Diversity & Inclusion in Asia Country View

CHINA

Kate Vernon and Amanda Yik
Community Business
ABOUT COMMUNITY BUSINESS
Community Business is a unique membership based non-profit organisation whose mission is to lead, inspire and support businesses to improve their positive impact on people and communities. Community Business provides training, facilitation and advice to some of the world’s leading companies in Corporate Social Responsibility (CSR) and its major areas of focus include: CSR strategy, corporate community investment, diversity and inclusion and work-life balance. Founded in 2003 and based in Hong Kong, Community Business currently works with a number of organisations, small, medium and large, committed to CSR. For more information, visit www.communitybusiness.org

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Foreword by Community Business

This *Diversity & Inclusion in Asia Country View: China* forms one of a series of such reports for the Asia Region. This series is designed to give business managers and those responsible for their diversity and inclusion strategies in Asia a high level understanding of the key diversity issues pertinent to each market. It focuses on the key areas of: gender, culture, generations, disability and sexual orientation and gender identity. In so doing it draws on third party information sources as well as Community Business’ own extensive research and work in this area. As markets are constantly evolving, this report is supported by a regularly updated online resource which provides details of further reports and links to third party organisations.

Recognising that all companies are different and have their own drivers and priorities for addressing diversity, companies are advised to use this information as a reference and starting point only. Community Business strongly encourages companies to take the time to engage with their business leaders and employees locally to understand to what extent the issues highlighted in this report are relevant to them and where their most pressing issues lie. Only through such engagement can companies get a true understanding of the issues and develop approaches and solutions that are appropriate and relevant to the local context.

Community Business is grateful to the sponsorship of Bank of America Merrill Lynch for making this *Diversity & Inclusion in Asia Country View: China* and other reports in the series possible. Through this support they have demonstrated their leadership and commitment to increasing understanding of diversity and inclusion in Asia.

Kate Vernon
Managing Director and Head of Diversity & Inclusion
Community Business
“Bank of America Merrill Lynch strongly believes that aligning diversity to their growth strategies and operating principles will help companies stay relevant and competitive in the global economy.

To further our commitment, Bank of America Merrill Lynch is proud to be sponsoring a series of country publications that provide an overview of pertinent diversity themes. These publications aim to:

- serve as a knowledge resource for companies wanting to develop their diversity strategy.
- influence the lens through which leaders think about diversity and inclusion.
- provide information to international readers interacting with Asian-based businesses.

While diversity and inclusion in Asia is at a nascent stage, several companies, including ours have put in place measureable steps to link diversity to our businesses including initiatives to engage with our clients on this topic. We know the business case for diversity in the workplace - it drives innovation, balanced and thoughtful leadership, optimal client solutions, and inspires the best in people and teams. In our organisation, we are driving a more diverse and inclusive culture through:

- Focused recruiting and retention initiatives.
- Targeted development and mentoring programs.
- Analysis of our workforce profile.
- Identifying where we need to be tomorrow and 10 years on in terms of workforce diversity.

One of Bank of America Merrill Lynch’s Operating Principles is to be the best workplace. Our company is focused every day on delivering that promise by creating an environment where every employee has the opportunity to achieve his or her goals. To this end, we recognize that differences in thought, style, culture, ethnicity and experience make the company stronger and better able to meet the diverse needs of our customers, clients and the communities we operate in.

On behalf of Bank of America Merrill Lynch, I would like to thank Community Business for partnering with us on this initiative and providing a much needed insight into diversity in Asia.”

Ruth A. Ferguson
Head of Human Resources, Asia Pacific
Bank of America Merrill Lynch
Executive Summary

Diversity & Inclusion in China
China has gone through one of the most spectacular economic transformations in this century, and has undoubtedly become one of the most important markets for businesses around the world. As a vast country of diverse ethnicity, culture and geography, companies both local and international face a series of human resource challenges. Understanding and addressing issues around diversity and inclusion and how they play out in China, is becoming increasingly important.

One of the main teachings of Confucianism, an ideology that is deeply rooted in the Chinese culture, is to ‘seek harmony within diversity’ (和而不同). "Although" inherently diverse, being a rich mix of people from different backgrounds and cultures, the promotion of diversity and embracing different perspectives may be a concept that is at odds with the harmonious society that China strives for. Certainly as a business concept, diversity and inclusion and the benefits it can bring to enhanced innovation and business performance, is not well understood. For the most part diversity efforts are associated with gender equality and in general China is seen to perform well in this area. Much work needs to be done to raise awareness and educate on the greater breadth of diversity issues and the importance of creating inclusive workplace environments that protect all from discrimination and allow all to contribute to their full potential.

Gender
Despite being a traditionally male-dominated society, women have taken up important roles both economically and politically in modern China. However, facing the double challenge of daughterly guilt and motherly duties, Chinese women continue to face numerous challenges balancing life and work, and an organisational glass ceiling and instances of overt discrimination in employment still exist. Compared to other Asian markets, China outperforms many others in terms of female representation in middle management roles, but lags behind at senior levels. The Government has taken positive steps to promote women’s development, and given the rapid pace of change in China, companies operating in China are starting to realise the importance of retaining and developing a pipeline of female talent to ensure competitiveness.
Culture
China’s cultural diversity is manifested through the wide spectrum of its people’s ethnicity, economic and educational background. With great disparity in economic development between urban and rural China and the enforcement of a ‘hukou’ system that denies non-residents of certain rights and opportunities, China faces some unique cultural issues. Within the corporate world, many speak of fundamentally Chinese norms such as ‘face’ and ‘guanxi’ playing a significant role in doing business in China. As China becomes a global economic power, and as local and international companies compete in the war for talent, understanding cultural issues in the workplace will continue to be critical.

Generations
Since its introduction in 1979, China’s one-child policy has been the single most important instrument that has shaped China’s population and workforce. The policy’s by-product is not only a shrinking and ageing workforce, but also a generation of single children who are often perceived to be ‘little emperors’, ill-equipped to face the dual challenge of career and care-giving. As Gen-Y employees assume a bigger role in the workforce, companies in China have begun to take steps to better understand and support their younger employees by providing role models and a more interactive working experience.

Disability
Despite significant improvements in overall living conditions, China’s people with disabilities remain a vast and vulnerable group. The Government has taken steps to promote accessibility and equality for people with disabilities, including the introduction of employment quotas. However, the reality is that social participation of people with disabilities remain low, and they face discrimination at different levels, from social attitudes to education and vocational opportunities. Although there has been improvement in the employment rate of people with disabilities in both urban and rural areas, many continue to face challenges as many employers fear hiring people with disabilities may damage their image and reduce productivity.
Sexual Orientation and Gender Identity
Heavily influenced by strong cultural and social pressures, sexual orientation and gender identity remains a taboo subject in China. Many lesbian, gay, bisexual and transgender (LGBT) individuals in China are not open about their identity for fear of upsetting family. Some still see homosexuality as a Western import, and there is a general lack of understanding of sexual orientation and gender identity in China, resulting in isolation and discrimination of LGBT individuals. Despite this, attitudes are gradually changing - a recent survey shows as much as 91% of people in China believe that gays and lesbians should enjoy equal employment opportunities. Whilst the subject of sexual orientation and gender identity is rarely addressed by local Chinese companies some multinational companies are beginning to look at their LGBT inclusion strategies in China.

Going Forward
China enjoys numerous favorable conditions for progressing diversity in the workplace - the fiercely competitive labour market means that companies are striving to find ways to differentiate themselves and establish their position as an employer of choice. Whilst the Government is providing incentives and impetus in the right direction, in particular in relation to the development of women and people with disabilities, companies need to take a closer look in understanding the needs of their employees and be responsive to the changes in workforce demographics in China. Further education on diversity as a business concept and a greater understanding of the types of interventions that companies can introduce is required. For as the Chinese market continues to grow, there are plenty of opportunities for companies to use diversity and inclusion as a strategy for talent attraction and retention and driving business performance.
Since the introduction of economic reform in the 1970s, China has been in a flux of transition from a planned economy to a ‘market economy with socialist characteristics’. The creation of the pricing system and the reduced role of the Government in resource allocation have given rise to more economic freedom in the country. The open door policy has also encouraged a significant volume of foreign direct investments. With its rich natural resources, large pool of talent and enormous market potential, China has established itself as one of the most influential countries in the world. The economic reform has led China to make unprecedented economic advances - apart from being the major manufacturing centre in the world, it is also the second largest economy in the world after the US when measured on the Purchasing Power Parity scale. Some economists even predict that it will be the world’s largest economy within a decade.¹

China has the largest population in the world - with over 1.3 billion people it accounts for one-fifth of the world’s population. Facing a significant challenge of overpopulation, in 1979, the Chinese Government introduced the one-child policy as a strategy to maintain a steady economic growth. Under this policy, couples are only allowed to have one child, save for some exceptions like rural couples, ethnic minorities and parents who are themselves single children.² This policy effectively controls the pace of the population growth in China, and has re-shaped the future demographic of the country as well as the current workforce.
Interestingly, one of the legacies of the Communist regime has been the improved status of women in China. Mao Zedong called for an end to concubines and arranged marriages, discouraged foot binding, made divorce easier to obtain and mobilised women into the workforce, proclaiming that women ‘hold up half the sky’.  

Although inherently diverse, achieving consensus and maintaining harmony have long been important tenets of traditional Chinese philosophy. This is reflected in the Central Government’s governing principle of ‘creating a harmonious society’. This could, perhaps, be viewed as inclusion with Chinese characteristics.

For companies operating in China, most are facing challenges around attracting and retaining the best talent and leveraging people resources in a fiercely competitive market. Recent surveys show that 40% of employers in China had difficulty finding the right talent to fill openings and 92% say their competitive power is affected by the shortage of key talent. Diversity and inclusion is yet to be fully appreciated and deployed as a business strategy in China, but as Chinese companies seek to globalise and multinational companies seek to localise, an inclusive workplace that nurtures the best talent - which come in different shapes and forms - and companies which recognise the link between diversity and enhanced business performance, will be well placed to establish themselves as employers of choice.
COUNTRY OVERVIEW

Brief History
• With nearly 4,000 years of history, China is one of the world’s oldest civilisations.
• In the 19th and 20th century, imperialism, internal weakness and civil wars damaged the country and its economy, and ultimately led to the overthrow of imperial rule.
• The Communist Party gained control of China after the Chinese Civil War ended in 1949. The People’s Republic of China was established in the same year.

Geography
• The most populous state in the world - population size is over 1.3 billion.
• Mostly mountains in the West and alluvial plains in the East. Principal rivers along which civilisations have developed include Yangtze, Huang He, the Amur and Pearl River.
• China is organised into 22 provinces, 5 autonomous regions, 4 directly administered municipalities (Beijing, Tianjin, Shanghai and Chongqing) and 2 autonomous special administrative regions (SARs) (Hong Kong and Macau).
• The capital city, Beijing, ranks numbers 33 in GDP and 13 in population amongst 65 large cities in the world.5
Economy

- GDP per capita (purchasing power parity) (2011) - US$8,400.⁷
- Ranks 79 out of 183 economies on the Ease of Doing Business Index 2011.⁸
- Ranks 135 out of 183 in the 2011 Index of Economic Freedom.⁹
- Unemployment (2011) - 6.5%.¹⁰
- Largest labour force in the world - 816.2 million (2011).¹¹
- Second largest fixed investment in the world - total business spending on fixed assets, such as factories, machinery, equipment, dwellings, and inventories of raw materials - 48.4% of GDP (2011).¹²
- World leader in gross value of agricultural output; rice, wheat, potatoes, corn, peanuts, tea, millet, barley, apples, cotton, oilseed, pork and fish.¹³
- Second largest merchandise exporters of the world. Major categories of export merchandise include electrical and other machinery, including data processing equipment, apparel, textiles, iron and steel, optical and medical equipment - in the amount of US$1.5-6 trillion (2010). Largest export markets are the US, Hong Kong, Japan, South Korea, Germany (2010).¹⁴
- Third largest importer of the world. Major categories of import include electrical and other machinery, oil and mineral fuels, optical and medical equipment, metal ores, plastics, organic chemicals - in the amount of US$1.307 trillion (2010). Largest countries of origin include Japan, South Korea, US, Germany, and Australia. (2010).¹⁵
Box 1: Key Diversity Statistics: China

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>1,343 million</td>
</tr>
<tr>
<td>Urban Population</td>
<td>47%</td>
</tr>
<tr>
<td>Labour Force</td>
<td>816.2 million</td>
</tr>
<tr>
<td>Ethnic Groups</td>
<td>Han Chinese 91.5% Other (Zhuang, Manchu, Hui, Miao, Uyghur, Tujia, Yi, Mongol, Tibetan, Buyi, Dong, Yao, Korean, and other nationalities) 8.5%</td>
</tr>
<tr>
<td>Median Age</td>
<td>35.5 years</td>
</tr>
<tr>
<td>Life Expectancy</td>
<td>74.84 years</td>
</tr>
<tr>
<td>Fertility Rate</td>
<td>1.55 children</td>
</tr>
<tr>
<td>Languages</td>
<td>Mandarin (Putonghua, based on Beijing dialect)</td>
</tr>
<tr>
<td></td>
<td>Yue (Cantonese)</td>
</tr>
<tr>
<td></td>
<td>Wu (Shanghaiese)</td>
</tr>
<tr>
<td></td>
<td>Minbei (Fuzhou)</td>
</tr>
<tr>
<td></td>
<td>Minnan (Hokkien-Taiwanese)</td>
</tr>
<tr>
<td></td>
<td>Xiang</td>
</tr>
<tr>
<td></td>
<td>Gan</td>
</tr>
<tr>
<td></td>
<td>Hakka dialects</td>
</tr>
<tr>
<td></td>
<td>Minority languages</td>
</tr>
<tr>
<td>Religions</td>
<td>Buddhist 42.5%</td>
</tr>
<tr>
<td></td>
<td>Muslim 14.9%</td>
</tr>
<tr>
<td></td>
<td>Taoist 8.5%</td>
</tr>
<tr>
<td></td>
<td>Hindu 4%</td>
</tr>
<tr>
<td></td>
<td>Catholic 4.8%</td>
</tr>
<tr>
<td></td>
<td>Other Christian 9.8%</td>
</tr>
<tr>
<td></td>
<td>Other 0.7%</td>
</tr>
<tr>
<td></td>
<td>None 14.8%</td>
</tr>
</tbody>
</table>
**LEGAL CONTEXT**

**China’s Constitution**
The Constitution of China, adopted in 1982 by the People’s Congress, contains two key provisions in terms of equality:

**Article 33** - All citizens are equal before the law.
**Article 48** - Women enjoy equal rights with men in all spheres of life, political, economic, cultural and social, including family life. It provides that the State must protect the rights and interests of women, apply the principle of equal pay for equal work and train and select cadres from among women as well.

These constitutional guarantees do not, however, confer protection in the form of actionable rights. They are perhaps more accurately defined as declarations of policy, which may be modified, suspended or withdrawn by other governmental policies. In order to have an actionable right based on a right to equality or anti-discrimination Chinese citizens have to look to legislation, which specifically confers a right of action.

**Equal opportunity law in China**
Equal opportunity law is still at its earliest stages of development in China. There is no comprehensive piece of anti-discrimination legislation, but there are anti-discrimination provisions contained in various laws and regulations which afford some basis for equality on the grounds of nationality, race, ethnicity, gender, religion, health and ‘hukou’ (戶口) covering areas like recruitment, remuneration, leave, occupational safety and sanitation, professional training, promotion and dismissal, social insurance and welfare treatment, marriage and childbearing (the primary sources of legislation are set out in Box 2). The first anti-discrimination provisions in Chinese law were incorporated in the 1994 Labour Law. More specialised provisions, including those found in the 1995 Law on the Protection of Women’s Rights and Interests, have since followed, but anti-discrimination law remains quite underdeveloped in terms of both substantive and enforcement provisions.
### Box 2: Equal Opportunity Provisions: China

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Introduced</th>
<th>What the Law Says</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour Law of the PRC</td>
<td>1995</td>
<td>States that all employees have the right to be employed on an equal basis (Article 3). Prohibits discrimination in employment on the basis of nationality, race, gender, or religious belief (Article 12). States that women shall enjoy equal rights as men in employment. It is prohibited for an employer to refuse to hire a female candidate because of her gender, or raise pre-conditions for her employment, except where the type of work has been deemed unsuitable for women by the State (Article 13).</td>
<td>The Labour Law provides for special protection for female employees in terms of the type of work they can perform during pregnancy and breastfeeding. Employers are able to refuse to hire women for certain jobs deemed unsuitable for women.</td>
</tr>
<tr>
<td>Law on the Protection of Rights and Interests of Women (LPRIW)</td>
<td>1992 (as amended)</td>
<td>Intended to give effect to the Constitutional guarantee of gender equality, the LPWRI prohibits discrimination against women and provides that women shall enjoy equal rights with men in all aspects of political, economic, cultural, social and family life. Discrimination against women is prohibited (Article 2). Specifically, • The State guarantees that women shall enjoy the same labour and social security rights as men (Article 22). • Women are entitled to equal pay for equal work, including a right to equal welfare benefits (Article 24). • It is unlawful to refuse to hire or set higher standards for women except where the type of work is &quot;unsuitable to women&quot;. Employment contracts are not permitted to contain clauses restricting marriage or child-bearing (Article 23).</td>
<td>The LPRIW provides for special protection for female employees in terms of the type of work they can perform during pregnancy and breastfeeding. Where a right has been infringed upon, a woman has the right to require the relevant government department for settlement, and/or file an application for arbitration and/or commence legal proceedings in the People’s Court. The LPRIW outlaws sexual harassment in China for the first time (Article 40), enabling women to bring lawsuits against harassers, however the law is silent on how damages are to be calculated. However, employers are able to refuse to hire women for certain jobs deemed unsuitable for women.</td>
</tr>
</tbody>
</table>
### LEGAL CONTEXT

| Law on the Protection of Disabled Persons | 1991 (as amended) | Provides that persons with disabilities shall enjoy equal rights with other citizens in all aspects of political, economic, cultural, social and family life. Discrimination on the basis of disability is prohibited, as is insulting or disparaging those with disabilities (Article 3).

It is unlawful to discriminate against persons with disabilities in areas like recruitment, employment, promotion, obtainment of permanent status, pay, welfare, leave and social insurance (Article 38).

It is also unlawful to insult or infringe upon the rights of disabled persons.

Employers are required to provide for proper work conditions and labour protection in accordance with the disabled employees’ circumstances, and improve the work place, work equipment, and domestic installation according to actual needs (Article 38).

A person with disabilities refers to someone with visual, hearing, speech, physical, intellectual, or psychiatric disabilities, multiple disabilities; and/or other disabilities. (Article 2)

There is a quota system for the employment of people with disabilities (Article 33). This applies to state organs, public institutions, enterprises and non-governmental organisations. Such entities are required to employ a certain proportion of disabled persons in appropriate types of jobs and posts. The specific ratio may be determined at the provincial level. Preferential tax treatment is granted to those organizations fulfilling their quotas.

Where a right has been infringed upon, a disabled person has the right to require the relevant government department for settlement, and/or file an application for arbitration and/or commence legal proceedings in the People’s Court (Article 60). |
### Law on Prevention and Treatment of Infectious Diseases

<table>
<thead>
<tr>
<th>Year</th>
<th>Prohibits discrimination against pathogen carriers, infectious disease patients, and suspected infectious disease patients (Article 16).</th>
<th>An employer is prohibited from refusing employment to a carrier of any infectious disease, unless the work involves the employee in activities which laws or regulations prohibit them from doing because of the likelihood of causing the spread of the disease.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004 (as amended)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Employment Promotion Law (EPL)

<table>
<thead>
<tr>
<th>Year</th>
<th>Prohibits discrimination in recruitment on the grounds of ethnicity, race, gender or religious belief (Article 3).</th>
<th>The EPL grants victims of discrimination the right to bring a claim in the people’s court. The EPL requires enterprises to set aside funds for employee education and provide professional technical training to employees. However, the existing requirements are rarely complied with and enforcement has been weak or non-existent.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>Employers are required to provide workers with equal employment opportunities and fair employment conditions, to create a fair employment environment, and to eliminate discriminatory employment practices (Article 26). Protection is extended to women (Article 27), ethnic minority groups (Article 28), people with disabilities (Article 29), carriers of infectious disease including HIV carriers, AIDS patients (and their family members) and Hepatitis B carriers (Article 30), rural workers seeking jobs in the cities (Article 31).</td>
<td></td>
</tr>
</tbody>
</table>

### The enforcement challenge

The effect of many of the above anti-discrimination provisions is questionable, as the laws fail to clearly stipulate remedies for unlawful discrimination and no penalties are prescribed. Thus, although individuals now have an explicit right to sue employers who engage in illegal discrimination, few claims are brought in court or through arbitration and mediation in China due to:

- Absence of a clear definition of discrimination in Chinese law.
- Procedural obstacles and lack of clearly stipulated remedies.
- Lack of a central organ to deal with discrimination claims in the workplace.
- Lack of consistent enforcement by local authorities.

All this means there is often no way to enforce the proclaimed guarantees in practice.
**Legal Context**

**Discrimination against migrant workers**
Abuse of rights of migrant workers is a serious issue in China. Although the EPL entitles migrant workers to equal employment rights, in many cities the law prohibits employment of individuals who do not have a local household permit or temporary residency permit. As such, it is unclear how strictly the prohibition of discrimination against migrant workers will be enforced at the local level.

**Discrimination against carriers of infectious disease**
Employers are prohibited from discriminating against people who may test positive as carriers of a disease, including HIV or Hepatitis B, and whose condition does not affect their ability to work. Despite the existence of anti-discrimination provisions, discrimination against Hepatitis B carriers appears to be rising, and enforcement of the anti-discrimination provisions in the EPL has not been consistent.

**Discrimination against older workers**
There is no law protecting against discrimination on the grounds of age. Consequently it is common to see job advertisements stipulate age requirements advertising for younger workers, often below the age of 30, who are generally regarded as a cheaper and more flexible pool of workers.

**Equal opportunities in the workplace**
Increasingly, labour inspections (especially by international organisations such as the International Labour Organisation (ILO) and other NGOs), trade unions, non-governmental organisations and the media are becoming more influential in terms of uncovering and resolving cases of discrimination. Recent cases that have attracted significant media attention have included discrimination on the basis of height, place of origin and Hepatitis B status. Employers in China will have to pay greater attention to individuals’ rights for equal opportunities and step up their efforts in terms of re-examining recruitment procedures and application forms or run greater risks of legal liability. Some companies in China have also started to engage in corporate social responsibility and the importance of public image and corporate reputation has raised awareness of and respect for equal opportunities.
KEY DIVERSITY ISSUES IN CHINA
### Box 3: Key Gender-related Diversity Indicators: China

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women as a percentage of total population (2011)</td>
<td>47%²¹</td>
</tr>
<tr>
<td>Female labour participation rate (2010)</td>
<td>70%²²</td>
</tr>
<tr>
<td>Women as a percentage of the national labour force (2010)</td>
<td>46%²³</td>
</tr>
<tr>
<td>Female enrolment at tertiary education (2009)</td>
<td>49%²⁴</td>
</tr>
<tr>
<td>Female directors on boards of listed companies (2009)</td>
<td>6.6%²⁵</td>
</tr>
<tr>
<td>Women in senior management (2011)</td>
<td>20.72%²⁶</td>
</tr>
<tr>
<td>Length of statutory paid maternity leave</td>
<td>90 days²⁷</td>
</tr>
</tbody>
</table>

### Status of Women in China

From the age of foot binding through to today, the role and rights of women in China has undergone dramatic transformation. Traditional Chinese societies were patriarchic and male-dominant, but the rise of Communism did much to improve the status of women. With Mao’s proclamation that ‘women hold up half the sky’, women were expected and required to contribute to economic development. Today the representation of women in the workplace is comparable to developed countries and amongst the highest in the Asia region. Of course, there are stark variations between the urban and rural areas - where women take on traditional roles, and the preference for boy babies is still strong, and gender inequalities still occur in many aspects of life. However, in general women are becoming more economically active and increasingly taking up more important roles in modern China.

- **At home:** Traditionally, male offspring is preferred over female. Men carry the family line and the preference for boys is reflected in the imbalanced boy-girl birth ratio of about 118.06 males to 100 females.²⁸ In rural areas, girls are reportedly denied the health care and education that their brothers receive.²⁹ For urban households, the traditional Chinese concept that men are breadwinners and women are caregivers still exists. Women assume the bulk of responsibility at home and face pressures to get married,³⁰ bear children and take care of the elderly. As women born under the one-child policy enter the workforce, the dual challenge of progressing careers and providing care...
for elderly parents is imminent. However research also suggests a positive spin on the one-child policy - families with a single daughter are actively promoting gender equality, creating a gradual shift in perceptions of women and their abilities. Parents of single daughters are also investing heavily in the development of their daughters, instilling higher self-esteem.\(^{31}\)

- **In education:** According to the World Economic Forum, in 2011, China ranked 85 out of 135 countries in terms of education attainment of women.\(^{32}\) However, interestingly, the proportion of female teachers progressing from primary to tertiary education varies less significantly than in other Asian countries - women make up 57% of primary school teachers, 47% for secondary education, and 44% for tertiary education.\(^{33}\)

- **In politics:** Women are a minority in the political scene in China, making up 40% of Government officials, and the figures decline along with growing seniority. In 2011, China ranked 57 out of 135 countries in terms of political empowerment of its women.\(^{34}\) The Government is however taking steps to narrow the gender gap in politics, setting goals for women’s participation in grass-roots level of Government, and achieving a 35% target of female senior professional and technical staff in Government departments within 10 years.\(^{35}\)

**Chinese women are under-represented in leadership roles**

Despite general improvements in the status of women, Chinese women are under-represented in positions of authority and leadership roles.

- In 2011, the male to female ratio of legislators, senior officials and managers was 5:1.\(^{36}\)
- Politically, at present only 3 out of 27 government ministers are women. Just over 20% of members of the parliament and 21% of National People’s Congress deputies, and 16% of the Standing Committee are women. These figures have remained roughly the same as in the 1970s. The situation worsens in rural areas, where less than 7% of provincial-level ministerial posts are held by women.\(^{37}\)
- In 2009, only 6.6% of board members were female.\(^{38}\)

**Government-led initiatives**

The All-China’s Women Federation is the organisation that works on mobilising resources to promote equal opportunities for women. It is supported by a local federation in each province. Some of its initiatives include:
• Programmes to enhance women’s professional competence.
• Programmes to increase women’s incomes through science and technology.
• Programmes to develop community services.
• Programmes to strengthen healthy ethics at home.
• Actions to assist female worker to be re-employed.
• Actions to help women to become ‘competent and talented persons’.
• Training, workshops and exchange forums to discuss gender issues.

Women in the Workplace

Representation of women in the workplace

Of the 14 billionaires on Forbes magazine’s 2010 list of the world's richest self-made women, half were from mainland China. This suggests that there is no lack of qualified and ambitious women who, increasingly, are the engines powering China’s economic growth. However, a closer look at the make-up of the female workforce will show that whilst women in China are well represented at entry and middle management level positions, they are under-represented at senior levels. According to Community Business’ Gender Diversity Benchmark for Asia 2011 which looks at the representation of women in multinational companies in six locations across Asia including China, women in China hold 43.97% of middle level positions, ranking just after Hong Kong, but only 20.72% of senior positions, lagging behind Malaysia, Hong Kong and Singapore (Box 4).

Box 4: Average Representation of Women at Management Levels in the Chinese Workplace

<table>
<thead>
<tr>
<th></th>
<th>Middle Management</th>
<th>Senior Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>44.5%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>China</td>
<td>43.97%</td>
<td>Hong Kong</td>
</tr>
<tr>
<td>Singapore</td>
<td>39.74%</td>
<td>Singapore</td>
</tr>
<tr>
<td>Malaysia</td>
<td>36%</td>
<td>China</td>
</tr>
<tr>
<td>Japan</td>
<td>26.11%</td>
<td>India</td>
</tr>
<tr>
<td>India</td>
<td>14.91%</td>
<td>Japan</td>
</tr>
</tbody>
</table>

20
Gender issues in the workplace

Community Business’ own research on women in the workplace in Asia and wider reports reveal the following barriers to Chinese women’s greater participation in the workplace, particularly at senior levels:

- **An organisational ‘glass ceiling’ or a self-imposed ‘invisible filter’**: A recent survey shows that 66% of working women believe men are favoured for promotions and pay rises, even when they are capable of the same work. Notably in China, the retirement age for women is set at 50-55, which is 5-10 years earlier than for men. This means that the time available for women to advance their career to the highest ranks after reaching the peak of their performance is limited and can hinder women’s progression.

- **Work-life balance hits women harder**: A recent survey shows average working hours in China to be 71 hours a week at multinational companies and 72 hours a week in local companies. Around 30% of the women surveyed report having to travel extensively and regularly for work. Adding childcare and eldercare responsibilities, a lack of time is a key challenge for working women in China.

- **Demand for mobility can limit opportunities**: In China, daughters are still generally responsible for the care of their family - whether it be parents or children. Indeed, according to a study by the Center for Work-Life Policy an overwhelming percentage (95%) of Chinese women shoulder eldercare responsibilities and 70% of working women experience ‘daughterly guilt’ for neglecting their parents. Demands of modern jobs for mobility - either within China or abroad can be challenging for many, forcing them to forgo certain roles or international assignments. Those that do pursue such opportunities often do so at the sacrifice of being with or establishing their own family.

- **Overt discrimination**: Despite existing legislation in China, women still face discrimination in employment. Women also face challenges in terms of job allocation and promotion. Women often speak of unequal pay and the need to be more qualified in order to get the same position as men.

A study conducted by the Center for Women’s Law and Legal Service of Peking University in 2009 which surveyed 3,000 women suggests that discrimination of
women in the workplace may be more serious than is often admitted, revealing that:

• One quarter of the women surveyed said they had been denied a job on the basis of gender.
• One in 25 of those surveyed were forced to sign labour contracts containing clauses forbidding them to get married or pregnant in a set period of time.
• More than 20% said employers cut the salaries of women who become pregnant or gave birth, and around 11% lost jobs for having a baby.
• 28% said employers set different criteria in recruitment and women had to be more qualified and perform much better than their male peers in interviews to get the same job.
• More than one-third believed male employees had more chances of promotion, and about 52% attributed it to women having to spend more time taking care of their families.

Diversity Initiatives - Gender

Given the rapid pace of change in China, the challenge for multinationals and local companies alike is finding the right talent to fill the pipeline supplying senior management and top leadership to match the needs of sustainable business growth. Women in China have much to contribute to fulfilling this need. A recent survey shows that women in China are highly committed to their careers, with 88% expressing loyalty to their current employers, 76% are willing to go the extra mile, and 76% aspiring to hold a top job. Whilst companies in China have generally been slow to recognise the need for targeted programmes for women, leading companies are introducing the following gender initiatives:

• Setting up women’s networks.
• Organising networking events and diversity forums.
• Introducing management training and mentoring programmes for high potential women.
• Conducting leadership programmes to strengthen the female leadership pipeline.
China’s Cultural Diversity

China’s vast and varied geography, together with its long and complex history, make it a fascinating subject from a cultural perspective. Strong Confucian principles and family values continue to define cultural norms and underpin many aspects of daily life. Yet rapid economic development and changes to the structure of society are also having a significant impact on China’s national identity.

- **Ethnically diverse:** China is a multi-ethnic nation of 56 ethnic groups. The Han make up 92% of the country’s total population and the remaining 8% are made up of other ethnic minority groups. The official language in China is Putonghua, but many often talk of the need to protect ethnic languages. Internationally, China’s treatment of Tibet and Xinjiang - among the largest settlement of ethnic minorities in China, has been controversial and ethnic groups have been said to face systemic disadvantages in terms of accessing jobs, health care and education.

- **Economically diverse:** Given the large income gap between the rich and poor and disparity in social and economic development between urban (largely coastal areas and eastern part of the country) and rural areas (inland and western part of the country), Chinese people are finding themselves living at extreme ends of the scale in terms of living standard and environment, education level, access to healthcare and social status. This has resulted in a remarkable divergence within the Chinese population as regards to lifestyles, career aspirations, life goals and value systems.

- **Regional differences (‘hukou’):** China’s rapid urbanisation is fueled by an estimated 200 million rural migrants working in more prosperous parts of the country. However the rigid ‘hukou’ system - a system of hereditary residency rights - denies migrant workers access to public services, including education, housing, social security and welfare services. The exploitation of cheap labour offered by migrant workers is creating an underclass in the booming Chinese cities and contributes to a greater urban-rural divide. Being less educated and skilled, migrant workers often end up with labour-intensive and low-paying jobs and living in urban slums.
• **Diverse upbringing:** Cultural diversity among the Chinese population is also manifested in the form of diverse upbringing. An increasing number of younger generation Chinese are returnees from abroad - ‘hai gui’ (literally, sea turtles) - and while they share some fundamental Chinese cultural values such as filial piety, their world views and values are vastly different from those who have never set foot abroad. In many respects, Chinese returnees are perceived to be more Westernised or culturally adaptive in the eyes of the international community and multinational companies.

**Chinese cultural norms**
Richly influenced by Confucianism, Chinese culture typically values filial piety, relationships, moderation and respect for authority. Hierarchy is the social framework and harmony is often hailed as a common ideal.

• **Hierarchy:** Seniority in terms of age, titles, work experience or years of service are important factors that determine the nature and style of communication and interactions. This is reflected in a relatively rigid hierarchical structure in both society and the workplace, especially in state-owned organisations where working relationships between superiors and subordinates are often formal and distant.

• **Face:** Face is an essential component of Chinese culture. Having face means being respected by one’s peers and seen by others as a dignified person. Chinese are sensitive to gaining and maintaining face and causing someone to lose face can be detrimental to business opportunities.

• **Guanxi:** Personal relationships and contacts are key to getting things done in China and often knowing the right person will allow official rules to be bypassed. One’s social connection is often perceived as the most important asset that will help achieve business success.

• **Group membership vs individualism:** Traditionally, Chinese are more likely than people in the West to describe themselves in terms of membership in groups, be it family, social circles or work unit, rather than in terms of individual achievement. In fact, China ranks lowest among Asian countries in terms of ‘individualism’ on the Geert Hofestede Cultural Dimensions.\(^{49}\) This is sometimes manifested in loyalty to and strong relationships among members of the group. However, corporate China is witnessing a gradual shift towards individualism as a result of fierce competition for education, job opportunities and promotion prospects.
Cultural Diversity in the Workplace

Cultural issues in the Chinese workplace
Anyone working or living in China will quickly notice very different working cultures between state-owned enterprises, semi-private and private enterprises. The cultures within local and multinational private companies are also distinct.

Community Business’ research\(^{50}\) shows that there are specific cultural challenges for local Chinese employees working in multinational companies that can limit their career progression. Some of the key cultural issues are:

- **Proficiency in English:** Not being native English speakers, Chinese executives can struggle as they often do not understand the sophisticated language used by their international colleagues.

- **Communication style:** Chinese culture and education discourages Chinese people from speaking up, voicing criticisms or taking a stance. This can make Western management feel uncomfortable as they are used to more open discussion - even with subordinates.

- **Common interests:** Lack of common hobbies and interests (for example, wine-tasting and sports) can make Chinese employees feel excluded in ‘after meeting’ discussions. Chinese executives struggle to establish the relationships and connections that they see to be so critical to career success.

- **Professional development:** Chinese executives feel that their opportunities for career success are determined to a large extent by the company’s overall strategy and commitment to China - over which they have no control. Chinese executives sense a lack of trust from corporate headquarters, which they see favours English speaking expatriates from a familiar cultural background as low-risk options for leadership positions in China.

The war for talent in China
With a burgeoning domestic market, and the rise in local Chinese companies operating globally, multinational companies are increasingly competing with local companies for top talent. Indeed more and more Chinese executives seem less willing to work overseas as they do not want to miss being part of the growth at home and a strong sense of national pride has emerged as a key cultural consideration for local employees. As a result, multinational companies operating in China are being forced to raise salaries and improve training, promotion and leadership opportunities for
local Chinese in order to remain attractive to their potential recruits. The war for
talent is fierce and anecdotal reports suggest that Chinese executives are regularly
pursued by recruitment firms, offering 20% pay rises and grade leaping promotions.
While a recent survey shows that foreign brands continue to be the most desirable
employers in China, indigenous Chinese businesses are certainly becoming
increasingly attractive for employees at all levels, particularly in terms of cultural fit,
and greater opportunities for leadership.

Diversity Initiatives - Culture

Although China would rightly claim to be inherently culturally diverse, its
population being made up of many different ethnic minorities, for much of its
modern history China has been largely closed off from the influences of the outside
world. As such addressing cultural issues in the work place has not been a key
priority. However, with its increased role on the global stage and dominant role in
the Asia region, the need for greater cultural awareness is changing. Indeed, some
large homegrown Chinese companies have, through either organic growth or
mergers and acquisitions, transcended borders to become international or global
businesses. There is likely much work to be done in this area, in breaking down
cultural stereotypes and learning how to deal with people with different values and
ways of doing business.

Meanwhile, multinational companies operating in China are increasingly aware of
the need to address issues relating to cultural diversity in their organisations. As
these companies compete increasingly with local companies in the war for talent,
they are encouraged to think about cultural issues in the workplace and about what
steps they can take to create a more inclusive culture for employees in China - in
particular one that enables Chinese talent to contribute on a more equal basis to
global growth. Some specific initiatives that companies are taking towards these
ends include:

- Introducing targeted development strategies for Chinese talent.
- Arranging overseas assignment for high potential talent.
- Giving Chinese talent greater visibility at corporate levels.
- Providing cross-cultural training for employees.
- Engaging employees in multi-cultural teams to enhance cross-cultural
  understanding.
Demographics of Chinese Population

**Figure B - Population Pyramid for China, 2010**

**Box 5: Key Age-related Diversity Indicators: China**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population aged over 65 (2011)</td>
<td>8.9%</td>
</tr>
<tr>
<td>Estimated population aged over 60 (2030)</td>
<td>24.4%</td>
</tr>
<tr>
<td>Fertility rate (2011)</td>
<td>1.54%</td>
</tr>
<tr>
<td>Average median age (2011)</td>
<td>36.2%</td>
</tr>
<tr>
<td>Average life expectancy (2011)</td>
<td>74.68%</td>
</tr>
<tr>
<td>Population growth rate (2011)</td>
<td>0.493%</td>
</tr>
</tbody>
</table>

**Ageing population in China**

According to the 6th national population census in 2010, 16.6% of China’s population was aged 14 or younger, a drop of 6.29% from the 2000 census. With a rapidly falling mortality rate in recent decades and the institution of the one-child policy, it is estimated that over 11% of the population will be over the age of 65 in 2020. Although this percentage is not as high as other markets in Asia - most notably, Japan, Hong Kong and Singapore, the sheer size of the elderly population means that this is a critical issue and that there will be enormous pressure on the economy and competitiveness of China in the global marketplace.
One-child policy
The single most important factor that has shaped the demographics of modern China is the controversial one-child policy introduced in 1979. With some exceptions, families are only allowed to have one child. Impacts of the policy are numerous, but some of the key ones are:

- **Family structure:** The evolution of the traditional extensive family structure to the grandparent, two parents and one child model (4:2:1). This puts an increasing burden on the child in terms of fulfilling family expectations but also in terms of being the only source of support, financial and emotional, for their parents and grandparents as they grow older.

- **Economic age structure:** On a macro level, the decline in number of children has freed up valuable resources enabling improvements in living standards and reducing poverty. China’s current age structure is now heavily concentrated in the ages where people are most productive and have the highest earnings.

- **Baby bust:** China has reached a point where demographic conditions are becoming a hindrance to further economic growth. During the last 35 years the number of children has declined by about 138 million, and over the next 35 years the United Nations projects a further drop of more than 80 million. China is experiencing a ‘baby bust’, which is unprecedented for its magnitude and the speed with which it has occurred.

Generation gap and Gen-Y in China
Currently there are approximately 240 million people in China who fall into the category of Gen-Y (people who were born between 1980 and 1990) or ‘Post-80s’ (Ba-Ling Hou). This generation has been brought up in a dramatically different environment from their parents. Many of their parents lived under the governance of Mao, experienced famine and the turbulent Cultural Revolution and were denied the opportunity to receive a proper education. By contrast, Gen-Y has been brought up in a time when China has experienced dramatic economic growth, greater exposure to outside influences and an improved overall living standard.

As a product of the one-child policy, China’s Gen-Y are subject to the following challenges:

- Being the only child in their family, they are often seen to be over-protected and indulged, and are crowned as ‘little emperors’, enjoying the privilege of getting
the sole attention from their parents and their grandparents.

- As they grow up, Gen-Y realise that they carry the entire family’s expectations to become successful, and that later in life they will bear the sole responsibility of supporting their parents. When asked to choose one thing that would make their life happier, 82% of young Chinese surveyed chose the ability to provide their parents with an easy life. 

- With the advancement of technology and wider use of internet, they are more exposed to the outside world than previous generations and therefore more influenced by ideas and culture of the West.

**Government-led initiatives**

The Government is aware of the challenges it faces in terms of the ageing workforce. Medical facilities and institutions catering for the elderly are not fully developed, especially in rural areas. As part of the 12\textsuperscript{th} Five-Year Programme for China’s Economic and Social Development (2011-15), the Government is seeking to promote:

- Families and communities as support units for the elderly.
- Development of elderly care service industry with favourable policies as incentives.

The Government also recognises that as China’s workforce ages, young workers will be even less available and China’s manufacturing and services sectors will be forced to keep existing workers for a longer tenure or find older workers to meet the demands for labour in China’s economy. Although raising the retirement age may be a quick solution, there are no plans for the Government to do so, citing high unemployment rate of university graduates as a reason.

**Generational Diversity in the Workplace**

**Older workers try hard to stay employed**

There is no anti-discrimination law protecting employees from age discrimination in China. China has a unique two-tiered retirement age in force in China which is creating distinct challenges for older workers throughout China. According to the current system, blue collar urban workers retire at age 55 for men or 50 for women, whilst more senior professionals and government workers retire at age 60 for men or 55 for women.
For most Chinese workers, staying employed is a matter of survival, and for those who are forced to retire when they are still economically fit, especially for women retiring at 50, seeking employment is a matter of necessity. This is accentuated by the fact that older workers often need to support themselves as their single child struggles to support two elderly parents.

**Significant generation gap in the workplace**

From an agricultural economy to the factory of the world, and now increasingly a commercial centre for East Asia, China has seen a fundamental shift in workforce dynamics. The younger generation is working in significantly different conditions to their predecessors. While older generation workers value loyalty, younger generation workers are seen to be more demanding, mobile and vocal, often creating inter-generational tension in the workplace.

**Understanding the Gen-Y workforce**

Whilst Gen-Y in China to a large extent is still holding onto traditional Chinese values, their attitudes as manifested in the workplace are seen to be changing.

- **Migrant workforce**: The waves of young rural migrant workers leaving home for opportunities in coastal manufacturing hubs are more rights-conscious, more willing to voice their grievances, and less tolerant of long working hours and tough conditions. Rising awareness of the interplay between corporate social responsibility and brand reputation has fuelled the rise of a generation of more confident and assertive workers in China.

- **Urban Gen-Y**: Younger employees based in the city are beginning to question traditional cultural values that demand respect for hierarchy and authority. They are well-educated, social, ambitious and have high expectations for learning and achievements. Sensitive to criticisms and reluctant to comply with superiors, white collar Gen-Y is posing significant challenges to their managers, often the less expressive Gen-X. They long for good role models whom they can trust and emulate. They also expect to work flexibly and look for positive interactive experience with both managers and peers in the workplace.
Diversity Initiatives - Generations

Businesses across various industries and regions in China face vastly different challenges in terms of generational diversity, but the focus across the board has so far been overwhelmingly on attracting, retaining and developing the Gen-Y workforce. Employers will do well to attract Gen-Y talent by engendering an open, interactive and inclusive working environment that promotes work-life balance, training and entrepreneurial opportunities. In the fiercely competitive market for younger talent, large local companies and multinational companies are taking a variety of steps targeted at the Gen-Y workforce, including:

- Putting in place comprehensive and long-range talent management plan targeted at keeping Gen-Y motivated and engaged.
- Using interactive recruitment process where employee referrals are encouraged.
- Providing comprehensive onboarding orientation programmes.
- Adopting a more flexible compensation and benefits programme emphasising accomplishments and short-term rewards.
- Ensuring regular, open and frequent communication on career progress and performance feedback.
- Providing job rotations and opportunities for short term overseas assignments.
- Providing competitive technological platform for virtual communication.
- Providing flexible work options.
Disability in China

The common Chinese term for disability prior to 1980, ‘can fei’ (殘廢) – literally means handicapped and useless. Awareness has grown since then, marked by a deliberate transition in language, replacing the derogatory term with ‘can ji ren’ (殘疾人) – meaning ‘people with disabilities’. Despite significant improvements in the overall living conditions, China’s people with disabilities remain a vast and vulnerable group. A survey in 1987 revealed a disabled population of over 60 million, but the Second National Sample Survey on Disability conducted in 2006 showed the figure rose to 82.96 million, of which 75% were from rural areas, accounting for about 6.34% of the country’s population.

The Government has taken steps to promote accessibility and equality for people with disabilities, including the introduction of employment quotas. However, social participation of people with disabilities remains low, and they face discrimination at different levels, from social attitudes to access to educational and vocational opportunities, and public facilities.

Social attitudes towards people with disabilities

- **Retribution of sins:** Disability has traditionally been viewed in Asia "as a punishment for the disabled person's parental or past–life sins". In China, traditional attitudes influenced by a mixture of Confucianism, Buddhism and folk religion, continue to influence people’s attitudes towards people with disabilities.

- **Family shame and rejection:** Many disabled people and their families have been subject to stigmatisation, family shame and rejection. This affects 260 million people who are family members of people with disabilities in China, which accounts for 19.98% of the country’s population.

- **Stigma, prejudices and stereotypes:** Despite greater social awareness, stigmatisation still exist. There is a general perception that people with disabilities lack ability.

- **Lack of accessibility:** People with disabilities are not visible members of society as public facilities are not accommodating of their needs. Despite Government
efforts to improve the situation, especially in large and medium-sized cities, the approach has been said to be piecemeal. The mixed system of integrated and special education increases educational opportunities for students with disabilities but lack of accessibility creates barriers to full integration.

**Government-led initiatives – quota system**
Under Chinese law, there is a quota system for the employment of people with disabilities. This applies to state organs, public institutions, enterprises and non-governmental organisations. Such entities are required to employ a certain proportion of people with disabilities in appropriate types of jobs and posts. The specific ratio may be determined at the provincial level, but is usually 1.5%. Those failing to comply with the quota are required to pay to an Employment Security Fund, with the aim of supporting vocational training and career placements for people with disabilities. Preferential tax treatment is granted to those organisations fulfilling their quotas.

**Other Government-led initiatives**
The Chinese Government has also been addressing the needs of people with disabilities by taking legislative and administrative action. The Law on the Protection of Disabled Persons (1991), the Employment Regulation for People with Disabilities (2007) as well as the Employment Promotion Law (2008) are some of the 50 national laws that contain specific provisions that concern people with disabilities.

Since 1988, five 5-year National Working Programs on Disability have been implemented or are under implementation. The Chinese Government’s 12th Five year National Program on Disabilities, for the period 2011-2015, highlights the need and commitment to continue to improve the conditions and access to support for people with disabilities in China. Improving the social security and social services systems is a key objective of this plan. The Chinese Government has also ratified the UN Convention on the Rights of People with Disabilities in 2008 to support people with disabilities to be fully and effectively participate in society. Other important steps taken towards this end include:

- Developing rehabilitation and social development programmes, including Community Based Rehabilitation initiatives, with the goal of mainstreaming and facilitating the participation of people with disabilities in society. There
are about 15,000 rehabilitation service agencies for people with disabilities at various levels.  
- Collaborating with non-governmental organisations to respond to the needs of people with disabilities in rural areas who cannot afford rehabilitation services.
- Establishing a State Council Working Committee on Disability to steer and co-ordinate disability work. The China Disabled Persons’ Federation (CDPF), the unified organisation serving as the Working Committee’s secretariat, is commissioned by the Government to be responsible for implementing and supervising employment of people with disabilities, in accordance with laws, regulations and tasks entrusted by the Government.
- Adopting various other measures to improve legal protection, intensify training and related services, explore new employment channels and strengthening the implementation of quota scheme.

Disability in the Workplace

Increasing employment rate for people with disabilities
According to Government sources, the employment rate of people with disabilities in urban and rural areas rose from less than 50% in urban areas and 60.55% in rural areas in 1987 to 80% in 2007. This is a significant achievement, especially compared to the situation in many developed countries. The Chinese Government also promotes self-employment of people with disabilities through tax incentives and technical, financial, and additional resource assistance. There are over 3,000 employment service agencies in China that establish financial support from the Government and local communities, providing services that range from vocational training to job matching and consultation to people with disabilities seeking employment.

Challenges faced by people with disabilities in the workplace
Despite improvements, many people with disabilities continue to face both social and physical barriers in the workplace and challenges seeking employment, as employers fear hiring people with disabilities may damage their image and reduce productivity.

As elsewhere in Asia, key obstacles to the greater employment of people with disabilities in China include:
• Negative perceptions and false assumptions about disabled individuals and their ability to perform in the workplace.
• Employers’ limited experience of working with or interacting with people with disabilities.
• Lack of knowledge about where to find people with disabilities with the right skills and experiences.
• Concerns about potential costs and resources required to support people with disabilities in the workplace.

Diversity Initiatives – Disability

Despite governmental efforts and the existence of a quota system, disability is not a high priority diversity issue for companies operating in China. This is a reflection of the nascent stage at which companies operating in China are at as far as their diversity and inclusion efforts are concerned. Companies which are able to recognise this as the opportunity to tap into a new talent pool and take steps towards engaging with people with disabilities may well establish themselves as a leader in this space.
SEXUAL ORIENTATION AND GENDER IDENTITY (LGBT)

General Attitudes in China

Pressure to conform
In China, as in many countries in Asia, there is strong cultural and social pressure for individuals to marry and have children. Marriage represents not only a way to continue the family line but also to find a partner who will take care of aging parents. This pressure is perhaps even more extreme in China because of the one-child policy. With the weight of family expectations, and no siblings to rely on, many LGBT individuals remain ‘closeted’ for fear of upsetting their family, and some succumb to the pressure by leading double lives and getting married. One study showed that amongst 2,250 homosexual males from 9 major cities interviewed, 20.7% had entered heterosexual marriage. Others estimate that as much as 90% of LGBT individuals in China have entered into heterosexual marriages.

A taboo subject
Sexual orientation and gender identity, especially in rural parts of China, remains a taboo subject and common misconceptions associate LGBT individuals with HIV/AIDS, crime or psychological disorder. In fact, only in 2001 did the Ministry of Health remove homosexuality from its diagnostic list of mental illness. Until about 15 years ago, homosexuality was regarded by many as a Western import with no place in Chinese society. Certainly there is a general lack of education and understanding on this topic, resulting in isolation and discriminatory or prejudicial attitudes towards an estimated 30 million LGBT individuals in China.

For the entire LGBT community:
• Indirect discrimination in the form of lack of information, support and recognition of individual needs often means denial of a normal school, work, social and family life for LGBT individuals.

For lesbian, gay and bisexual individuals:
• Lack of general education and awareness on this subject, means many LGB individuals in China struggle to come to terms with their own sexual orientation, leading to guilt, fear and isolation.
• LGB individuals in China often suffer direct discrimination. Some of those who are openly gay have spoken of being persecuted by authorities and being worried about getting fired, being harassed, detained, attacked, humiliated or blackmailed.  

**For transgender individuals:**
• Transgender individuals face overwhelming discrimination in China, even from members of the LGB community. This is reflected in the common Chinese term for transgender individual which is ‘ren yao’ (人妖), which literally means human monster.
• There is a lack of availability of proper psychological counseling and sex reassignment operations in China.
• Many transgender individuals resort to becoming sex workers or performers to make a living, as it is virtually impossible for them to get a job in the corporate setting.

**Lack of political support for LGBT**
Some believe that the Chinese Government does not support sexual minorities because of its interest in promoting a ‘harmonious society’. The Government proclaims a ‘triple no’ policy – no criticism, no promotion and no support. The Government currently offers very little support in terms of increasing understanding and level of acceptance of sexual minorities. A notable exception lies in the sphere of public health, where the Government offers some level of tolerance and openness towards LGBT activities by facilitating education about HIV prevention.

However, some feel that oppression and discrimination of the gay community is widespread. There are reports, for example of police cracking down on events and venues frequented by members of the community, and arrests and detention of LGBT individuals for unclear reasons. Gay websites have also reportedly been censored or blocked and gay publications banned, whilst gay rights activists have been harassed. Mainstream media rarely mentions gay rights or LGBT issues, and when they do, often do so in a negative light.

**Legal context – sexual orientation**
While same-sex sexual acts were decriminalised in China in 1997, there are no laws preventing discrimination based on sexual orientation. Same sex marriage is not currently recognised in China.
Legal context - gender identity
There is no law against discrimination on the ground of gender identity in China. Changing one’s sexual identity is neither legal nor illegal, but there are guidelines controlling sex reassignment surgeries. These stipulate that only those aged 20 or above “with documented psychological reasons” may undergo the operation.83

Gradually changing attitudes
In China, cities such as Shanghai, Beijing, Guangzhou, and Chengdu have increasingly open gay scenes. Shanghai, for example, hosted the first Gay Pride Week in June 2009. Although no parade was held, this was seen as a significant milestone for sexual minorities in China. With the younger generation ‘coming out’ in higher numbers than ever before, attitudes are gradually changing, with a growing number of people viewing homosexuality as ‘alternative’, rather than ‘bad’, and believing that people should be offered the space to be different.84

LGBT Issues in the Workplace
Challenges faced by LGBT individuals in the workplace
In the Chinese workplace, reflecting what generally goes on in society, there is an assumption of heterosexuality and LGBT individuals are largely invisible. As elsewhere in Asia, LGBT individuals in China face a number of challenges in the workplace. These include:

• Fear of ‘coming out’: LGBT employees are wary of the negative impact of ‘coming out’ and how it may affect their career advancement, so they often conceal their identity. The number of employees who are open in the workplace is minimal. One of the major challenges faced by LGBT employees is the lack of privacy in the workplace as colleagues often inquire or discuss others’ private lives. A survey has shown that 8.7% of gay men had been fired or forced to resign from their jobs after revealing the sexual orientation and some said they felt their salary and career advancement were affected by their sexual orientation.85

• Lack of awareness and respect for sexual minorities: There is a lack of training on diversity issues and a lack of support from senior management. LGBT employees face harassment from colleagues, ranging from avoidance, gossip and open ridicule. LGBT employees are often expected to behave as if they were heterosexuals.
• **Lack of visibility:** Given that few LGBT individuals are open about their sexuality, LGBT employees tend not to be visible in the workplace in China and are not asking for change. With a lack of pull from the grassroots level, companies often fail to see the need to address the issue of sexual orientation and gender identity.

• **Isolation:** LGBT employees can face isolation in the workplace and have difficulty connecting with other LGBT employees.

• **Lack of sexual orientation and gender diversity policy:** Few companies have processes to deal with sexual orientation and gender diversity issues in the workplace and there is no external body to refer to in case of discrimination, harassment and rights violation. LGBT employees do not enjoy equal access to benefits.

• **Lack of role models:** There are few openly gay or transgender role models in the Chinese corporate world.

Despite the above, but in line with gradually changing attitudes across Chinese society, survey results released in July 2011 shed a positive light on the level of acceptance towards LGBT in the Chinese workplace, indicating that 91% of people believe that gay people should enjoy equal employment opportunities. 

### Diversity Initiatives – LGBT

The subject of sexual orientation and gender identity is rarely addressed by the corporate sector in China. Even for many multinational companies who may have progressive policies and programmes in the US and Europe, for the most part these are not implemented locally in China. Many are nervous about cultural sensitivities and see less urgency for dealing with LGBT issues because of the lack of openly gay employees. However as companies seek to create more inclusive workplaces for their employees in China, ensuring a safe and open environment for LGBT employees should be considered a core component. Leading companies are beginning to consider their LGBT inclusion strategy in China, with pioneers organising or planning for internal awareness raising events in major cities. Employers need to keep abreast of changes in attitudes towards sexual minorities if they wish to address the needs of their staff and be employers of choice amongst the LGBT community.
With a focus on promoting a 'harmonious society', encouraging and valuing difference as a source of greater innovation and enhanced performance is not a concept that is well understood by businesses in China. However as companies operate in an increasingly competitive environment and the war for talent intensifies, embracing diversity and inclusion will become increasingly important.

The one-child policy has posed some unique challenges for China’s local workforce and continued growth, highlighting the need for companies to position themselves as employers of choice in their race for the brightest local Chinese talent. To do so, companies need to take a closer look in understanding the needs of their employees, in particular their high-potential female talent, their younger generation workforce and LGBT employees, and be responsive to the change of the demographic of the workforce in China.

For multinational companies operating in China, the additional challenge is to build a strong pipeline of local leaders who can take on both regional and global roles as China becomes one of their largest markets. This challenge is also an immense opportunity, for multinational companies to take a leading role in incorporating diversity and inclusion as a talent development tool and ultimately a business strategy that drives performance in China.
Go to "GOING FORWARD"

KEY RESOURCES & REFERENCES

Please visit the Community Business website at: www.communitybusiness.org/countryviews/china.htm for a list of current key resources relating to diversity and inclusion in China, including:

- Community Business related research and publications
- Other related research and publications
- Key organisations in China

All web references are accurate as of December 2011.

5. Source: http://www.foreignpolicy.com/node/373401
17. ‘Hukou’ is a system of residency permits issued on family basis given by the Chinese Government. (see Endnote 47 as well)
19. A recent court ruling held that local government regulations were able to trump the statutory provisions, enabling a local education bureau to reject a college graduate’s application for employment on the grounds of his HIV status: http://www.nytimes.com/2010/11/13/world/asia/13china.html compare the 2009 decision in which a Hepatitis B carrier was successful in a discrimination claim, reported at http://www.clb.org.hk/en/node/100574.
An employee is eligible for 10 weeks' paid maternity leave if:
1. she has worked under a continuous contract for not less than 40 weeks immediately before the commencement of maternity leave;
2. she has given proper notice of pregnancy to her employer such as by presenting a medical certificate confirming her pregnancy; and
3. she has produced a medical certificate specifying the expected date of confinement if so required by her employer.

With the agreement of her employer, a pregnant employee may decide to commence her maternity leave from 2 to 4 weeks before the expected date of confinement. If the employee does not decide on the date, or fails to secure her employer’s agreement, the employee shall commence her maternity leave 4 weeks before the expected date of confinement. Maternity leave commences on the date of confinement if it occurs before the scheduled maternity leave.
Hukou is a system of residency permits issued on family basis given by the Chinese Government. It officially identifies a person as a resident of an area. It is used to control the movement of people between urban and rural areas. A worker seeking to move from the country to urban areas to take up non-agricultural work would have to apply through the relevant bureaucracies. Hukou reflects the origin of a Chinese citizen and is one of the important factors in determining their benefits and opportunities in the workplace. It is generally perceived that their origins reflect their different working styles. For example, a person who comes from major cities along the coast in the east like Shanghai may have an advantage as they are perceived to be more sophisticated and cosmopolitan than citizens from the West where most cities have a slower pace of development.

For more information: [http://www.scmp.com/portal/site/SCMP/menuitem.2af62ecb329d3d733492d9253a0a0a0/?vgnextoid=7e6962d0e46f1310VgnVCM100000360a0a0RCRD&ss=China&as=News](http://www.scmp.com/portal/site/SCMP/menuitem.2af62ecb329d3d733492d9253a0a0a0/?vgnextoid=7e6962d0e46f1310VgnVCM100000360a0a0RCRD&ss=China&as=News)


[http://www.nationmaster.com/country/ch/Age_distribution](http://www.nationmaster.com/country/ch/Age_distribution)


Source: [http://esa.un.org/unpd/wpp/unpp/p2k0data.asp](http://esa.un.org/unpd/wpp/unpp/p2k0data.asp)


Source: [http://www.wikinvest.com/concept/China’s_Aging_Population#_note-0](http://www.wikinvest.com/concept/China’s_Aging_Population#_note-0)


[http://www.businessweek.com/globalbiz/content/jan2010/gb20100125_065225.htm](http://www.businessweek.com/globalbiz/content/jan2010/gb20100125_065225.htm)

[http://www.china.org.cn/china/2010-09/16/content_20947425.htm](http://www.china.org.cn/china/2010-09/16/content_20947425.htm)

[http://www.businessweek.com/globalbiz/content/feb2010/gb20100216_566561_page_2.htm](http://www.businessweek.com/globalbiz/content/feb2010/gb20100216_566561_page_2.htm)


77 According to a research conducted by Zhang Beichuan, a leading expert in HIV preventions and homosexuality studies from Qingdao University, http://www.womenofchina.cn/html/report/131916-1.htm
80 ibid
81 http://academic.brooklyn.cuny.edu/core9/phalsall/texts/c-gays.html
82 http://factsanddetails.com/china.php?itemid=130&catid=11&subcatid=76
84 http://www.pinke.biz/news/6412/Prominent_academic_says_China_will_legalize_gay_marriage_within_10_years
85 http://www.china.org.cn/china/2010-01/14/content_19238478.htm
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For more information about our diversity and inclusion programs, www.bankofamerica.com/diversity

For more information about career opportunities at Bank of America Merrill Lynch, www.bankofamerica.com/careers
Other publications in the Diversity & Inclusion in Asia Country View series:

- **Hong Kong**
- **India**
- **Japan**
- **Singapore**

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