A Shifting Landscape: Chinese Millennials in the Workplace

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content

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For most companies, the days of effortless double digit growth in China are over. Operating in an increasingly competitive marketplace, businesses are constantly re-evaluating their strategies, competencies and tactics. It is a war with battles being fought on various fronts - none more critical than the one for talent.

Since China introduced reform and opening policies in 1978, the country has witnessed major economic development, resulting in unprecedented societal change. China continues to evolve at a rapid rate, with open policies taking on new forms with new implications for the country. Some of the most dramatic changes can be seen in the workforce that has undergone a huge transition, moving from agrarian to manufacturing to knowledge workers in a mere matter of decades.

While this transformation has created groundbreaking growth and wealth for many companies and individuals, it has also created a myriad of new challenges for stakeholders at the employee, company and institutional levels. To keep its competitive edge, China's workforce will need to move away from more traditional work styles and adopt new skill sets to strengthen its shift towards a more creative, collaborative, and technology-focused output.

Millennials now make up a significant and increasingly important part of the Chinese workforce. Joining with a different outlook on the world of work, and a different set of competencies to that of previous generations, Chinese Millennials are driving a shift towards new ways of working. However, the current physical environment does not necessarily support these changes, which in turn, could limit innovation and ultimately productivity. Looking forward, businesses will need to consider the effect of this shift for workplace design to truly leverage their most valuable asset, their people.

Many studies have focused generally on Millennials in the workforce. Some studies have focused specifically on Millennials in China; yet few have considered the unique scenario of Chinese Millennials in the workplace – and the implications for workplace strategy and design. This research therefore aims to provide an insight into the impact of Chinese Millennials on the shifting landscape of the Chinese work environment.

A UNIQUE PERSPECTIVE

中國

WHO ARE THE CHINESE MILLENNIALS?

More than a job: 'becoming a better me'

WeChat = **549** Million Users

ONE Child Policy

With more disposable **income**, they have the ability to consume and strive to build a higher (perceived) **quality of life**

32% prefer breakout space to a conventional meeting room

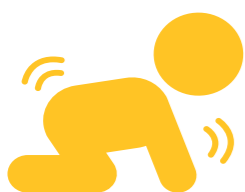**41%** of Millennials prefer to have access to a team space

'Living in the now'

LOVE thy Colleague

Social & emotional intelligence on the rise

Born in between **1980 & 2000**

Technology is not just a part of life, **it is a way of life**

Blurred lines: 'Work is a part of my life'

Trying to find the **BALANCE** between traditional cultural values and global modern society

Being myself: 'More important than being a big shot!'

ECONOMIC REFORM

Over the past two decades, since Deng Xiaoping introduced the concept of 'opening up', international products and brands have flooded the Chinese market. Millennials in particular are heavily influenced by the presence of these global brands, viewing them as status symbols and aspiring to achieve a lifestyle consistent with this perspective. Not only this, they are one of China's most resource-rich generations. Many families have improved their lives economically over a short period of time. With more disposable income, they now have the ability to consume and strive to build a higher (perceived) quality of life.

THE CHINESE MILLENNIAL

Millennials are broadly defined as individuals born between 1980 and 2000. They are one of the most unique generations in history, and nowhere is this more pronounced than in China; rarely has so much change occurred in just one generation. Four major factors have influenced the experiences and expectations of the Chinese Millennial - Economic Reform, One Child Policy, Technology Boom, and Traditional Systems

TECHNOLOGY BOOM

For the Chinese Millennial, technology is not just a part of life, it is a way of life. The first generation to grow up with computers and access to the Internet, technology dominates all aspects of their lives, from social interaction to shopping, entertainment, job searching, and building global connections. This generation of 'netizens' have high visibility into companies and their performance through medium such as LinkedIn and WeChat. Increased transparency and communication due to the high use of social media allows employees to voice their experiences - both good and bad – giving others an insight into company cultures. This, combined with more frequent movement in the job market, increases expectations and job seekers now set the bar higher for their potential employers.

ONE CHILD POLICY

Born in the one-child policy era, this generation are known as the 'me generation' and often referred to as little emperors and empresses. As only children, all the attention and resources of grandparents and parents are centered on the individual child. With increased levels of wealth and high family expectations, this generation is more individualistic and under even more pressure to achieve success. Alongside these traditional influences, Chinese Millennials are more likely to make decisions around their individual welfare, and seem to be delaying traditions such as marriage and home ownership longer in order to get ahead in their careers, much like their global peers.

TRADITIONAL SYSTEMS

As the traditional Chinese education system proposes learning by rote, there is little focus on problem-solving and interpersonal skills. In the workplace, Chinese Millennials can face challenges communicating easily and expressing themselves in group settings. Unlike Millennials in more mature economies, Chinese Millennials start work with gaps between expectations for success and their abilities to reach them. For many, the potential for failure therefore feels high. Further, research indicates that 75% of Millennials want to have mentors and think it's crucial for success. In China, however, with limited mentoring and management experience, these Millennials lack the guidance and support needed to overcome potential challenges.

SAME, BUT DIFFERENT

Millennials will be 'Millennials' no matter what continent they are on. The technological advancements of the past thirty years, the rise and opening of the global economy and the virtually unhindered flow of information has universally informed and shaped the Millennial generation across the planet. Chinese Millennials display similar aspirations to their peers around the world because of these shared factors, yet are influenced heavily by national culture, recent economic reform, and a distinctly different workplace. Employers, marketers and sellers in China that want access, acceptance and loyalty from this unique group need to understand and adjust to three significant shifts currently reshaping the Chinese work environment.

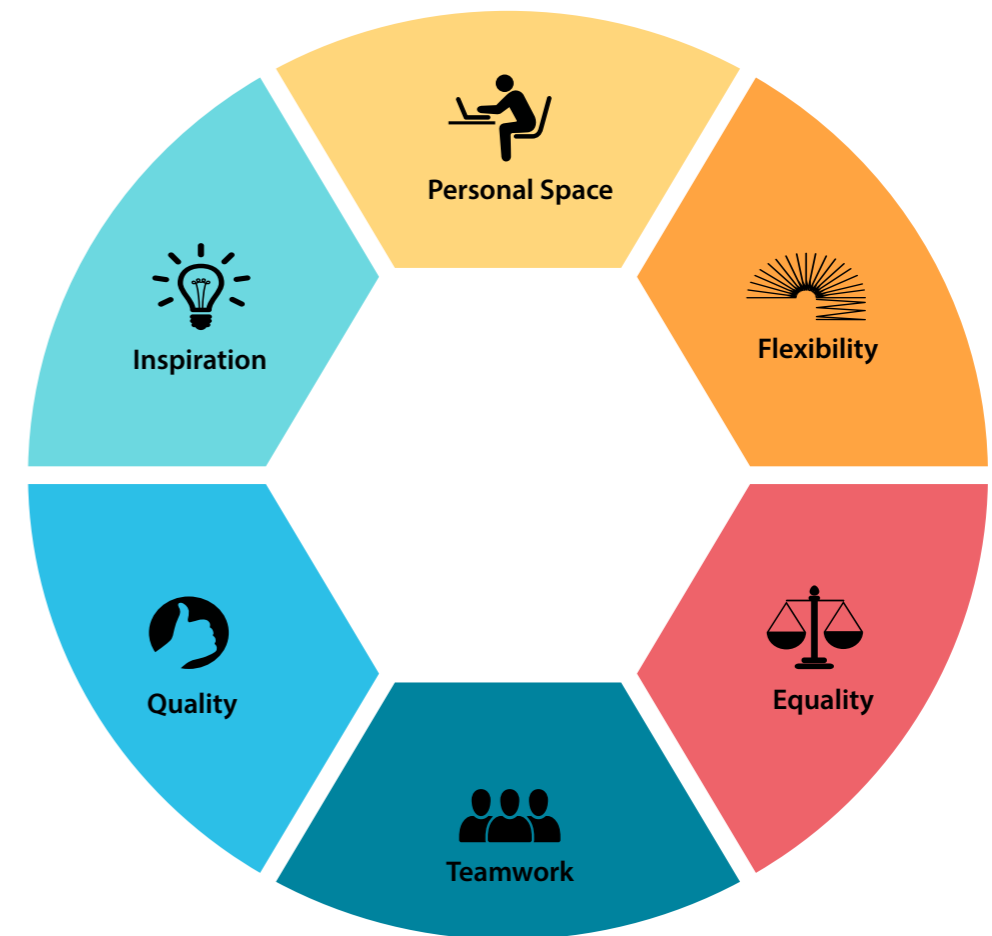**01** From Standardised to Personalised

02 From Hierarchy to Communal

03 From Escape to Embrace

KEY FACTORS

Underpinning these three shifts, Chinese Millennials identified six key factors as essential to achieve their ideal workplace.

Personal Space

Flexibility

Equality

Teamwork

Quality

Inspiration

Personal Space: the area surrounding a person which they regard as psychologically theirs

Flexibility: the ability to customise & change the work environment according to the needs of the task

Equality: the state of being equal, especially in status, rights, and opportunities

Teamwork: the combined action of a group of people acting together to achieve a common goal

Quality: the standard of something as measured against other things of a similar kind

Inspiration: the process of being mentally stimulated to do or feel something, especially to do something creative

01

Standardised ─── **Personalised**

More than ever before, Chinese Millennials wish to grasp their own identities. A global PwC study into the future workplace showed that desire for autonomy is strongest in China, particularly amongst young people. In light of the uniformity of schools in China, this generation is looking to establish elements of personalisation as they seek opportunities to cultivate confidence and build individuality. This stands at odds with largely homogenous and standardised workplaces in China. In contrast, the West is long accustomed to individual expression and personality, and therefore place less emphasis on expression of personal workspaces.

For Chinese Millennials, the workplace is often the first opportunity for them to express their own identities. Yet, in traditional work settings although private space exists, true personal space is limited. Personal space serves as a platform for individuals to reveal more of their true selves to those around them, foster a sense of belonging, and blur the distinction between work and life – all of which they desire. Therefore, the notion of having a flexible workplace, which can be tailored to individual preferences, is appealing.

Personal Space

Inspiration

Flexibility

Quality

Equality

Teamwork

"I want personal space instead of private space."

- Research Participant

"In this space, I can find myself. I feel I belong. I feel safe. I am certain of myself."

- Research Participant

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POLICY and OPERATIONS

Develop policies to allow employees to customise the work environment according to individual needs. These could include:

✓ Setting a number of personal items per workstation
✓ Implementing a clean desk policy where employees are given the freedom to personalise the space during working hours
✓ Encouraging employees to use a 'community space' for activities, announcements and achievements

DESIGN CONSIDERATIONS

To ensure flexibility and adaptability in terms of designing the space, consider incorporating some of the following:

✓ Assign more control to the individual by putting put them at the centre of design
   • Task lighting and shading that can be controlled by the individual
   • Spaces with different acoustic capabilities to increase privacy and confidentiality
   • Individual thermal controls
   • Adjustable furniture and technology features
✓ Ergonomically designed tables and chairs adaptable to the user
   • Height-adjustable desks
   • Computer displays that align with users' horizontal line of sight, for example monitor arms
✓ Technology integrated features - such as
   • Soft seating with built-in power sockets
✓ Storage options
   • Locker
   • Day box
   • Mobile storage units or pedestals

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PERSONAL SPACE AND FLEXIBILITY

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02

Hierarchy —— **Communal**

Globally, the workplace has been moving away from mainly vertical, towards more horizontal management structures. For Chinese Millennials, an organisation offering more equal communication between managers and employees is necessary for personal growth, job satisfaction, and career development. However, traditional Chinese culture places high value on hierarchy for optimal performance. Traditional work hierarchies in China therefore do not often offer these opportunities.

In line with global trends, not only are Chinese Millennials seeking more transparency from their managers, they wish to share similar values and develop friendships with the people they work with. In a study by PGI, 71% of Millennials want their co-workers to be a second family.

Beyond simply working together, colleagues can help each other to broaden their horizons – developing a sense of community in the workplace. Social media is one avenue that facilitates this type of connection between peers, while also creating space for ideas and expression. Companies are now building platforms that introduce online social communities in the workplace, such as WeChat which is revolutionizing communications in China with over 549 million users. As these new methods of communication are adopted by businesses, top managers can connect to their organizations in different ways.

One of the world's leading technology companies has demonstrated this by developing performance metrics for their senior managers, whereby they are measured on the number of 'hits' they receive from content they develop and share online.

Despite some forward thinking companies developing these types of online social communities, the physical workplace does not necessarily align. Research shows that different arrangements can promote formality or informality, and emphasise hierarchy and status. In China, hierarchical environments are the norm. Typically, collaboration happens in formal meetings where many younger employees do not feel comfortable participating. For the individual, work takes place at workstations with little opportunity for interaction due to space constraints.

In contrast, a more open environment can allow for a greater ability to express opinions freely, and encourage equal exchange and group problem solving. This can also lead to a stronger sense of belonging, employee engagement and empowerment.

Personal Space

Inspiration

Flexibility

Quality

Equality

Teamwork

For management, the 'flat structure' of living online can begin to break down hierarchies in the workplace.

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DESIGN CONSIDERATIONS

To promote equality and teamwork in the space, consider incorporating some of the following:
✓ Move from closed meeting spaces to:
  • Open plan layout
  • Transparent or semi-transparent meeting room walls
  • Semi-enclosed meeting areas between teams and close to leaders
  • Use screen dividers and adjustable walls to divide large meeting rooms into smaller spaces quickly and flexibly
✓ Round tables to create a sense of equality and closeness
✓ Design for serendipitous exchange
  • Tall bar counters
  • Strategically place water fountains, photocopiers, vending machines, and other amenities to increase walking in the space
✓ Tools to express and record ideas to effectively record viewpoints, inspire enthusiastic discussion, and organise ideas
  • Writable walls, whiteboards, colored pens, and sticky notes
✓ Collaborative furniture - the optimal arrangement for collaboration is at a 90 degree angle

POLICY and OPERATIONS

Create processes to achieve an environment for more equal exchange. Methods could include:

✓ Encouraging employees to use spaces other than their workstation
✓ More open communications to boost participation such as an on line social community
✓ Ensuring buy-in from leadership to achieve a commitment to change

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PROMOTE EQUALITY AND TEAMWORK

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03

Escape   **Embrace**

Working hours make up a significant part of people's lives. For the average worker in China spending approximately 50 hours per week, it is important to maintain a high quality of life during those hours. Previously, there was a desire to have a separation between the workplace and home, however, these lines are now blurred. Millennials are not looking to get out of the workplace necessarily but rather work in a place that supports their needs – in a comfortable environment that enhances their quality of life and allows them to connect, relax, and be productive. Work is an important avenue of exploration, much like hobbies and travel.

To achieve this type of workplace, companies must acknowledge that Chinese Millennials place a strong emphasis on refining their lives through the consumption of quality goods. Since they see work as central to their lives, they expect their workplaces to embody similar care and attention to detail. Not only is quality important, Chinese Millennials also want functional spaces to inspire and encourage creativity, allowing them to engage fully, think actively, and see their input transform into real results.

"It's like if you have an environment where people want to hang out, they want to socialize, hopefully they will be inspired – they are going to stay longer."

- Mobile Generations Publication, Orangebox

Inspiration

Personal Space

Flexibility

Quality

Equality

Teamwork

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In Western societies, the concept of the 'third space' has become a popular alternative place for working. Often these spaces are cafes or homes, where individuals have choice over the quality of their working environment. While cafés are increasingly popular in China, they are seen as spaces for relaxation and socialising rather than for working. The majority of Chinese homes lack sufficient space and resources necessary for working. In addition, China also has a strong culture of overtime and spending long hours in the office, where employees feel they need to be seen by management. Thus, the 'third space' culture is yet to gain popularity and acceptance in China.

During the busy workday in China, employees generally do not have designated places to relax. Besides their own workspaces and meeting rooms, most frequented spots are the pantry and restroom, where people spend fragmented periods of time to step away from their work. These spaces often have limitations, whether in layout or atmosphere, keeping employees from feeling properly relaxed or inspired.

Companies are therefore under pressure, from Millennials in particular, to provide employees with quality spaces to feel comfortable and transition quickly between work and life.

"You need to have areas where you can interact, socialize or be alone."

- Mobile Generations Publication, Orangebox

Personal Space

Flexibility

Inspiration

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Quality

Teamwork

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POLICY and OPERATIONS

Integrate policies and processes to provide a supportive and inspiring workplace.
These could include:

✓ Educating employees as to the benefits of the workplace features
✓ Integrating wellness through an activity based working approach, delivering exercise classes, and provision of healthcare options
✓ Offering extracurricular activities
✓ Ensuring management support for 'social time' and use of communal spaces

DESIGN CONSIDERATIONS

To provide quality and inspirational spaces, consider the following:

✓ Sufficient "Living Space" related to employee interests and hobbies
   • Storage for personal items
   • Equipment such as ping pong tables and arcade game
✓ Social spaces that let people connect to each other and the organisation
✓ Wellness features
   • Gym equipment and/or facilities
   • Relaxation space – for example quiet zones, soft seating areas, residential design, meditation room
   • High quality food and beverage options
✓ Increase convenience
   • Delivery room for Taobao deliveries
   • Mother's room
   • Childcare facilities

TAKE ACTION
PROVIDE QUALITY AND INSPIRATION

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FINAL WORDS.

The insights from Chinese Millennials and their managers highlight three key shifts essential to achieve a successful workplace in China. It is clear that as China moves from a command and control to a market economy, we will see similar changes in many aspects of society; as evidenced by the different outlook and behavior of Chinese Millennials.

To futureproof their businesses, companies will need to take action to move from highly standardised, hierarchical, traditional office settings to incorporate elements of design and culture that speak to Chinese Millennials as part of a multi-generational workforce. Drawing on the key factors identified in this study, companies have the opportunity to design workplaces fit for the future of China.

ABOUT THE AUTHORS.

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Globally, Haworth improves workplaces through timely & quality research, award-winning furniture, interior architecture, and technology solutions. Research and design drive a deep understanding of agile workplace needs and are at the center of the company's strategy.

To help customers achieve their business goals, Haworth provides knowledge and tools to transform cultures, support collaboration and encourage innovation. Haworth is committed to promoting a culture of sustainability and wellness and creating economic value, while supporting and strengthening its communities. Founded in 1948, Haworth remains family-owned and privately-held and has a global network spanning more than 120 countries.

CHINA YOUTHOLOGY

China Youthology is a Cultural Innovation Lab leading brand & Chinese youth co-creation to enable new actions and a relevant impact. We help brands dive through deep consumer insights, cultivate intimate youth connection, generate inspired new ideas, and determine optimal insights-based on strategic actions.

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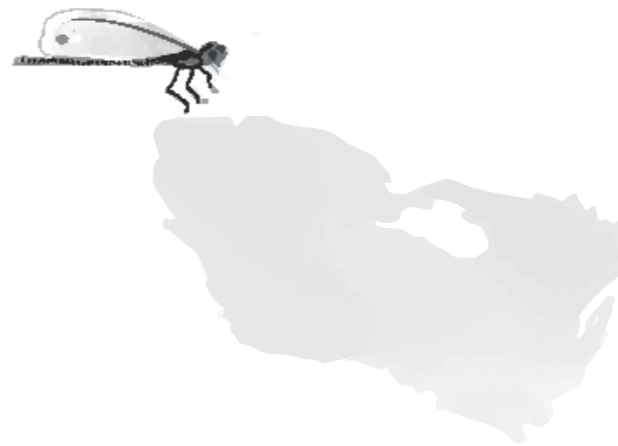## Want more information?

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STUDY PARTICIPANTS

The following companies provided in-depth interviews and participated in workshops for the study:

Airbnb
BASF
CBRE
Honeywell
HSBC

IBM
LinkedIn
Merck
SAP
Shell

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