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Are Chinese workers from the one-child-policy generation selfish in a group? Evidence from worker surveys in six major Chinese Cities

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Are Chinese workers from the one-child-policy generation selfish in a group? Evidence from worker surveys in six major Chinese Cities*

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Abstract

Many claim that Chinese people born after the one-child policy of 1979 are very individualistic or even selfish. This research tested the hypothesis that Chinese workers of the one-child-policy generation have difficulty working in a team, addressing the absence of nation-wide evidence. Using workers' surveys, for the first time, across six major Chinese cities, the results denied the hypothesis, at least in the workplace.

JEL classification: J8, M20, R1

Keywords: one-child policy, chinese economy, labor farce quality, foreign direct investment

* This research used micro data from the Preference Parameters Study of Osaka University's 21st Century COE Program 'Behavioral Macrodynamics Based on Surveys and Experiments' and its Global COE project 'Human Behavior and Socioeconomic Dynamics'. I acknowledge the program/project's contributors: Yoshiro Tsutsui, Fumio Ohtake, and Shinsuke Ikeda.

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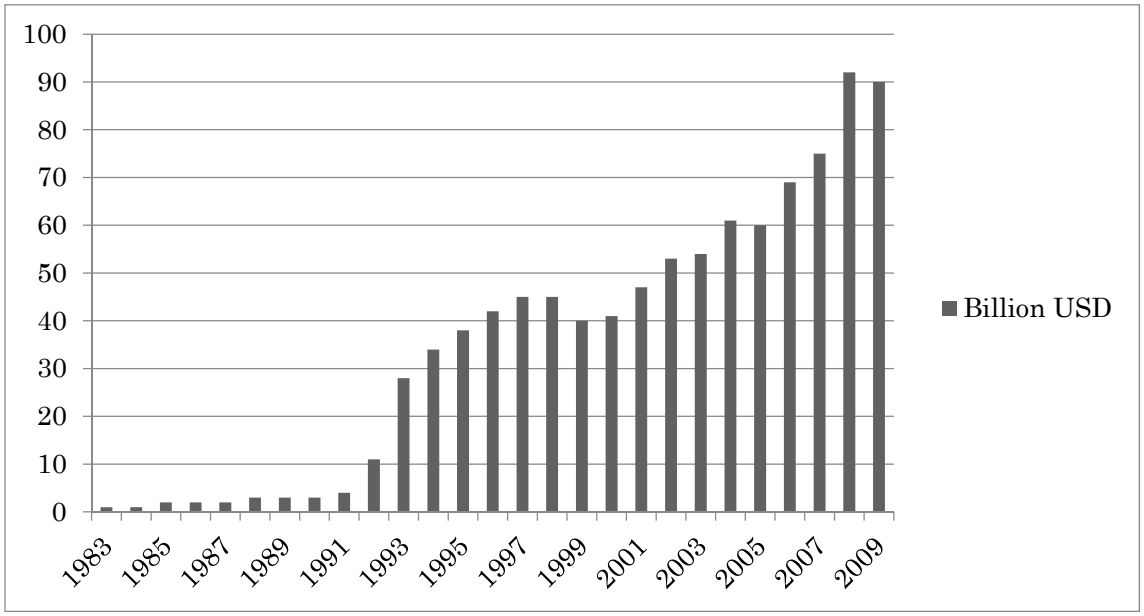
Introduction

Are Chinese workers from the "one-child-policy" generation individualistic or even selfish? Many scholars claim so. Detsch (2006) states that people in China today worry about creating a generation of "little emperors." Crowell and Hsieh (1995) describe, "This generation of one-child policy will be the most self-centered in Chinese history and will turn traditional Chinese ethics and morality on their hands." Chee (2000) explains the phenomena: the era of the only child coincides with a period of economic prosperity in China; so, Chinese families have unprecedented purchasing power, and their children may exert a bigger influence on family purchases than any children in the world do.

On the other hand, foreign direct investors seem to be fond of hiring Chinese workers from the one-child-policy generation. Foreign direct investment (FDI) in China has been rapidly increasing over the last two decades (Figure 1). FDI has jumped radically, particularly since 1997, when the first wave of children from the one-child-policy generation reached the age of 18 and many entered the job market. As a result, China is now the world's number-one producer of more than 100 consumer goods (Ying, 2005) and it is often described as the "factory of the world." Of course, China's trade deregulation policies and its membership in the World Trade Organization (WTO) since 2001 partly explain its success. However, if the workers that belong to the one-child-policy generation are selfish, how has the FDI increased dramatically in the manufacturing field, which demands and values group work?

Little research answers this question. No research compares workers' individualism between those from the one-child-policy generation and others. Moreover, the research that describes the self-centeredness of the one-child-policy generation relies heavily on indirect evidence (e.g., the one-child-policy generation is more spoiled than other generations). This paper aims to address the absence of research to answer the above-mentioned question; the evidence is based on analyses of workers' surveys in six major Chinese cities: Beijing, Shanghai, Guangzhou, Chengdu, Wuhan, and Shenyang.

Figure 1: Foreign Direct Investment in China



Source: China Foreign Economic Statistical Yearbook (2010)

Literature Review

Many studies claim that the one-child-policy generation is selfish when compared to other generations, but such arguments rely heavily on indirect evidence. Crowell and Hsieh (199, p. 50), as mentioned earlier, described the one-child-policy generation as little emperors, because only children were reputed to use temper tantrums to get their parents to buy them what they wanted. Many studies endorsed a part of the argument. For instance, parenting in one-child families was more child-centered than in families with multiple children (Chow and Chen, 1994; Chow and Zhao, 1996). Only children received more toys and lucky money and were more likely to have a bank account (Chow and Zhao, 1996). However, some studies doubted the relationship between the concentrated attention of parents and the selfishness of children. According to Davis and Sensenbrener (2000), most parental purchases in China were directed toward their children's educational needs, such as lessons and toys for good grades, and the purchases for children did not exceed those for adults.

Moreover, empirical studies of the personalities of only children have produced mixed results. According to Shanghai Preschool Study Group (1980), the teachers in Shanghai preschools rated the personalities of only children more negatively than they rated those of children with siblings. However, the results from 115 studies analyzing the characteristics of only-children, published between 1925 and 1984, fail to support the

negative stereotypes of the only-child (Falbo, 1987). In fact, compared to offspring from other configurations, only-children in the study scored significantly higher on a variety of character outcomes, such as locus of control, autonomy, leadership, and maturity. Poston and Yu (1985), analyzing a survey of 1069 children in Changsha, endorsed the claim, suggesting that single children were more co-operative than those with siblings were. No research has investigated the characteristics of only-children with a nation-wide sample; this paper addresses the absence of research responding to the question.

The workforce that foreign direct investors can employ in middle management and as workers is important to them (Wakayama, Shinntaku & Amano 2012). Management from the western countries often find it difficult to form groups of workers due to class bias, the philosophy of self-discipline, and attitudes of non-commitment and involvement avoidance (Hao & Fong, 2000). Successful management of operations depends largely on the employee's collaborative attitude in a team. Through the study of sixty-two manufacturing Chinese-Western joint ventures and wholly owned subsidiaries in China, Björkman & Xiucheng (2002) showed clear co-relations between human resource management integration and high organizational performances. With that in mind, the possibly individualistic attitude of the workers who belong to the one-child-policy generation would significantly influence the business perspective for foreign direct investors.

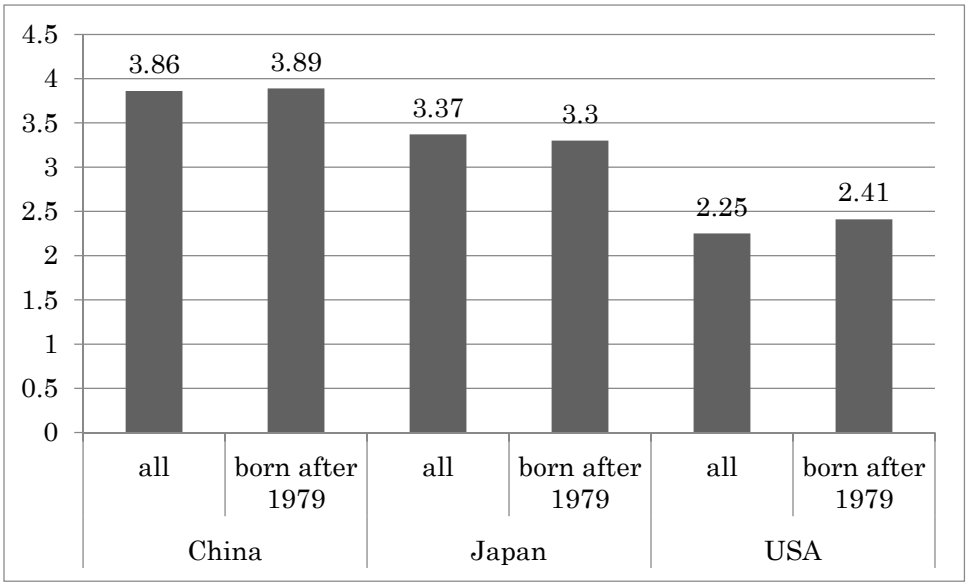
Method

To investigate if the workers from the one-child-policy generation have difficulty working in a team, the study utilized data from Osaka University's "Preference and Parameter Study" for 2011/2012. The study conducted face-to-face interviews with individuals and households in six major Chinese cities: Beijing, Shanghai, Guangzhou, Chengdu, Wuhan, and Shenyang, from December 23, 2011 to January 21, 2012. The target respondents were adults aged 20 to 70 years old. A Multistage Sampling and Allocation Method was used. First, the study set predicted numbers of responses based on the target population in each district using the Statistical Yearbook. Then, the study randomly selected an area in each district. Finally, using the Kish Grid method, the study chose the individuals from the families for interviews. From the data set, the current research chose 644 observations of employed respondents who had no missing answers.

The study began with a simple comparison of how much the respondents' agreed with the following statement: "At work, I should follow the opinion of the group." (Completely Disagree = 1, 2, 3, 4, 5 = Completely Agree). Respondents' low scores (e.g., close to 1) indicated that the respondents had difficulty working in a group and vice versa. The study first compared the average score between the workers that belonged to the one-child-policy generation (e.g., the workers born after the one-child policy of 1979) and the workers that belonged to another generation (e.g., the workers born prior to 1979). As indicated in Figure 1, contrary to the expectation, the workers born after 1979 scored slightly higher than those born prior to 1979 did.

Additionally, the study compared scores internationally. The Preference Parameter Study for 2011/2011, used in this research, was an international survey that asked participants to respond to the same statement in Japan and the United States. Even compared to the other two nations, the Chinese workers born after 1979 scored the highest.

Figure 2: Suitability for Group Work



Nonetheless, one should not simply conclude that Chinese workers from the one-child policy are suitable for group work, for two reasons. First, the statement used to measure the suitability for group work was very subjective and often difficult to compare inter-culturally because the tendency of the answer varied, depending on the culture. That is, in one culture, people tended to score definite choices (e.g., 1 or 5 in this case),

whereas in another culture, people usually tried to avoid definite choices. Second, the study did not control for the basic attributes of respondents. Many factors, such as sex, educational background, and income may have affected a respondent's suitability for group work. The study needed to control these variables in order to avoid possible sampling bias.

Table 1 shows the variables. The dependent variable was how much the respondents valued group decisions (*group*). The independent variables were the dummy variable of the one-child policy (*onepolicy*) and the controlling variables, including gender (*male*), age (*age*), marriage status (*spouse*), educational background (*educ*), tenure (*emphis*), and company size (*emp300*). Researchers applied an ordered-probit estimation.

Table 1: Variable Definition

Variable	Definition
group	Respond to the following statement: "At work, I should follow the opinion of the group." (Completely Disagree=1, 2, 3,4,5=Completely Agree)
male	Male=1, Female=0
age	Age
onepolicy	born after the implementation of the one-child policy = 1, otherwise = 0
spouse	Married = 1, otherwise = 0
educ	Years of schooling
msalary	Monthly salary (Chinese Yen)
emphis	Years of employment (Median value of the questionnaire's choices)
emp300	Employer has 300 or more employees = 1, otherwise = 0

Results

Table 2 shows the descriptive statistics for all variables. The average number of years of employment among the observations is 9.67, with the average age being 37.61. The most observations are likely at the level of mid-manager. For that reason, the average monthly salary, 3609 CNY, is higher than the nation-wide average, about 2,000 CNY (National Bureau of Statistics of China, 2012). An important aspect of this data is that more than half of the respondents were born after the implementation of China's one-child policy of 1979. According to Crowell and Hsieh (1995: 50), the one-child-policy generation would be the most self-centered in Chinese history, as they

were pampered and raised as the only child in the family. How to cope with the workers from this generation becomes very important for foreign direct investors as the generation gradually occupies the majority of the labor force in China.

Table 2: Descriptive Statistics

	Mean	Std. Dev.	Min	Max	Obs
group	3.86	0.81	1	5	644
male	0.55	0.50	0	1	644
age	37.61	11.27	19	68	644
onepolicy	0.61	0.49	0	1	644
spouse	0.78	0.42	0	1	644
educ	11.84	2.83	0	16	644
msalary	3609.3	2528.2	800	30000	644
emphis	9.67	8.91	0.5	40	644
emp300	0.22	0.41	0	1	644

Table 3 illustrates the estimation results. Model 1 shows the results from all observations. Model 2 shows the results from the observations in secondary industry, whereas Model 3 indicates the results from the observations in tertiary industry. The results of the observations from primary industry are omitted, because of the shortage of the sample (N=19).

Based on the results, the variable *onepolicy* did not significantly affect *group*. That is, Chinese workers from the one-child-policy generation were not necessarily selfish in groups. This also applied to Model 2 and Model 3. The hypothesis of “little emperors” was denied in the workplace. The factor that made Chinese workers suitable for group work was *spouse* for Model 1 and Model 3, and msalary for Model 2. The results might indicate that workers behave better when they need to be more responsible at home. On the other hand, there might be a causality issue with the *msalary* factor in Model 2. One does not know if the workers receive higher salaries because they behave well in the workplace or if they behave well because they receive higher salaries from the employer.

Table 3: Estimation Results

	Model 1: All group	Model 2: Secondary group	Model 3: Tertiary group
group			
male	-0.0481	0.108	-0.0869
	(-0.54)	(0.54)	(-0.85)
age	0.00566	0.00196	0.00742
	(0.81)	(0.15)	(0.86)
onepolicy	-0.126	-0.0317	-0.156
	(-0.83)	(-0.09)	(-0.90)
spouse	0.265**	-0.183	0.349***
	(2.23)	(-0.66)	(2.58)
educ	0.00353	0.0198	-0.00251
	(0.22)	(0.52)	(-0.13)
msalary	0.0000288	0.000100**	0.00000659
	(1.63)	(2.50)	(0.31)
emphis	0.00204	0.00815	0.00385
	(0.35)	(0.80)	(0.48)
emp300	-0.120	-0.0684	-0.149
	(-1.13)	(-0.35)	(-1.08)
cut1			
_cons	-2.303***	-0.957	-2.265***
	(-6.00)	(-1.41)	(-5.22)
cut2			
_cons	-1.136***	0.0629	-1.179***
	(-3.58)	(0.09)	(-3.16)
cut3			
_cons	-0.142	1.590**	-0.187
	(-0.46)	(2.36)	(-0.51)
cut4			
_cons	1.304***		1.222***
	(4.15)		(3.31)
N	644	153	472
Pseudo R2	0.01	0.02	0.01

t statistics in parentheses
* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Conclusion

Many claim that Chinese people born after the one-child policy of 1979 are very individualistic or even selfish. This research tested the hypothesis that Chinese workers of the one-child-policy generation have difficulty working in a team, addressing the absence of nation-wide evidence. Using workers' surveys, for the first time, across six major Chinese cities, the results denied the hypothesis, at least in the workplace.

The research has limitations. First, this paper regarded Chinese workers solely as a "labor force." Certainly, following group decisions is quite important for the workers at a factory, for example. However, that is not necessarily the case if the worker is an

entrepreneur or an independent sales person. As the data set did not include information about the respondents' job titles, the study did not control that factor. Second, the data were collected only from urban areas (i.e., six major cities). The results might not be the same for rural areas.

Nonetheless, this research is quite important. Although the success of foreign direct investment heavily relies on the quality of the local workers, the widespread stereotype of one-child-policy generation workers had not been examined in China, the most popular FDI destination in the world. This paper tested the hypothesis for the first time, using workers' surveys across six major cities, and it concluded that the stereotype is not supported, at least in the workplace. Although this study has limitations, and the data were collected in six major cities only, the controversial nature of the one-child-policy generation and the lack of available empirical evidence from the workplace demand that researchers begin to construct a better understanding of this dispute. This paper contributes to that construction of knowledge and insight.

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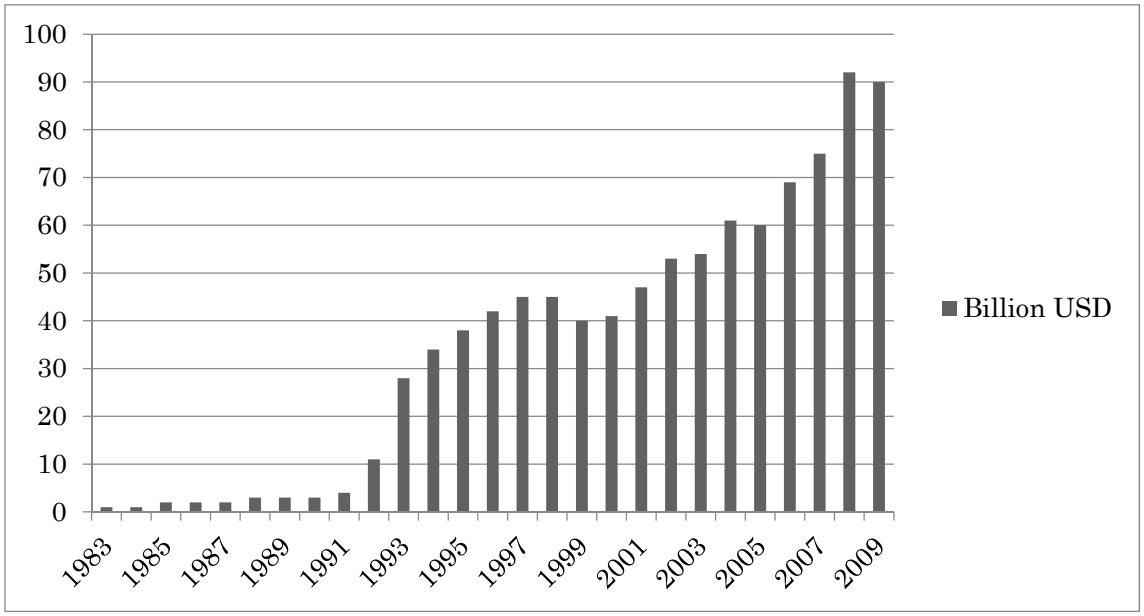

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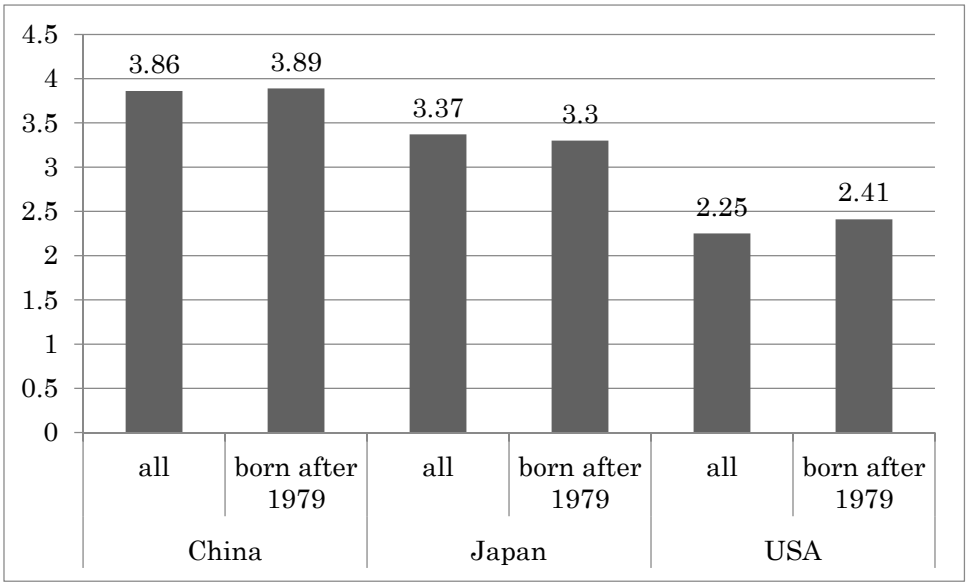

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Table 1 shows the variables. The dependent variable was how much the respondents valued group decisions (*group*). The independent variables were the dummy variable of the one-child policy (*onepolicy*) and the controlling variables, including gender (*male*), age (*age*), marriage status (*spouse*), educational background (*educ*), tenure (*emphis*), and company size (*emp300*). Researchers applied an ordered-probit estimation.

Table 1: Variable Definition

Variable	Definition
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Results

Table 2 shows the descriptive statistics for all variables. The average number of years of employment among the observations is 9.67, with the average age being 37.61. The most observations are likely at the level of mid-manager. For that reason, the average monthly salary, 3609 CNY, is higher than the nation-wide average, about 2,000 CNY (National Bureau of Statistics of China, 2012). An important aspect of this data is that more than half of the respondents were born after the implementation of China's one-child policy of 1979. According to Crowell and Hsieh (1995: 50), the one-child-policy generation would be the most self-centered in Chinese history, as they

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age	0.00566	0.00196	0.00742
	(0.81)	(0.15)	(0.86)
onepolicy	-0.126	-0.0317	-0.156
	(-0.83)	(-0.09)	(-0.90)
spouse	0.265**	-0.183	0.349***
	(2.23)	(-0.66)	(2.58)
educ	0.00353	0.0198	-0.00251
	(0.22)	(0.52)	(-0.13)
msalary	0.0000288	0.000100**	0.00000659
	(1.63)	(2.50)	(0.31)
emphis	0.00204	0.00815	0.00385
	(0.35)	(0.80)	(0.48)
emp300	-0.120	-0.0684	-0.149
	(-1.13)	(-0.35)	(-1.08)
cut1			
_cons	-2.303***	-0.957	-2.265***
	(-6.00)	(-1.41)	(-5.22)
cut2			
_cons	-1.136***	0.0629	-1.179***
	(-3.58)	(0.09)	(-3.16)
cut3			
_cons	-0.142	1.590**	-0.187
	(-0.46)	(2.36)	(-0.51)
cut4			
_cons	1.304***		1.222***
	(4.15)		(3.31)
N	644	153	472
Pseudo R2	0.01	0.02	0.01

t statistics in parentheses
* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Conclusion

Many claim that Chinese people born after the one-child policy of 1979 are very individualistic or even selfish. This research tested the hypothesis that Chinese workers of the one-child-policy generation have difficulty working in a team, addressing the absence of nation-wide evidence. Using workers' surveys, for the first time, across six major Chinese cities, the results denied the hypothesis, at least in the workplace.

The research has limitations. First, this paper regarded Chinese workers solely as a "labor force." Certainly, following group decisions is quite important for the workers at a factory, for example. However, that is not necessarily the case if the worker is an

entrepreneur or an independent sales person. As the data set did not include information about the respondents' job titles, the study did not control that factor. Second, the data were collected only from urban areas (i.e., six major cities). The results might not be the same for rural areas.

Nonetheless, this research is quite important. Although the success of foreign direct investment heavily relies on the quality of the local workers, the widespread stereotype of one-child-policy generation workers had not been examined in China, the most popular FDI destination in the world. This paper tested the hypothesis for the first time, using workers' surveys across six major cities, and it concluded that the stereotype is not supported, at least in the workplace. Although this study has limitations, and the data were collected in six major cities only, the controversial nature of the one-child-policy generation and the lack of available empirical evidence from the workplace demand that researchers begin to construct a better understanding of this dispute. This paper contributes to that construction of knowledge and insight.

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