



Equal Opportunity Needed

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A little-known pastime I enjoy is browsing Chinese recruitment websites that feature job postings in China. I believe this is one of the many ways in which fundamental investors can remotely conduct due diligence on China's economy and corporate sector. I often check to see what positions companies are hiring for, in which cities, and whether companies are indeed hiring in line with strategies that have been presented to investors by management.

Lately I have become increasingly struck by the obvious gender and age discrimination outlined in these job postings. One striking example is that nearly all job posts from Chinese financial institutions require job applicants to be under age 35. This means someone like myself is unlikely to be hired in China, even while satisfying all other job requirements. Gender discrimination is also prevalent among these posts, which is clearly illegal in many Western countries. In addition, many jobs in larger cities, such as Beijing and Shanghai, require a local "hukou" (residence permit) for applicants to qualify.

There are reasons behind these requirements. A decade ago, an applicant who was older than 35 years old probably lacked the sufficient computer skills or may not have been proficient enough in English for many white collar positions, as the quality of China's higher education was lower due to the disruption of the Cultural Revolution. Another reason is that Chinese corporate hierarchy, like most Asian countries, typically placed more emphasis on seniority rather than meritocracy. Thus, it is very hard for corporate executives to accept subordinates who are older than themselves.

But how long can China afford to continue with such unfair hiring practices? With a rapidly aging working population, Chinese corporations need to change their mindset about hiring only young talent. This attitude change is also more relevant now, as many companies in industries with overcapacity are forced to lay off workers from places like coal mines and steel mills. The government has promised to provide funding to train these workers to obtain other skills, but if the hiring companies do not systematically change their practice of discriminatory hiring, I am worried these training programs could end in vain. Fortunately, with the emergence of many O2O (online-to-offline) service providers in China, older workers may have a somewhat easier time rejoining the labor force as freelance contractors. But these jobs tend to be at the lower-end segment of the services sector, such as drivers, delivery people or beauticians. A stronger emphasis on equal opportunity employment practices would be a more ideal solution to China's employment landscape.

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