



## The Sandwich Generation: Knowledge-Worker Pioneers of China's Changing Workplace

**An important part of China's future success will be creating its own new breed of knowledge workers who will provide the innovation needed for sustained socioeconomic development.**

Generational adaptability to China's emerging private workplace will vary significantly over the next five years. New cross-generational issues will arise. These include conflicting attitudes towards authority, collaboration, rewards and the role of *quanxi*. The Sandwich Generation will be the first generation to spend most of their careers in the private sector and will be forced to adapt to new work structures and expectations. China's older generations do not have the market adaptability nor incentives of the Sandwich having spent most of their work life in the state run work system. They have deeply embedded legacy attitudes and behaviors that will be hard to cast off. They are less well educated and not had the advantage of many relevant work training programs. On the other hand the Sandwich have a unique profile determined by passing through their formative years as China struggled between returning to the old state run economy or staying with the market. That has left them wary, cautious and not very loyal. There will be a lot of churn in China's new brave world of work demanding that employers become savvy at how the Chinese culture and differing generational experiences affect work, innovation and productivity.

A major challenge for China is the lack of a pipeline filled with the various kinds of knowledge workers it needs as its industries modernize with the application of technology and new management practices. There are precious few Sandwich knowledge workers to fill these jobs. Sandwich will change jobs often looking to add skills that move them up the income and status ladder driving companies to continuously hire and train new workers. Understanding and addressing the motives and desires of the Sandwich will improve retention of these wary workers over the next five years.

## CHINA AT WORK: THE MARKET READINESS CHALLENGE

### The Sandwich Generation Leads the Way in Educational Attainment

Sandwiches are the beneficiaries of the first widespread educational reform, which followed the devastating years of the Cultural Revolution, wherein schooling was seen as a threat to the class struggle for equality. When they entered high school in the early 1980s, they found the curricula reflected a return to the value of science and knowledge. English was taught once again, and the university entrance examination system was restored, assuring merit-based access to higher education.

While China's labor force maintains a 78% participation rate, only 4.7% of workers have an associate degree (2 years post secondary) or above (see Table 23). The Sandwich Generation has more workers with high school, college, and four-year degrees than either the Recovery or Cultural Revolution generations, and the upcoming Me Generation will have even more. In the last five years, China has begun to invest in education by strongly encouraging adherence to the policy of mandatory education for all through ninth grade, and by increasing admissions to universities and colleges. Yet national expenditure on education has remained unchanged at 2.3% of GDP for the past several years, and quality and standards vary greatly at every level.

### The Sandwich Generation Expects to Keep Upgrading Its Skills

The gap between workplace skills and what is taught in school remains wide. Improved curricula since "opening up" have increased workers' general capability for analytics, problem solving, and broad thinking; yet general adequacy in depth of knowledge as well as practical knowledge are still rare. While the Sandwich and Me generations are generally better educated, most of their members will lack the skills and mind-sets necessary in the new private work environment.

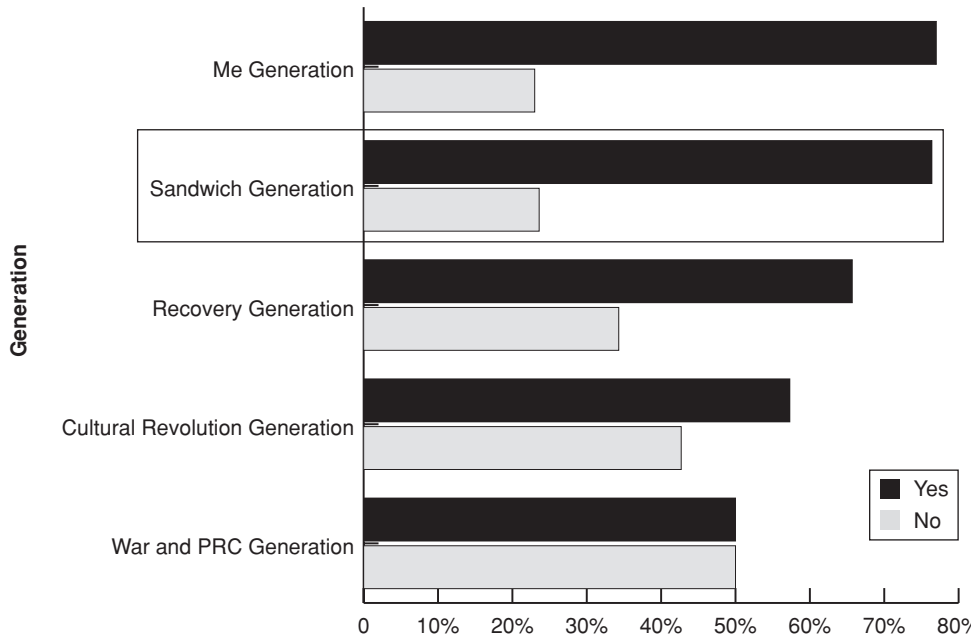
Many Chinese workers slowly are becoming aware of their need to develop new skills to enable them to find new jobs: the Sandwich Generation is the first one to be composed of lifelong learners (see Figure 57). Most "Sandwiches" are taking courses after work for a wide variety of reasons, but primarily for personal development, a common reason motivated by the long-held value of education in Chinese society. Now their motivation for taking courses is changing, slowly reflecting their awareness that their next job, beyond the SOE, will demand new skills (see Figure 58). Many Sandwiches are young and just starting their careers, and the majority will need to leave their first jobs in SOEs and find new ones in the private sector.

Table 23  
Educational Attainment of China's Workforce, by Generation

Generations	Age	Total	Illiterate	Primary	Junior High	Senior High	Associate Degree or Higher (as a % of ENTIRE generation cohort)
<b>TOTAL</b>	(all)	100	0.6	7.7	53.1	33.9	4.7
<b>Me Generation</b>	16–19	100	0.2	3.8	59.1	34.9	2.1
<b>Sandwich Generation</b>	20–24	100	0.2	3.1	43	43.3	7.39
	25–29	100		5	55.3	34.4	
<b>Recovery Generation</b>	30–34	100	0.3	7.8	60.5	27.4	3.25
	35–39	100	0.7	5.4	50.9	39.5	
	40–44	100	1.5	12.7	50.3	33.5	
<b>Cultural Revolution Generation</b>	45–49	100	1.8	20.5	60.9	15.3	2.06
	50–54	100	1.9	27.2	51.4	16.7	
<b>War &amp; PRC Generation</b>	55–59	100	2.9	38.2	39.7	14.7	2.17

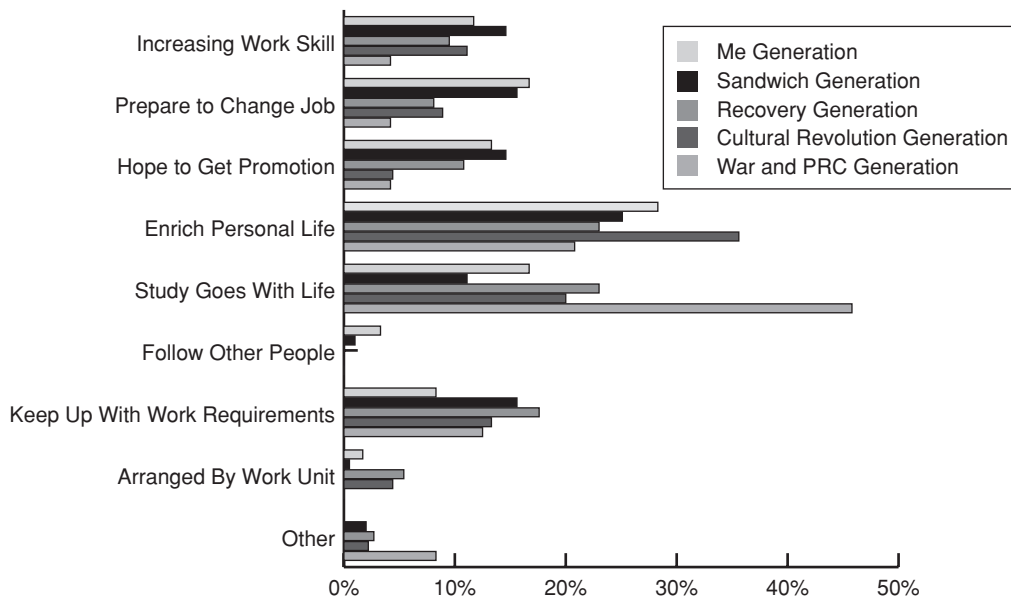
Source: Center for the Future of China, *China Population Statistics 1999*, *China Statistical Yearbook*, 2000

Figure 57  
Sandwiches Take Courses After Work  
Do You Take Extra Courses After Work?



Source: Center for the Future of China, *Lifestyles Research*, 2000–2001.

Figure 58  
Sandwiches Are Beginning to Link Extra Courses to New Job Skills  
Reasons for Taking Courses?



Source: Center for the Future of China, *Lifestyles Research*, 2000–2001.

### SOE WORK UNIT CHARACTERISTICS

- Hierarchical
- Assigned jobs/tasks
- Underemployment
- Innovation not encouraged
- Political promotions—*guanxi* over performance
- Crude egalitarianism
- Group needs over individual needs
- Limited, slow flow of information top down
- Authoritarian
- Parents key to getting first job

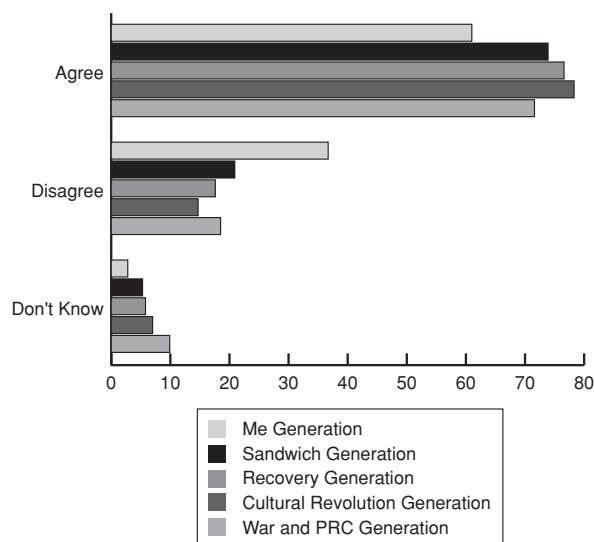
### LEGACIES FROM THE OLD WORK UNITS: THE GENERATIONS' SIMILARITIES AT WORK

Despite movement recently toward an open economy with private-sector jobs, many Chinese carry legacy mind-sets and behaviors from the now declining state work system—a central tenet of life for most—and the adoption of new attitudes and behaviors will be slow. History is responsible for this. People lived in communities developed around the SOEs in which they worked and were assigned to jobs they kept for life; children went to work in the same SOE or another factory in the same complex; and there was little variation in “corporate culture” among work units and little job mobility. Entrepreneurship and innovation were nonexistent. Because innovation, creativity, and individuality were not valued, people lost their sense of self at work. The culture supported obedience to authority; workers who had lower positions had to accept them.

The old work units were rife with interpersonal tension, and in the worst cases, passive adaptation to an oppressive environment led to low morale and cynicism toward work. These attitudes are changing: Many Chinese now view the workplace in a progressively positive light.

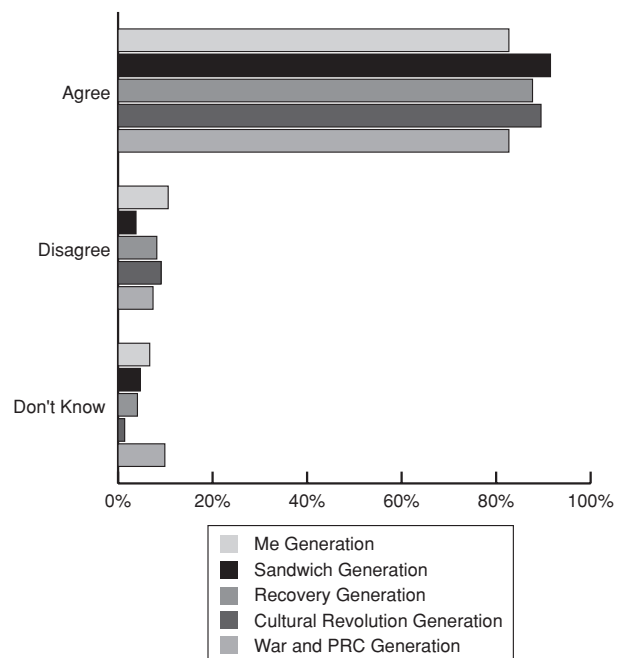
Today, about 60% of the Sandwiches' jobs are still in SOEs, and they possess legacy attitudes. For example, they believe being your own boss is risky and prefer being an employee so they are less visible (see Figure 59). The concept

**Figure 59**  
Most Sandwiches Prefer Being Workers not Bosses  
Being Your Own Boss is Risky



Source: Center for the Future of China, Lifestyles Research, 2000–2001.

**Figure 60**  
Sandwiches Still Focused on SOE Jobs  
I Feel Confident my Skills are Adequate for the Job



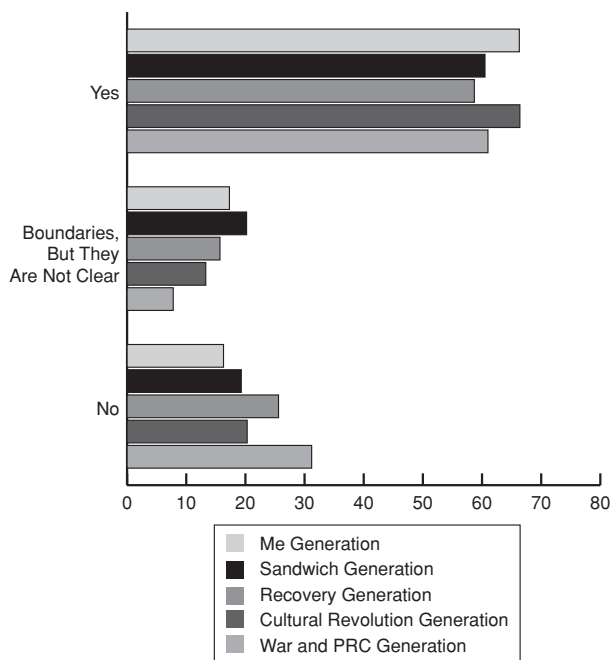
Source: Center for the Future of China, Lifestyles Survey, 2000–2001.

of career and job mobility is still new to them. Prior to the late 1990s they had little hope of changing jobs; mobility was controlled by the system, not the individual, and they could not move without permission. Most Chinese workers feel satisfied that they possess adequate skills for their work. They still are building awareness that they will have to move on and have yet to reject the old work unit system (see Figure 60). They have not yet internalized the need to seriously upgrade their skills or to embrace lifelong learning—both of which are necessary if they are to truly succeed in China’s next development phase.

Under the old work system, time off and leisure were not valued. People worked six and seven days a week, and entertainment practices were discouraged. Recently there has been a sudden and massive shift whereby mass media and government policy support the five-day workweek, equating it with a modern way to live and work. This is an explicit strategy by the government to support mass consumption. In a dramatic shift of attitude that shows the continuing

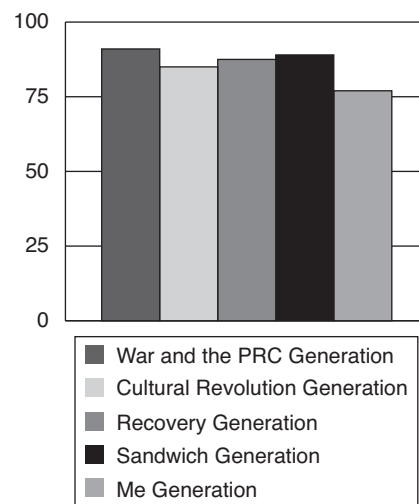
power of the media and existence of a more mass than class society, all generations report that they maintain strict boundaries between their work and personal life and feel they don’t need to work weekends to make an adequate living (see Figures 61 and 62).

**Figure 61**  
The Generations Maintain Strict Life/Work Boundaries  
Are There Strict Boundries Between Work and Personal Life?



Source: Center for the Future of China, *Lifestyles Survey*, 2000–2001.

**Figure 62**  
Generations Don't Believe in Working Weekends  
(Percent of workers who do not believe in work)



Source: Center for the Future of China, *Lifestyles Research*, 2000–2001.

### THE CAPACITY TO ADAPT TO A PRIVATE MARKET ECONOMY DIFFERS ACROSS GENERATIONS

The similarities among generations indicate how Chinese workers are in the nascent stages of changing how they think about work. Most will continue to have difficulties adapting to China's new world of work. Yet the members of each generation have different work ethics and a different capacity to adapt to the market economy because of their mind-sets, past work experiences, and educational backgrounds (See Table 24).

#### The War and PRC Generation (58 to 82 years old)

**"Dedication to the job, boss, and collective over self."**

China's official retirement age is 55 for men and 50 for women, and it is predominantly the War and PRC Generation's True Believers (ages 58 to 68) who still are working—the majority of them are low-skilled and redundant workers of SOEs. They try to find little

businesses close to home to supplement their meager salaries and pensions. A small percentage of them are professionals with relatively secure positions in the government, party, or academia, and who receive modest salaries and subsidized housing. The few among those who have had exposure to new ideas and foreigners often find second jobs in the private or nongovernmental sectors.

#### The Cultural Revolution Generation (48 to 57 years old)

**"Work hard and root out unfairness in the workplace."**

These low-skilled workers are among China's worst off, with little education and few transferable skills. Some of them have retired already; many were forced to retire early, especially the women. Those still working do not adapt easily to the private sector, and will likely become unemployed as SOEs close. The generation's few professionals hold secure positions in the state sector—although many suffer underemployment, given China's huge bureaucracy. Many work two jobs

Table 24  
Generations' Workforce Market Adaptability

	Work Ethic	Primary/Secondary Education	College Education % of cohort with Associate degree and higher	Learning Orientation/ Experience	Market Economy Adaptability 1= not adaptive, 10= easy to adapt
<b>War Generation</b>	Dedicated	poor; rural; pre-1950	2.17%	Knowledge as a cultural value; significant illiteracy	1--2
<b>Cultural Revolution Generation</b>	Work hard, root out unfairness in the workplace	poor; early days of PRC, mostly rural population	2.06% ; Closures during Cultural Revolution	Ideological; siloed; rote memory	2--3 except very few elite
<b>Recovery Generation</b>	Workaholics	poor	3.25% ; A few went abroad	Bootstrap; street-smart; formal education poor	2--3 for most; 7--8 for educated & early risk takers
<b>Sandwich Generation</b>	Cautious, small steps	improved under major educational reform, especially for those in their early 20s	7.39% ; modernized; less ideological; broader scope	More broadly educated; better analytical skills	5--6; 6--7 for those educated on the coast; have to adapt
<b>Me Generation</b>	Seize the opportunity, get ahead	Improving, mostly in elite urban schools	Improving at best universities	Independent learners; formal & street smarts; eager to learn	5--6; 8--9 for those educated on the coast; want to adapt

Source: Center for the Future of China, Lifestyles Research, 2000–2001.

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to supplement their small salaries. For the most part, they will not innovate but rather will concentrate on supplementing their incomes until they retire, and most will continue to work at small local jobs after retirement.

### **The Recovery Generation (35 to 47 years old)**

**“Live to work and explore new possibilities in the private sector.”**

More members of the Recovery Generation than the Cultural Revolution Generation received university training after its reinstatement, yet their numbers are still few. Tapped immediately after graduation to fill management and professional manpower gaps created during the Cultural Revolution, the “Recoveries” have led the way to change and innovation, occupying most mid- to upper-level positions for the remainder of their careers. They are the backbone of their fields and pioneers of the private sector. They used their connections to launch businesses when China opened up in the 1980s, and were successful in urban and transitional rural areas. Unfortunately, both the low-skilled and skilled among them are disadvantaged because of their inadequate primary and secondary education. This subset will struggle for the rest of their working lives.

### **The Sandwich Generation (22 to 34 years old)**

**“Take small and cautious steps forward.”**

The first generation with widespread access to education and modern thinking was buffeted between two conflicting drives: remain in the formal state sector or forge ahead to new jobs in the private sector. Having

adapted to economic confusion of the late 1980’s, government as factions struggled between going back to government controlled economy to moving ahead with the market early in their careers, the members of the Sandwich Generation have a strong interest in security and stability; most chose jobs in the state sector. Both skilled and professional Sandwiches should do well in the future, since they are more qualified to meet the new opportunities. They have both more knowledge and better educational tools than previous generations to help them acquire new skills for new jobs. Their biggest challenge, however, will be to overcome caution. The budding knowledge workers among them face a sort of glass ceiling, having been neither as entrepreneurial nor as risk taking as the Recovery or Me generations.

### **The Me Generation (18 to 22 years old)**

**“Seize opportunity and move ahead.”**

The first in communist China to enter a workforce where most opportunities will be in the private sector, the Me generation knows its future depends on education, technology literacy, and competitiveness. Its members are better educated than the Sandwiches and will compete with them for the best jobs. Although the Sandwich Generation boasts the knowledge-work pioneers, the Me Generation will most shape China’s workplace.

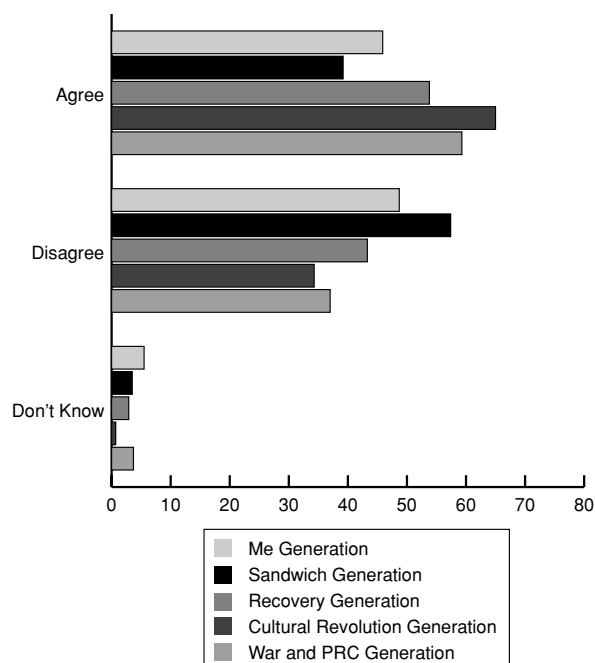
### THE OLD PATTERNS BEGIN TO BREAK DOWN: THE SANDWICHES BRING CHANGE

Generational differences in the workplace are beginning to take shape, particularly as younger Sandwich Generation members in their mid- to late 20s enter the workforce. The old patterns began to break down along several key dimensions in the late 1990s, when the number of private jobs increased and the impact of SOE reform was felt. The Sandwich and the Me generations began to see SOEs as unstable sources of employment, and no longer believed that SOEs were a top job choice for them (see Figure 63)—a major shift in thinking. The younger generations feel they have more job opportunities than they did even two to three years ago (see Figure 64). There are even new notions of rewards. With better education and greater exposure to Western thought and Western work models, members of the Sandwich Generation do not support the old *guanxi* system in the workplace, and feel instead they should be promoted on the basis of hard

work and achievement (see Figure 65). This shift is very challenging and full of uncertainties. The Sandwich Generation also experiences the stresses of China's economic transition to a market economy and finds maintaining the newly found home-work balance difficult to maintain (see Figure 66).

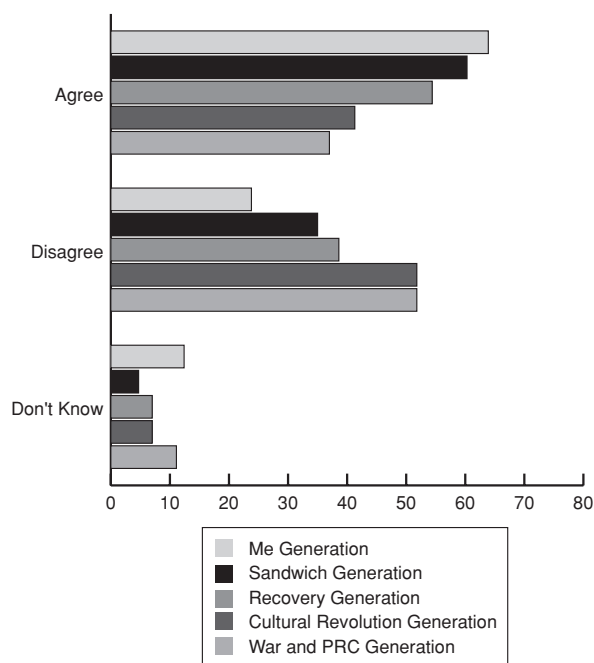
Despite these early signs of change, the legacy of the old state work system is still strong in China, and will continue to impact the workplace for many years to come. The current decade will see accelerating changes due to these Sandwich Generation pioneers, but the adoption of these behaviors and mind-sets by the majority of even the Sandwiches will be a long and slow process.

Figure 63  
Sandwiches Don't Expect SOE Jobs to Be Stable



Source: Center for the Future of China, *Lifestyles Survey*, 2000–2001.

Figure 64  
Sandwiches See They Have Job Mobility



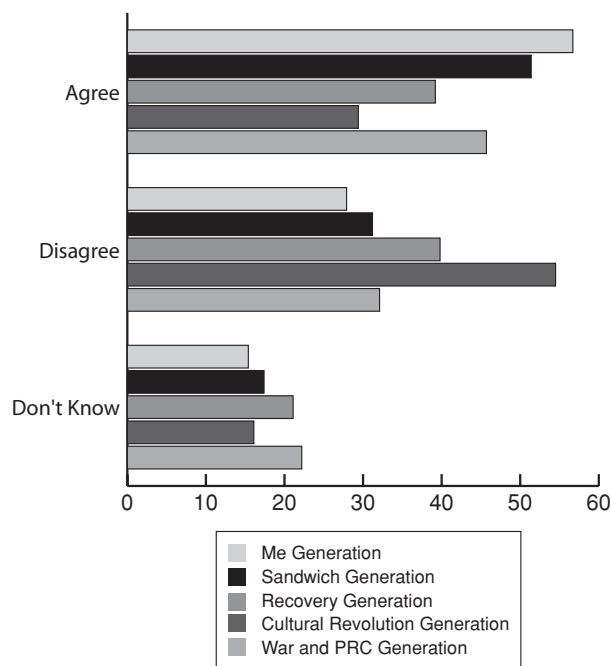
Source: Center for the Future of China, *Lifestyles Survey*, 2000–2001.

## WORKFORCE PIONEERS: SANDWICH KNOWLEDGE WORKERS

China needs to develop its own knowledge workers. As the economy diversifies and develops, a full complement of professional service jobs will be created and will need to be filled. For these new knowledge workers, career is a new concept. The most adventuresome and skilled among them will have several careers during their work lives, making major changes and adding competencies to take advantage of the ever blossoming opportunities. When they first entered the workforce, most Sandwich Generation members with some college education or advanced vocational training went to work as profes-

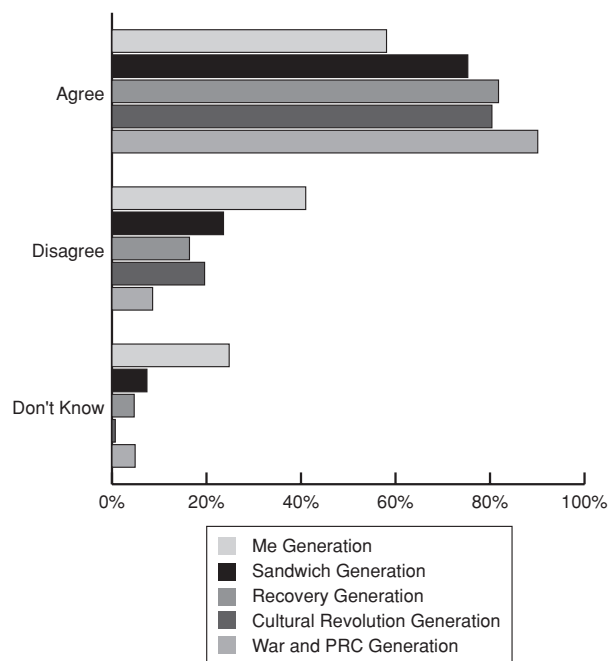
sionals or highly skilled workers in the formal state sector, in government positions, academia, or state-owned research institutes. As increasing numbers of multinational corporations moved into China, the best and brightest were recruited away. Now, as the private sector grows and SOEs reform, the most educated are sought to fill the many new professional jobs, technical and management positions alike. These highly skilled workers will have many opportunities as the economy diversifies.

**Figure 65**  
*Sandwiches Expect Promotions Based on Hard Work Working in a SOE is more stable*



Source: Center for the Future of China, *Lifestyles Survey*, 2000–2001.

**Figure 66**  
*Sandwiches Begin to Experience the Stress of Work Reforms I Have More Opportunities Now Than 2–3 Years Ago*



Source: Center for the Future of China, *Lifestyles Survey*, 2000–2001.

**ASSETS AND LIABILITIES AT WORK**

**Assets**

- Good analytics
- Some English proficiency
- Cross-cultural brokers
- Adaptable
- Reliable workers
- Independent thinkers
- Learners

**Liabilities**

- Intentionally not competitive
- Cautious to try new things
- Overly worried about fairness; cynical
- Limited loyalty
- Passive adapters
- Lack market savvy

*Table 25  
The Sandwich Knowledge Worker Work Approach At A Glance*

<ul style="list-style-type: none"> <li>• <b>Work Style:</b> self-development</li> <li>• <b>Team:</b> prefer teamwork</li> <li>• <b>Leadership:</b> consensus</li> <li>• <b>Rewards expectations:</b> meritocracy</li> <li>• <b>Authority:</b> wary of old style</li> <li>• <b>Technology:</b> PCs</li> <li>• <b>Loyalty:</b> little of it</li> </ul>
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Source: Center for the Future of China, *Lifestyle Ethnographic Research Study*, 2001.

**Sandwich Generation Knowledge Workers Bring New Attitudes and Potential**

Out of these experiences a new prototype for China's knowledge workers will evolve from the Sandwich Generation. Although their numbers will be few, their impact on the workplace will be noticeable. Their more integrated education provides them self-confidence, adaptability, and a greater set of practical and analytical skills. They have backgrounds in both science and liberal arts and understand the rules of social discourse. They have blossomed and developed their potential more fully as the old constraints of the old workplace and culture melt away. They also possess a strong humanistic spirit that includes a new morality with an emphasis on justice and independent thinking, and they aspire to take on greater social responsibility. Their exposure to English and to Western thought gives them an advantage for cross-cultural communication. They have lived much more diverse lifestyles despite their young age, making them more adept at adopting new tools and ideas (see Table 25).

**But, Like Every Group, They Have Assets and Liabilities**

The Sandwich Generation displays a cautious optimism toward work. They realize they must focus on personal development to have a successful work life, yet they lack the tools and sophistication to plan out a sustainable career path. They also can be overconfident at times, and fail to understand how their skills and ideas can fit into the new work context. Well educated, they possess analytics, discipline, and flexibility, but lack the street smarts of previous generations. They are the first generation in decades whose members learned English in secondary school and college; they have a stronger sense of teamwork but want to adopt more consensus than authoritarian leadership styles. Their exposure to Western thinking and literature in college makes them able to broker cross-cultural understanding and adapt the work processes needed for the new Chinese workplace. They are anxious to see the old system of political and guanxi promotions die along with the SOEs and are more technology literate than previous generations, seeing mastery of technology and computers in particular as the key to their future work success.

Yet the Sandwich Generation is also a cautious group, and not a very competitive one. Sandwiches do not want to compete with others but prefer collaboration. They consider the more aggressive and sophisticated Me Generation to be socially inexperienced, with weak work ethics. Rather than feel threatened by them, however, the Sandwiches fear they will have trouble being accepted into the right circles. Their early learning and work experiences make the Sandwiches overly worried—even occasionally cynical—about being treated fairly, so this fear is not out of the ordinary. Sandwiches adapt by remaining passive, rather than by being proactive; they are only partially loyal to the job and their employers, ready to move on if they feel undervalued.

## Similarities and Differences Between Knowledge Workers and Non-Knowledge Workers

The Sandwich Generation is between 23 and 34 years of age today, and most of the pioneers of China's new knowledge workforce fall within this group. Those who are under 28, college educated, and employed in knowledge work realize they face a unique work future. They have many differences and some similarities with the non-knowledge workers in their cohort, and they are different from the knowledge workers in their generation who are over the age of 30. They have a greater sense of the changes they must make to adapt and succeed in the new work marketplace.

### Taking Career Responsibility

Young Sandwich knowledge workers realize that they must each personally take responsibility to create and manage their own careers. They recognize that changing jobs will likely help them to get ahead. Their choices are influenced by the prospect of higher incomes and better working conditions. Career is a new concept to

them, but they have quickly learned that they must adopt a long-term perspective (see Figure 67).

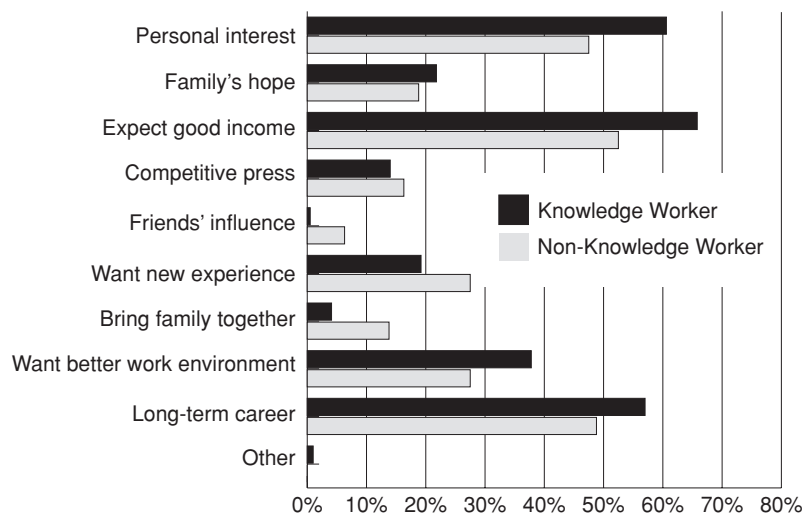
### Investing Heavily in More Education

These young knowledge workers take more courses than their skilled-labor counterparts. They feel they have a good education base but are very aware that their education did not prepare them for the new world of work in China, and thus spend many nights and weekends taking courses to improve their chances of securing better and more interesting jobs (see Figure 68). Their motivations are targeted at increasing their job skills for the future and preparing themselves to change jobs. They believe in lifelong learning and expect to study and learn new work skills for a long time (see Figure 69 on page 134).

### Some Similar Attitudes Towards Work

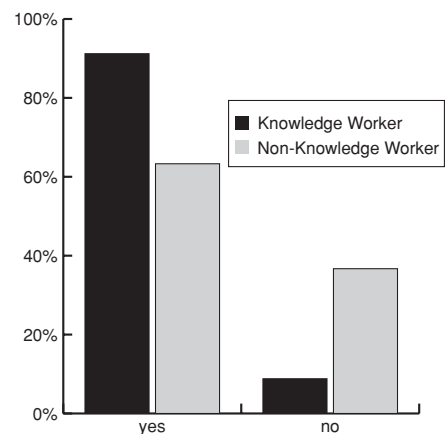
Young Sandwich Generation knowledge workers and non-knowledge workers share some similarities, despite

*Figure 67*  
Young Sandwich Knowledge Workers Make Their Own Decisions and Are Influenced by Better Income and Working Conditions  
What Factors Most Influence Your Career Development Choices?



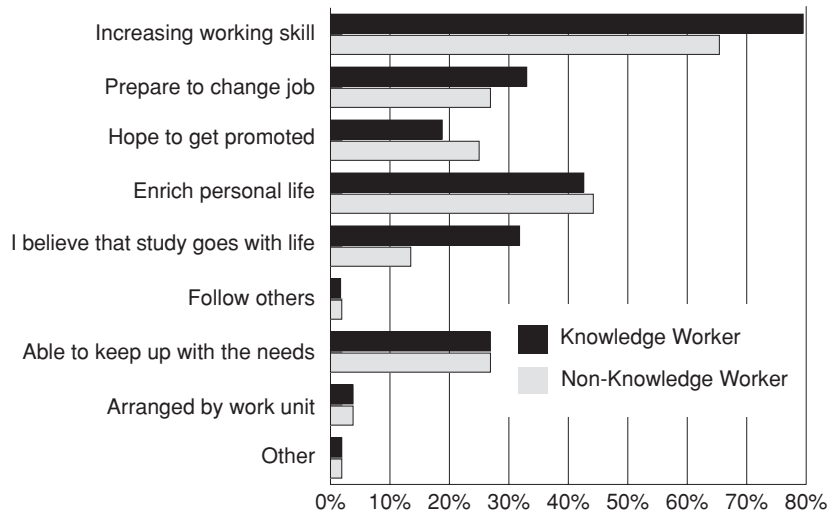
Source: Center for the Future of China, *Lifestyle Research*, 2000–2001.

*Figure 68*  
Young Sandwich Knowledge Workers Take Courses After Work  
Do You Take Extra Courses After Work?"



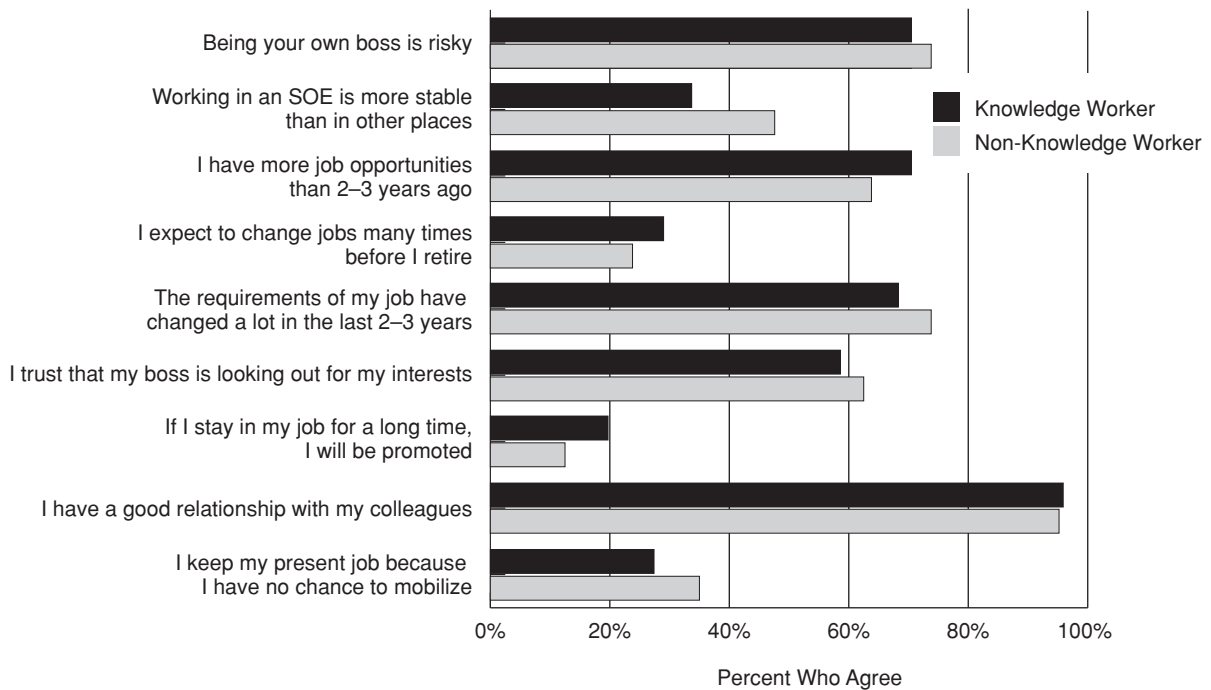
Source: Center for the Future of China, *Lifestyle Research*, 2000–2001.

Figure 69  
 Young Sandwich Workers Study to Achieve Specific Work Goals  
 Why Do You Take Extra Courses After Work?



Source: Center for the Future of China, *Lifestyle Research*, 2000–2001.

Figure 70  
 Sandwich Workers Share Some Similarities



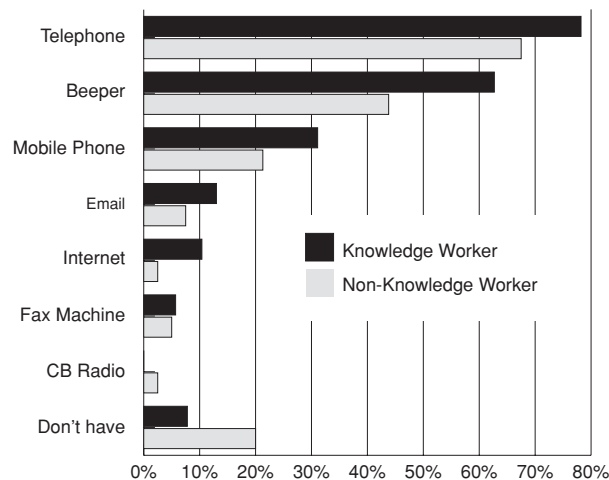
Source: Center for the Future of China, *Lifestyle Research*, 2000–2001.

their growing differences. As a generation they strongly believe in maintaining good relationships with their co-workers; it is one of the defining features of this group. They also trust that their bosses care about them and look out for them. They share a long-held concern that being a boss is risky—it is better to keep a low profile than to stand out and take leadership on your own initiative. They realize that promotions no longer will come from seniority and, moreover, that job requirements are changing. They do not necessarily feel that their current positions offer them the best job mobility or experience (see Figure 70).

### THE SANDWICH GENERATION'S COMMUNICATIONS TOOL KIT

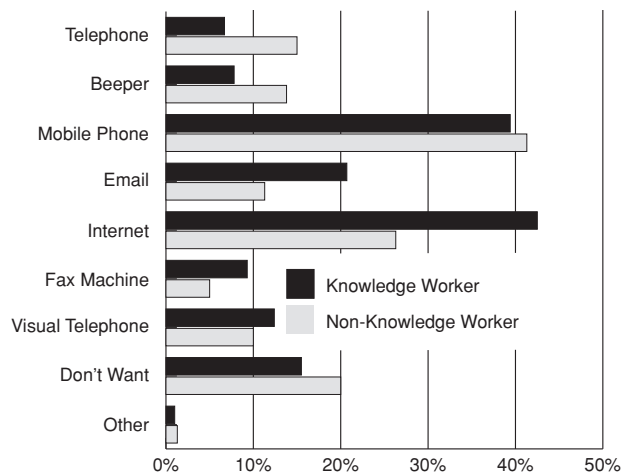
Sandwich workers have a basic communication tool kit (see Figure 71). The young Sandwich knowledge workers (Ages 23–29) are the first group to have an array of choices to build their communications tool kit. For the Sandwiches, information and communications tools are seen as critical to future career success, and, not surprisingly, the knowledge workers among them have more tools. In the future they want to use the Internet as a tool for keeping up and to support their career mobility (see Figure 72). As consumers, the young Sandwiches have a utilitarian approach to their purchases; they don't buy them as status symbols.

**Figure 71**  
*Knowledge Workers Plan to Enlarge Their Communications Tool Kits in the Future*  
*What Communication Tools Do You Have Now?*



Source: Center for the Future of China, *Lifestyle Research*, 2000–2001.

**Figure 72**  
*Knowledge Workers' Communications Tools*  
*What Communication Tools Will You Get Next Year?*



Source: Center for the Future of China, *Lifestyle Research*, 2000–2001.

**THE NEW KNOWLEDGE  
WORKERS AT A GLANCE:  
THREE CASE STUDIES**

These new knowledge workers include many different types of people. The following three cases provide an insightful look at their hopes and lifestyles. Each, like all knowledge workers of this generation, has begun to imagine new work roles and find ways to build his or her skills to fill them.



**WORK  
CHARACTERISTICS**

- Made the shift from an SOE to the private sector early
- Believes more opportunity exists in the private sector
- Doesn't take training courses; feels he learns enough on the job
  - Expects rewards for hard work, not time
  - Expects to change his job
    - Likes weekends off but sometimes works overtime for more pay
- Adjusting to contract work versus full-time work

**YOUNG MALE SWITCHES TO THE  
PRIVATE SECTOR**

**His Dream: To Earn an Architectural Certificate and Start His Own Business**

**Ren Zhi Hao**

Ren Zhi Hao lives with his parents in a three-bedroom apartment that used to belong to the hospital work unit. His parents, both doctors, purchased the flat for a low price during the housing reforms. His mother takes care of his daily diet and health and cooks his meals. After quitting his job at a state-run construction company, Ren Zhi Hao attended vocational school to study architecture and interior decoration. He now makes more than 5,000 RMB per month at a privately owned decorating firm where, through his hard work, he now has a company car, an enviable salary, and—most recently—a promotion to the position of Quality Monitor.

Optimistic and highly motivated, Ren zhi hao sees a bright future in working for private enterprise. He believes that if he continues to gain experience and knowledge in the professional world, he will be well equipped to start his own business when he is older—that is, he doesn't feel he needs additional academic certification to learn what he needs to be successful. He is irked by the corruption and speculative behavior he has witnessed, and strives to avoid any such practices in his own career.

Ren zhi hao is very conscious of his need to build a stable financial future, and occasionally works overtime on weekends to earn extra money. He divides his paychecks into three, giving one-third each to his mother and his girlfriend, to whom he turns over most of his personal purchasing decisions since he does not consider himself an experienced consumer. He keeps the remaining third of his paycheck for himself, and spends it mostly on nights out at cafes or restaurants or on gifts for his girlfriend. The two of them plan to get married soon, and Ren zhi hao feels great pressure to ensure that he can provide for his future family. His two greatest challenges, he says, are to develop his career and to prepare separate housing for his future family.

When he has time, Ren zhi hao loves to socialize, and particularly enjoys playing card games or chess at cafes. He is also a soccer enthusiast, and plays with a group of regular soccer friends. For Ren zhi hao, playing soccer is a social forum and a way to relieve stress.



## WORK CHARACTERISTICS

- Prefers stability of state-owned enterprise
- Strictly manages her work life
  - Dreams of a high-paid job
- Does part-time work at home
  - Confident in work skills
  - Doesn't trust her boss
- Not hopeful for promotion
- Takes extra courses for new skills; likes learning

## YOUNG MOTHER AT WORK

### Her Dream: To Find a Better Job in an MNC with Benefits

#### WEN YU

Wen Yu works as an accountant at Guangzhou Wood Material Company. While her job gives her a sense of security, she knows her prospects at an SOE are not promising. Her hunch is grounded in reality: When China's economy changed from a planned to market-oriented one, wood material production lost its specially controlled status. The industry was opened to private business, and Wen Yu saw the benefits of working in an SOE wane substantially. She now feels that if things don't improve soon, she would rather resign and find a job in the private sector. She doesn't think her boss looks out for her best interests, and doubts she will receive a promotion anytime in the near future. A non-SOE job would provide her with greater income, and with her middle-rank special technical job title, Wen Yu believes she would be a good candidate for any local private firm—not least because companies tend to prefer local people for their accountants.

At home, things are tight. The two-bedroom apartment that Wen Yu, her husband, and his father share once belonged to her spouse's work unit (he too is employed by an SOE—as a personal driver for several high-ranking executives). After the housing reforms, the couple bought their apartment from the SOE. It is divided between two families that share an entryway: Wen Yu's half is about 15 square meters (161 square feet), which is further subdivided by a wood partition to separate her and her husband's bedroom space from her father-in-law's. Since the bathroom is in the other family's side of the apartment, Wen Yu had to install a toilet in her kitchen.

Considering all this, Wen Yu and her husband manage well. Their 4-year-old son lives with his grandmother during the week, since his fully employed mother and father lack not only the time but also the space to take care of him. On the weekends he comes back home, and the whole family takes the motorcycle to a park or to a newly developed suburban spot outside of Guangzhou. Wen Yu's son loves Western food—thus, eating at McDonald's has become a weekend ritual for the family.

Wen Yu lives frugally, with the hopes of eventually being able to afford a larger apartment, and to pay for her son's future education. She buys food and daily essentials from nearby markets and shops at department stores only for clothes and cosmetics. Her needs are simple. After work, Wen Yu watches television, reads newspapers and magazines, listens to music, or sometimes plays mahjong. She is interested in international news. She says she enjoys learning and would like to take courses to give her new skills. Wen Yu's primary interest, however, is to ensure that her family remains financially secure and physically healthy. All her information-gathering and purchasing decisions are made with these priorities in mind.



- **Rejects working for others**
- **Business is center of life**
  - **Globally oriented**
  - **Democratic boss, new management style**
- **Multiple social networks to support work**
- **Doesn't like daily management**
  - **English is essential; he is learning more**

## THE ENTREPRENEUR

### His Dream: To Have His Company Go Public and Find a Life Partner

#### WEI XIAO

Wei Xiao is an ambitious entrepreneur who, at 27, is the founder of a Beijing Internet company. Though born in the remote province of Xinjiang, he secured placement at Xiamen University in Fujian, hoping to build a successful career in international trade. Yet upon graduating he took a high-ranking management position in a large communications enterprise in Xiamen. There, Wei Xiao immersed himself in high tech, developing both business and government connections, intent on founding his own company. In 1999, following an upsurge in the network industry, he resigned and moved to Beijing to become the CEO of a networking company. Wei Xiao and the chairman, a U.S.-educated Chinese native, secured operating capital of several million yuan.

Wei Xiao talks openly about his business aspirations, explaining how, from the time he moved to Xiamen, he wanted to start his own business.

His dot-com is essentially a "trial run" entrepreneurial experience; his long-term goal is to use its capital gains to create a new start-up in a more traditional line of industry. He envisions this future company as having an annual turnover of US\$100 million. Yet Wei Xiao's current challenges are to find experienced sales managers and to perfect his own English, which he views as essential to his future professional success.

His personal life, however, isn't quite so tidy. Wei Xiao admits that, at least for now, his career takes priority; he left his girlfriend behind in Xiamen when he moved away to start his company. He plans to get married but is by and large living a bachelor's life in Beijing. His friends are mostly work-related acquaintances with whom he goes out to restaurants and bars. Because of everyone's mobility, Wei Xiao explains, it's hard for him to develop deep relationships. His high-end apartment is furnished sparsely, containing only the bare necessities of appliances: a television (for his sports and business programs) and a refrigerator (for storing instant meals). Wei Xiao notes that despite his business acumen he is not as adept at handling his personal finances, and hopes his future wife will be able to assume that duty.

Because he has lived alone since college, Wei Xiao knows how to take care of himself, and is proud of his knowledge about health and nutrition. He eats a balanced diet, including traditionally healthy foods such as honey, dates, ginger, garlic, and vinegar. He also monitors his body and avoids taking medicine, relying instead on his own natural capacity to fight illness. Wei Xiao enjoys exercise and sports, often going to the gym after work with friends to play badminton and to relieve his work-related stress. He hopes that when his life becomes less hectic, he will be able to return to Xinjiang to visit his parents, from whom he has been separated for a long time.

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## THE FORECAST

Cross-generational issues, structural changes and knowledge worker deficits in China's new brave world of work will result in a lot of churn over the next five years. It is likely to be painful for both employers and employees as they create a new workplace and culture that will be uniquely Chinese

- **Legacy attitudes, behaviors and work environments from the SOEs will have a long tail.** The transformation of the Chinese work environment and workers—even at the knowledge worker level—will be slow to change. The rigidity, structure, culture, roles, and reward systems have been embodied in the organizations and people for many decades. Like any social evolution process, it has many stages and will take time. Change will come as young workers have new experiences and learn new ways of working. Employers of multinational corporations need patience, strategies, and good learning experiences to aid in the development of productive workplaces in China.
- **New work identities in the making.** All workers, but especially knowledge workers, professionals, managers, and skilled technicians, will have to experiment and build an identity in China's transitional economy. Although a few Chinese role models and examples are extrapolated from other cultures, the depth and power of the underlying Chinese culture and unique socioeconomic context assures there will be an evolution unique to China.
- **Persistent knowledge worker deficit.** China does not have a full pipeline of the various knowledge workers it needs, and those who are available need support and training to fit into a market economy and private business environment. See Employment Conundrum article.

### Business Implications

Understanding the formative experiences of the Sandwich Generation's members in their high school and college training years, as well as in their first jobs, provides the right foundation for understanding how to attract and retain them. They have unique psychological profiles shaped by the ambivalence of China's transition to a market economy during their most vulnerable formative years. Thus, they have unique issues and concerns that guide their career decisions.

- **Sense of structural and historic disadvantage.** The educated workers and professionals of the Sandwich Generation find themselves sandwiched between the Recovery professionals—still young, who hold many of the best jobs—and the better-educated, more sophisticated, and techno-literate “Me’s.” This leaves Sandwiches, as a group, feeling vulnerable to a “glass ceiling” on one side and a highly competitive group with many comparative advantages on the other side. They always will be passive adaptors who are wary of their future.
- **Limited loyalty.** Given they are not sure whom to trust or how best they can survive in the future, they will give only limited loyalty and will be ready to switch jobs or careers if there are real or perceived signs of insecurity.
- **Job mobility high.** They want to take advantage of the many opportunities they believe will emerge during their prime career years. Their expectations will exceed the reality of the fit between their skills and the new jobs.
- **Learning oriented.** Sandwiches place an unusually high value on learning, and their desire to learn usually outweighs their desire for money. They need to feel they are learning on the job and even after work. Employers need to have attractive education programs.
- **Desire social recognition.** They suffered in their early years with the old *guanxi* system, and now feel caught between two more advantaged generations; what they really want is recognition for their knowledge and skills. The Sandwich Generation was the first to develop a middle-class consciousness, an important part of which is status. They will respond very well to personal policies that publically recognize accomplishments.
- **A tense group.** This is a group with many inner tensions, an inevitable result of being effectively sandwiched between two systems. These inner tensions are also part of the legacy of the old work system, where individuality was subordinated to the will of the group. Resolving these tensions constructively will be a challenge.

—Mary O'Hara-Devereaux, Ph.D, Liu Neng, Ph.D,  
and Lydia Mutch

