of our motivating strategy. Because our country is poor, we have to educate people to cherish novel ideas as one of the motivating forces in their work while making every effort possible to improve people's livelihood.

We Communists believe that there is something else besides the satisfaction of people's basic needs, which can also motivate people to show what they really can do. So, we should never forget, while trying to satisfy the basic needs of the people, our political education of the people. We educate our people with Communist spirit, mobilize them with the spirit of self-reliance, and arouse their enthusiasm with patriotism.

Central Government Operation

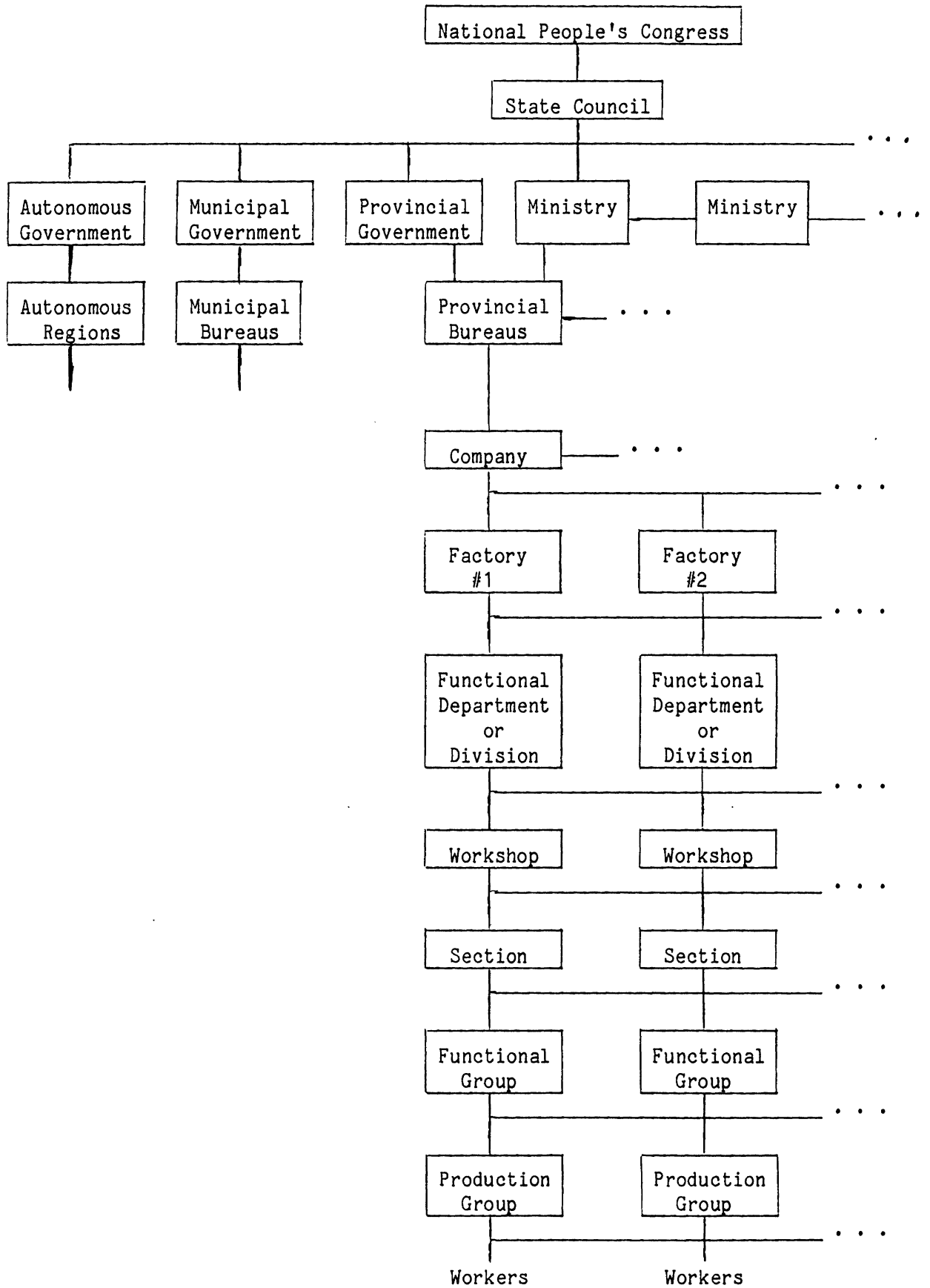
In order to see the interrelationships between the CCP and government operations, and the bureaucracy occasioned thereby, the following chart briefly lays out the structure.

Theoretically the National People's Congress is the ultimate governmental authority on the national or central government level. That authority, in turn, extends down to the 21 provinces, 5 autonomous regions, and the 3 municipal governments of Beijing, Shanghai, and Tianjin being treated as a Municipality. Day-to-day operations of the central government are handled through the State Council and the numerous Ministries, such as the Ministry of Textile Industry, Ministry of Light Industry, or the Ministry of Petroleum Industry, plus other commissions, committees, and bureaus. (Saich, 1981, p. 128) Thus, for example, some of the managers in this study are under the control of the Ministry of Textile.

At the next level--the autonomous regions, municipalities, and provincial governments--there is an almost parallel structure to that of the central government. (Jan, 1966; Richman, 1969) Day-to-day operations are handled by respective governments who in turn oversee many bureaus, comparable to the responsibilities of the Ministries. Beyond the Province, for instance, are somewhat parallel structures for the county and city.

Ultimately comes the company, i.e., it in a sense is the corporation in charge of similar types of factories producing similar products, and in a real sense relate to the various governmental levels described above. Take one example, that of the R&D (Research and

Central Government Organization



Development) function. At the Ministry of Textile level there are four institutes with 1,078 workers in this function alone; in the Ministry of Machine Building there are 61 institutes and 41,749 workers (China Stat, 1987, p. 662). In fact, as of 1986 there were 744 R&D agencies with a total of 336,062 workers under control of the State Council.

Within the factories are the functional departments or divisions-- e.g., production, sales, planning--and beneath them in decreasing size and more specialization are the workshops, sections, functional groups, production groups, and finally the workers. Most middle managers in this study came from the factory through the workshop level, or at the level we would call upper middle-management.

Even in this over-simplified presentation of the government's planning role in Chinese enterprises, it does not take long to see the stifling bureaucracy and diminished decision-making power of the managers as China makes progress in modernizing its management system. (Walder, 1985; Wang, 1986; Engle, 1986; Laaksonen, 1984; and Jones, 1984). Concern about the current bureaucracy was one of General Secretary Zhao's themes, "Chief among these [some problems in the current structure] defects are overconcentration of power, a serious degree of bureaucratism, and feudal influences that are far from eliminated." (Zhao 1987).

Managers thus face several authorities: the communist party of China which is present at all levels, and the central government planning through its ministries, bureaus, and commissions. It is this very overlapping, this party-government pluralism which produces managerial confusion that General Secretary Zhao wishes to change: "But

one long-standing problem has not yet been completely solved: the lack of distinction between the functions of the Party and those of the government and the substitution of the Party for the government." (Zhao, 1987) General Secretary Zhao's seven points reviewed previously in the discussion of the CCP of China are intended to remove some of the deficiencies engendered by the current structure.

The preceding background provides a glimpse of the government and party structure in which Chinese managers pursue their careers. Two of the following career questions of managers within that structure are factual; the other two are individual managerial suggestions concerning their careers within the above-described system.

First Career Position

As with their U.S. counterparts, Chinese managers--at least in the sample for this study--began their careers in the area of Production/Operations. This is not unusual inasmuch as most of these managers represent manufacturing industries. Areas of less emphasis for first jobs include Law, Research and Development, and Computer/Information Systems. Sexes are about equal in beginning in Production/Operations (males, 48.3 percent; females, 53.5 percent).

Current Career Position

Both Chinese and U.S. managers move from initial career positions to other areas, the former moving into General Management/Administration and U.S. managers into Marketing/Sales. A hypothesis occasionally given for the U.S. shift is that there is immediate visibility, employees in these areas receive immediate feedback on success or failure, and with success comes recognition from superiors.

Lack of mobility distinguishes the Chinese managers from their Asian and U.S. counterparts. For a long time (today there is a bit more flexibility) few Chinese were given a choice of career paths. They were instead told which area, which position, which enterprise needed workers. Hence, most managers in this study reflect positions assigned them as based on the perceived needs of central planning, for managers and the approximately 22 million youths (Engle, 1985) who enter the workforce each year.

Should high school students and those under age 25 elect to attend college via an entrance examination, the decision as to where they will work is delayed until after graduation. However, upon graduation, the State, in most instances, offers the graduate several options for work. Jobs are virtually guaranteed after graduation, but not necessarily in the area for which the student has prepared.

Fastest Route Up

When given a private choice, Chinese managers suggest that two career paths help get one to the top of an organization quickly: General Management/Administration and Political/Ideology. Then come the areas of Production/Operations and Marketing/Sales. While corporate law is minimal in the system and the use of computers is slowly gaining momentum, that may account for lesser interest in considering Law and Computer/Information Systems as an avenue for quickly moving up within an enterprise.

Significant is the managers' concept that the route to the top of an enterprise can be hastened when choosing a career path following the Political/Ideology pattern, discussed in some detail above. A quarter

of the managers feel influence can be achieved through the Political/Ideology path. Thus they must be competent to be assigned by the government to a position and at the same time a good communist. Clearly, party and government overlap, both influencing business.

By contrast, U.S. managers opt for Marketing/Sales, then recommend Production/Operations as the fastest route to the top. About an equal percent of the Chinese males (26 percent) and females (29.8 percent) suggest Ideology as the fastest route to the top.

Starting a Career Over

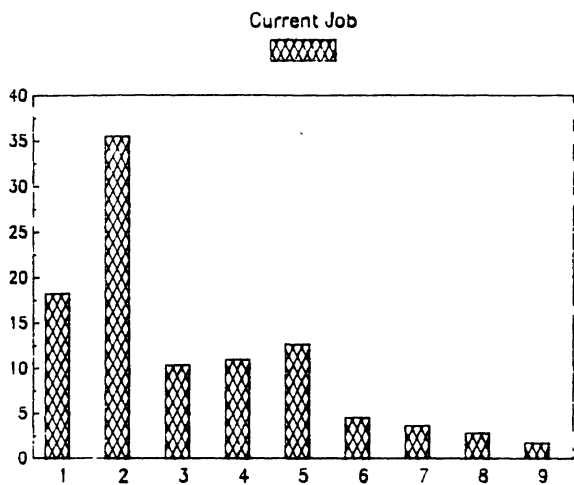
Nearly one-third of the Chinese managers--both male and female, and if they had the option--would begin their careers in General Management/Administration, where initially few began their careers. And as China modernizes and as managers recognize the impact of modern technology, one out of ten (13.5 percent) would focus on Computer/

Table 4
Career Patterns

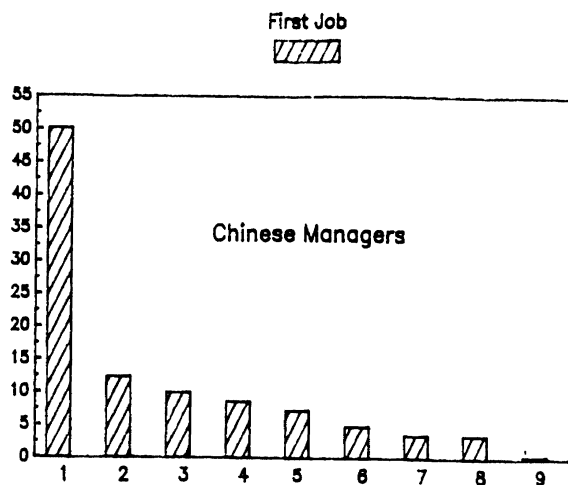
Functions	First Job		Current Job		Fastest Route Up		If Starting Over	
Production/Operations	50.1	(25.0)*	18.2	(16.1)*	12.6	(19.7)*	10.3	(16.2)*
General Management/ Administration	12.3	(6.2)	35.5	(14.1)	32.4	(12.4)	32.6	(10.0)
Finance/Accounting	9.9	(11.9)	10.3	(8.4)	3.8	(8.4)	6.3	(9.6)
Marketing/Sales	8.5	(19.0)	10.9	(21.2)	11.3	(33.5)	10.3	(25.8)
Personnel/Labor Relations	7.2	(8.3)	12.6	(20.1)	4.8	(10.3)	6.6	(13.4)
Political/Ideology	4.7	--	4.5	--	27.3	--	9.1	--
Computer/ Information Systems	3.5	(5.0)	3.6	(5.3)	2.0	(7.3)	13.5	(9.1)
Research and Development	3.5	(10.0)	2.8	(6.3)	4.1	(3.5)	6.0	(6.4)
Law	.3	(1.1)	1.7	(0.7)	1.7	(0.9)	5.3	(5.1)

*Percentages for U.S. managers are noted in parentheses.

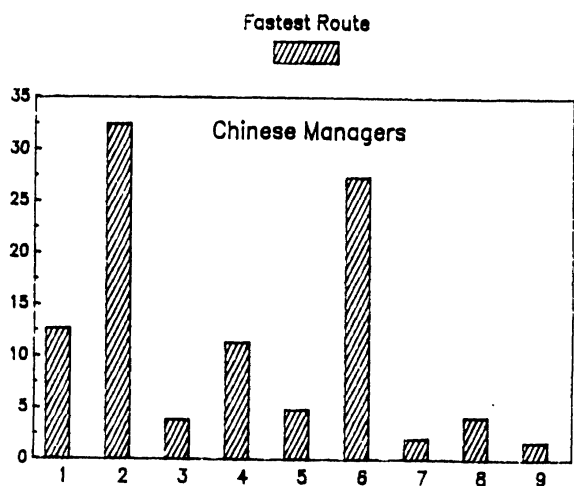
Career Patterns--Current Job



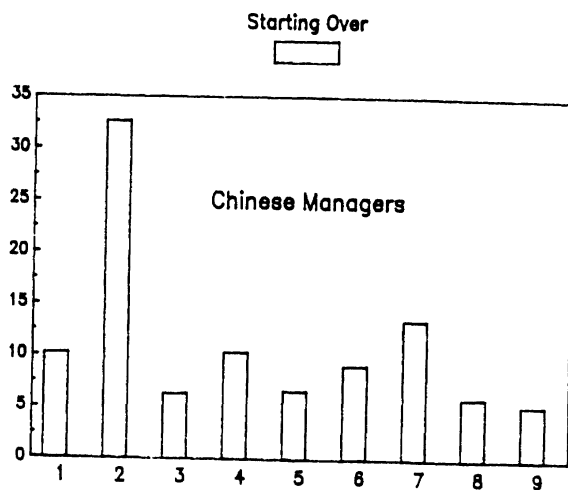
Career Patterns--First Job



Career Patterns--Fastest Route



Career Patterns--Starting Over



- 1--Production/Operations
- 2--General Management/Administration
- 3--Finance/Accounting
- 4--Marketing/Sales
- 5--Personnel
- 6--Political/Ideology
- 7--Computer/Information Systems
- 8--Research and Development
- 9--Law

Information Systems. That choice--given before General Secretary Zhao's October 1987 speech, and wherein he stresses the need for increased emphasis on technology--reflects a present awareness of the need for modernity in business affairs.

Not included in Table 4 is information on the Asian managers: they parallel closely their U.S. counterparts, particularly in emphasizing Marketing/Sales as the prime functional area to choose if starting over, the fastest route to the top, their current job, and their first job. With time, and as China expands its production, their managers and indeed central planners, could begin to stress areas promoting products rather than simply producing products.

3. Hours Worked Within a Week

The second major theme in General Secretary Zhao's October 1987 speech was the economy, which steps to take to improve the productivity of Chinese enterprises. While his approach was mega economics, at the level of hours worked per week Chinese managers are in their workplace longer than any of the U.S. and Asian managers, and only are a few hours shy per week of top level U.S. executives. Those assertions need a bit more development.

- (1). Chinese law mandates that workers work 8 hours, six days a week. Sunday, for most people, is the acknowledged day of rest.
- (2). A minimum of forty-eight hours of work per week is required.
- (3). Work hours are usually 8-12; 1-5. Managers may work more than 48 hours, but that is usually voluntary and without pay.

The Chinese managers thus are at their work positions more hours per week than their Asian and U.S. counterparts: 52.3 hours on average

per week, or 4.3 hours more than their 48 mandated hours. U.S. managers work a mean 48.9 hours weekly, or 8.9 hours voluntarily beyond their usual 40 hour week. Asian managers are comparable with the U.S. managers. Regardless of whether the hours are mandatory or voluntary, Chinese managers devote more daily effort to work than other counterparts. Discussion is afoot to decrease both the number of days and the number of hours worked, specifically to institute a five-day work week; according to the International Labour Organization (ILO) that decrease means Chinese workers would still work approximately 2,032 hours a year compared with an average of 1,850 in the U.S. and 1,600 in West Germany. (Time seems ripe, 1988)

Several reasons may account for Chinese managers' relatively high number of work hours.

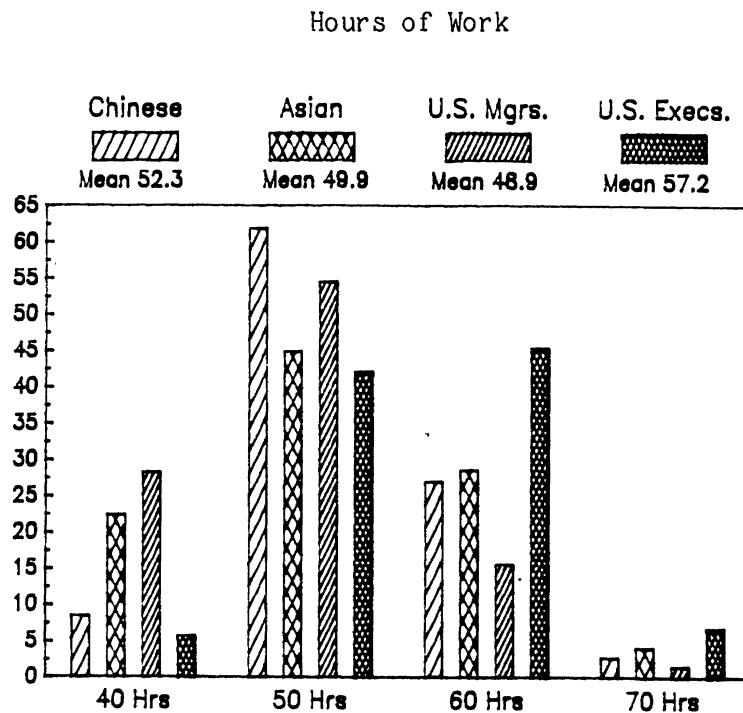
First, leaders of China acknowledge that productivity is distant from the levels experienced in more developed countries; it takes an inordinate amount of human time to accomplish tasks performed by machines (Goldman, 1986) in more technologically developed countries. The large worker population permits huge numbers of employees to work on projects which elsewhere would consume less time. Efficient use of manpower, in other words, is lacking. A recent survey (Time seems ripe, 1988) suggests that workers are at their tasks only 19.2 to 28.8 hours a week. Some of the reasons for this actual work time is due to holdups of energy or raw material, to slow demand for products.

Second, regardless of the system, workers know that remaining at their task beyond the minimum number of hours, either voluntarily or on request of their superior will benefit them within the organization.

There is the incentive to look well in the eyes of their superiors, not unlike situations in U.S. companies. Some of this additional time on the job may not be in actual work, rather on group activities organized by the Party.

Third, considerable time is also spent on political and ideological affairs. Additionally, managers spend time on matters such as their own and their employees' welfare: housing assignments, education of employees' children, supply of foodstuff, and other life-sustaining activities.

Thus the number of weekly work-hours is mandated, but with the informal understanding that additional hours would reflect favorably in the eyes of supervisors.



4. Formal/Informal Communication in the Workplace

To understand Chinese concepts of communication a background statement is needed. For many years British economics, politics, culture, ways of conducting business dominated Asia and Southeast Asia. Once the adage that "the sun never sets on the British empire" was no longer true, pervasive British influences on communication exchanges between companies and nations still continued. China was not immune from that influence and in its intercourse with Hong Kong helped perpetuate that dependence, even more vivid today as banking and trade and political discussions concerning 1997 continue between the two areas. British formal style and handling of substance continue in current Chinese communication patterns. Understanding this underlying communication foundation permits improved international communication to occur today.

Chinese managers support formal communication, as based on the definition supplied them in the questionnaire: structured channels, an emphasis on written reports, and formal sessions of decision-making.

Three points can be made. First, formally structured communication channels exist--not entirely unexpected in a planned economy--beginning with initial planning done by the Central Committee, then the Ministry, the Bureau, and finally the finished plan is presented to the enterprise. Along this channel each level attaches, for instance, its own mark or stamp--literally in red--attesting to an approval or amendment of the original State Planning Commission statement. Hence the hierarchy of the communication path has a built in formality, each level repeating or slightly amending the previously

worded document. It is not unusual for a lower tier such as a factory to receive a final document with as many as five stamps thereon. While the west also has a hierarchical format, it is not so highly mandated as in China.

Second, such a formal path influences the format and tone of the documents sent through that channel: they are formal. Just over two thirds (66.8 percent) of the managers thus indicate that formal communication is "very" or "somewhat" important. And the formal, British tradition continues in the colleges and universities where texts perpetuate formal business communication: (Zhu, 1979; Macintosh, 1982; Zhu, 1982); English Business Communications, 1983; English Business Letters, 1982; Business Chinese, 1982; Business Dialogues, 1983). Only slow inroads are being made (Zong and Hildebrandt, 1985) toward American Business English.

Third, equally important and some argue more so, is the concept of consensus or pluralism as part of China's version of communism. Western businesses are accepting of solo managerial decisions, after suitable input from various constituencies. It seems that at this time Chinese enterprises are not quite so willing to let one or two persons make a solo business decision; there appears to be a conscious, overt attempt to work collectively, in committees, to reach a decision through consensus. Accordingly, even when an individual has the right to make a decision, he or she employs the more formal method or sees the necessity for involving others in a consensus process. Arguably the consensus route takes longer, but the accepted formal method of group involvement takes considerable authority away from one individual.

Whereas 28.8 percent of the Chinese managers feel formal communication is "Very Important," only 15.5 percent give that rating to the informal modes, defined as telephone conversations or casual meetings. Surely there are the usual informal operation meetings for direction setting, but the overall emphasis is upon the formal. As the number of telephones increases in China, one can guess that the more casual approach will be used more.

In summary, formality in communication, influenced by the defined hierarchy of the system and the acceptance of a formal group process seeking consensus, dominates.

SUMMARY PROFILE

What kind of conclusions can one draw about the preceding profile of Chinese managers? While not a part of the current statement, the profile was based on two-thirds of the group being male, nearly 39 years old, and living in the city of Beijing.

They represent larger firms, most coming from textile manufacturing, non-electrical machinery, automotive manufacturing, and computer technology manufacturing. Most—over two-thirds—are employed in enterprises larger than 7,500 people.

They are less educated than their Asian and U.S. counterparts, nearly a third only possessing a high school education. Moreover, they lack mobility, have few opportunities to change positions or move to another manufacturing enterprise due to economic, political, and mobility hindrances. The data suggest that just over a quarter of them spent 15 or more years in the same position. A positive influence for

the future, under the prodding of General Secretary Zhao, is to permit more mobility based on managerial competence.

As with Asian and U.S. managers, most Chinese managers began their careers in Production/Operations then moving into the area called General Management/Administration. Probably most were assigned those initial positions through central planning organizations. When asked what functional area they personally felt took them to the top of an enterprise rapidly, a third of them recommended General Management/Administration followed by the Political/Ideology route. A similar pattern is expressed for starting their careers over: one-third would begin in General Management/Administration but then suggest, secondly, the area of Computer/Information Systems, an area just beginning to emerge in Chinese enterprises.

Chinese managers spend much time in the workplace, over 52.3 hours a week, but not all of that time in actual productivity, considerable time is spent on Party and ideological affairs and employees' life-sustaining activities. That total time, however, is still more than either their Asian or U.S. counterparts. Within those work hours they support formal communication channels, formal meetings as opposed to more casual, informal decision-making patterns.

Finally, while their education and ability to move through the system is limited, the winds of change now occurring in Chinese enterprises and government suggests major changes for the future. Both the government and the workers are striving to implement these changes-- for the good of Chinese enterprises.

Notes

¹ While the term Asian or Asia may also include Mainland China, for purposes of differentiation we will use the term Asian to refer to the regions of Hong Kong, Malaysia, Singapore, and Korea. We have resisted using the term South-East Asian because many of the "Asians" used for comparative purposes came from Hong Kong. Hong Kong Chinese (N=249) make up the bulk of the sample with the others representing Singapore (62), Malaysia (5), and Korea (3), for a total of 319 "Asian" managers. Most data is taken from Hildebrandt and Miller (1987b) A Managerial Profile: the Asian Manager.

² The term enterprise is generic to the factories and other work units of the Chinese managers. While most of the managers (77.3 percent) came from the manufacturing sector, we use the term enterprise to refer to the other non-manufacturing units as well. Because the term enterprise has a somewhat different meaning in the U.S.,—usually the umbrella organization with numerous sub-units—we shall use the term company when referring to U.S. companies.

³ The term "graduate" is less used in China when referring to students attending post-undergraduate or commonly known as graduate schools in the U.S. Hence the term "post-graduate" will be used when referring to studies beyond an undergraduate education.

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