



A structural mismatch is neither new nor unique to China. In an economy undergoing rapid transformation and driven by new technologies, you always have the problem of universities not being able to deliver talent with the new skills needed by the market as quickly as companies need them.

#### Feng Lijuan

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#### Whither the workers?

About 44 percent of companies say their biggest challenge now is to find the workers they need, according to a National Bureau of Statistics survey of more than 90,000 companies last year. That is the highest percentage in recent years.

At a recent press conference, the bureau also reported the highest level of unemployment among urban youth since China began tracking that segment in 2018.

In May, 18.4 percent of Chinese urban residents aged 16 to 24 were unemployed, up by 0.2 percentage points from April. Their jobless rate in March was 16 percent, compared with 13.6 percent a year earlier.

These numbers don't reflect the 10.76 million students graduating this summer and hitting the job market.

"It is mainly a heightened mismatch in supply and demand," the statistics bureau said. "The pandemic has caused companies to recruit fewer people, while youngsters now tend to look for vocations with more stability."

That mismatch is reflected in more detail in the list of 100 jobs facing the worst shortage of labor in the first quarter, published by the Ministry of Human

Resources and Social Security.

At the top were sales people, waiters and waitresses, lathe workers, security guards, deliverymen, cleaners and packaging workers. Thirty-six jobs in the list were manufacturing-related, while another 36 were in the services industry.

These are not the type of jobs traditionally sought by university graduates.

"It's true that blue-collar jobs are less respected and less desired, even when they pay high salaries," said Cindy Cao, human resources director at a Shanghai-based logistics company.

"Our umbrella company has two factories in Shenzhen, and we often ask job seekers if they are willing to take a factory position — not as line workers but as project manager trainees," she added. "The majority of them say no."

#### Promoting blue-ribbon jobs

Xinhua news agency reported that the 10 key areas in China's manufacturing sector will need a labor force of close to 62 million by 2025, which translates into a shortage of nearly 30 million workers.

Recognizing the problem and persistent public perceptions, Chinese authorities have issued a series of policies intended to rebuild the nation's vocational training system and improve the perceived value of vocational education.

Most recently, the 1996 Vocational Education Law was amended for the first time to stipulate that vocational education shares the same status as academic education. It also advocates reforms to improve the quality of vocational education.

The revision came into effect on May 1.

The law also promises to reward companies who undertake industry-education integration. In other words, businesses should deepen ties with schools and raise the profile of technical personnel.

Higher demand for vocational skills is now reflected in salaries.

In 2020, the average wage for technicians was 9 percent higher than the average Shanghai wage. For those with higher certifications, the figure rose to 16 percent.

Business media outlet Yicai Global reported that one Dongguan (in manufacture-heavy Guangdong Province) vocational school attracted more than 10,000 job offers from 320 companies for its 2,249 interns and more than 2,500 graduates at its campus

recruiting in mid-June.

The companies included 10 from Fortune 500 companies, six from China's Fortune 500 and 31 listed on the stock market.

The average starting salary was about 6,000 yuan (US\$900) a month, while some companies were offering as much as 16,000 yuan.

Public perceptions about blue vs. white-collar jobs may take longer to change.

Vocational-school graduate Chen referred a few factory management trainee jobs to his still unemployed academic cousin. The cousin turned up his nose at the suggestions and never applied.

"My parents told me not to," the cousin explained. "They said it would be an insult to the bachelor's degree holder."

#### Adapting to change

HR expert Feng is not surprised.

"A structural mismatch is neither new nor unique to China," she says. "In an economy undergoing rapid transformation and driven by new technologies, you always have the problem of universities not being able to deliver talent with the new skills needed by the market as quickly as companies need them."

In an economy rapidly moving to the new digital world, company decisions are increasingly made on Big Data rather than on human analysis. Many companies just need to fill vacancies purely on a quantitative basis, without any creative or proactive thinking involved.

For many companies, it is a simple matter of "digitize or die."

"I'm having my employees posting product photos and ads in all their WeChat groups," said Chen Zhaoyuan, who owns a clothing factory in Zhejiang Province. "I never thought we would need to do that. We have a very stable customer base, both domestic and foreign fashion brands. But it all changed during the pandemic."

Chen said her daughter has made a few suggestions on how to increase productivity and make more mass-tailored, cheaper clothes. But Chen said she is focused on immediate survival for now.

"Companies and employees are both caught in a very painful transformation right now," Feng concludes.

"Ideas that used to hold true no longer apply. This is an era that requires fast results, and you often see high turnover among young employees now. Both sides need to be more flexible and more patient."



A vocational-school student prepares for a WorldSkills Competition event in Shanghai in 2019. Vocational training has long been considered the poor cousin of academic studies, but in recent years, it has gained more attention as China's development needs a large number of highly skilled workers. — Dong Jun