

KYMENLAAKSON AMMATTIKORKEAKOULU

University of Applied Sciences

International Business/International Trade

Jin Caizhen

EMPLOYEE REWARDS IN ZHEJIANG, CHINA

CASE STUDY: NINGBO ZHONGHAO SILK DRESS CO., LTD.

Bachelor's Thesis 2011

ABSTRACT

KYMENLAAKSON AMMATTIKOREAKOULU

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Ari Lindeman, Senior Lecturer

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Rewards are increasingly important in managing modern business due to the economy's development, globalization, cultural differences and people's varied needs. So it's significant to study how rewards perceived in Zhejiang, China.

The objective of this study was to find out what types of top important rewards motivate employees most, what different preferences of rewards according to different people's gender, age, education, salary, position, status or city, and how successfully rewards are performed in Zhejiang Province, China and in the case company.

The explorative study combines the quantitative research method by collecting 54 questionnaire feedbacks from business companies in different cities in Zhejiang, and the qualitative research method by interviewing the enterprise instructor in the case company Ningbo Zhonghao Silk Dress Co., Ltd., Zhejiang.

The results of the analysis will demonstrate the non-monetary reward 'Recognition and trust from others' is top one important reward and the monetary reward 'The pay is on time' is top well reward performed by participants' companies in Zhejiang. Meanwhile, different preferences will be analyzed in the research, and rewarding problems in the case company will be discussed and some suggestions will be given.

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1 INTRODUCTION

1.1 The objective of the study

The objective of this study is to find out what types of top important rewards motivate employees most in Zhejiang, what different preferences of rewards according to different gender, age, education, salary, position, status or city, and how successfully rewards are performed in Zhejiang Province, China and in the case company.

Selmer (1998, pp.2-42) states that there are differences in human resource management in the same country, such as ways of rewarding employees differentiate from Hong Kong, Taiwan and mainland of China.

One study referred to those Chinese employees can be motivated by 'external rewards' which means cause of behavior lies outside the person, such as monetary rewards. (Terence & Mette 1998, pp. 282-300; Wilson n.d.). And many evidences have demonstrated that rewards are good tools to motivate Chinese employees. So it's significant to explore what kinds of rewards could be applied in Zhejiang province, China.

In other words, management problems and differences do not only exist between different countries, but also exist in different provinces, different regions and different cities in one country. Undoubtedly, many local companies and foreign investments are still involved in troubles in reward system management and motivation. Therefore, this research topic is significant to be discussed and relevant to joint ventures, foreign companies, Chinese managers, foreign/expatriate managers and people who are interested in working as employers or employees in Zhejiang province, China.

This study mainly introduces fifteen types of monetary rewards including direct pay and indirect pay, e.g., basic salary, wage, bonus, commission, merit pay, stock ownership, endowment insurance, unemployment insurance, maternity insurance, medical insurance and employment injury insurance, housing fund, employee services, allowances and paid time off. And also six types of non-monetary rewards, e.g., promotion, career development, special recognition, flexible working hours, the opportunity to contribute, and psychological rewards (interesting and challengeable tasks, no big responsibility for mistakes). Each type of reward plays an important role based on its effect on motivation of employees depending on the company's own situation. So the reward system needs to be planned carefully for different employees.

The empirical part takes Ningbo Zhonghao Silk Dress Co., Ltd. in Zhejiang Province of China as the case study to analyze how rewards work in the case company and whether successfully or not and how to solve the company's problems with suitable rewards.

1.2 Research Methods

There are main two research methods named qualitative methods and quantitative methods. The qualitative methods mainly emphasis on cases using unstructured questions which can be changed and reformulated as researchers want, such as interviews. But the quantitative methods mainly emphasis on testing and verification, hypothesis testing, structured measurement, result oriented and generalization by population membership, such as questionnaires. Those two research methods can be used in different levels according to different ways of thinking of researchers and different subjects of studies. The qualitative methods and quantitative methods can be used in different stages and can be combined in the same study. In the first place, qualitative methods are suitable when questions are unstructured. In the

second place, quantitative methods are useful to test different hypotheses according to qualitative research. In the third place, both methods can be used to achieve objectives of the same study. (Ghauri & Grønhaug 2005, pp. 108-112)

In the beginning of the study, the qualitative method is chosen to get basic information about how successfully rewards work and HRM problems in the case company Ningbo Zhonghao Silk Dress Co., Ltd., the qualitative method is carried out by interview through Chinese online chat tool QQ with unstructured questions. And the interview is uncontrolled by questions or time, in other words, it's quite stochastic. Because of the time limitation and distance limitation, it's difficult to interview many people in the case company. So I only take the interview with the enterprise instructor Lu Diebo who works as business personnel around three years in the case company.

After making sure that it's possible and significant to do research about rewards in Zhejiang, the quantitative method is chosen to collect data, using 54 questionnaires with structured statements toward the importance of monetary rewards and non-monetary rewards and the success of the companies' performances in rewarding. And then the data will be delivered out through Statistical Package for Social Sciences (SPSS) system which is a good way to analyze the frequency, significance of each reward and then find out what kinds of top important rewards motivate employees and how successfully rewards are performed in Zhejiang Province, China and the case company.

Finally, the qualitative method and the quantitative method are combined together to achieve the objective of this study, namely to find out what types of top important rewards motivate employees most, what different preferences of rewards according to different people's gender, age, education, salary, position, status or city, and how successfully rewards are performed in Zhejiang Province, China and the case company.

1.3 The structure of the thesis

In the beginning of the thesis, the basic introduction is about the objective of the study, qualitative method and quantitative method.

The main second part turns to theories about Human Resource Management process, reward system and categories' of monetary and non-monetary rewards.

The most important part is about rewards in Chinese context, including the rewards and HRM problems in China, the critical research results about top important rewards to employees, how rewards performed in companies in Zhejiang Province and also about factors influence participants' extents of attention to rewards.

The second important part is the case study in the case company Ningbo Zhonghao Silk Dress. Co., Ltd., the main points are about the introduction of the company, the interview research about problems and how rewards performed in the company.

The last part is to conclude main findings in this study and some recommendations for the case company and further study.

2 HUMAN RESOURCE MANAGEMENT

2.1 HRM process

Human resource management (HRM) is the effective management of people at work. Nowadays, people-oriented management becomes prevalent in most companies. Everything involved is to make employees commit to the company (Samanta, 2010, pp.1-4.) In China, people-orientation also tends to be the working value of executives in modern business.

Human Resource Management (HRM) is regarded as an organizational function with a set of processes, including various managerial activities, such as human resource planning and alignment, job analysis and design, recruitment, selection, training, development, rewards, Performance management system, retention, managing employee discipline, turnover, motivation, and employment relationships, downsizing and so on (HR Cesta, 2007 and Thornhill, Saunders & Skinner, 2004, p.159). Each HRM activity is defined and differentiated by different types of employees' characters, labor markets and government in each region (Samanta, 2010, p.22).

There are details about some items in HRM process as follows (McKenna & Beech, 2002, p.116; Muckert, 2002, pp.4-6; Samanta, 2010, p.21; Draft 2000, pp. 551-552):

Human resource planning and alignment is to achieve the balance between the demand, supply and utilization of labor, which is related to organizational strategy.

Job analysis and design is to analyze that how to define the job and the number of tasks an employee performs, such as one task or many tasks.

Recruitment refers to searching for qualified employees.

Selection refers to choosing and allocating skilled employees reasonably for each position.

Training and development refer to equipping employees with much more advanced skills and knowledge, and then developing employees' career for advancing the further abilities of taking charge of the work.

Performance management system refers to evaluating employees' performance and how to improve the results of the work.

Rewards refer to motivating employees with types of monetary and non-monetary rewards.

In HRM process, there is related and cycling relationship between each process (Figure 1).



Figure 1 Michigan model (Cakar et al. 1995)

2.2 Reward system

What is reward system? How important the reward system is? At present, the reward system tends to be increasingly important in managing modern business.

Reward system is a set of rules for regulating and controlling employees' behavior, which means reward system can make employees commit to performance, a reasonable reward system can make companies operate business successfully and profitably (Wilson 2002, p.2). The reward is one of the Human Resource Management (HRM) processes as mentioned in the

former chapter, including monetary and non-monetary rewards offered by employers for their employees' performances (Bratton, 2007, pp. 358-360).

To a large extent, employees' behaviors and perspectives are influenced by reward preferences, which mean different people are motivated by different rewards, some prefer monetary rewards, and some prefer non-monetary rewards. Vance et al. reported that collectivists tended to value non-monetary rewards more than monetary rewards. The research found that the performance reward systems were regarded as more important by employees in Canada, the UK and HK than that in Finland, and also found that performance-based reward system and skill-based reward system are preferred over traditional reward systems such as seniority-based, years of service-based, position-based reward systems (Chiang & Birtch 2005, pp.360-369).

From Figure 2, we can see the reward system plays a key role in supporting the company's strategy; managing employees and making the company operate business successfully. The reward system relevant to employees, definitely, it is set up to motivate employees to help the company achieve its goals in very part of the business. According to the standard of the reward system, some employees who have no qualification to be rewarded would be ignored or forced to leave the company, obviously, employees who are still staying in the company can be qualified and can make sustainable turnover with their maximum extent of their abilities. So everyone in the company works hard to get more rewards and satisfy their own psychological needs. Naturally, the working atmosphere is getting better and better.

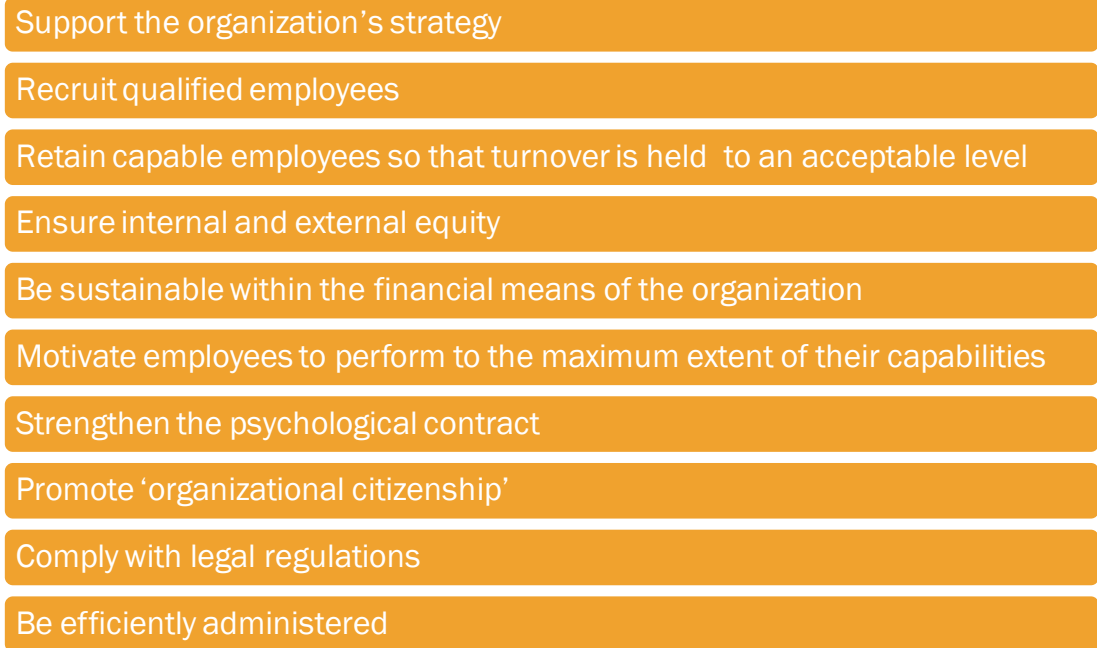


Figure 2 Objectives of the reward system (Bratton, 2007, pp. 358-360)

2.2.1 Monetary rewards

The previous study (Bratton, 2007, 360-379; Chiang & Birtch 2005, 365-366) stated that monetary rewards are related to financial rewards and incentives according to the labor market and employees' performance. The monetary rewards can be divided into direct pay and indirect pay. The direct pay means direct cash-based rewards, and the indirect pay means the rewards are paid by benefits. Some monetary rewards can be classified into the direct pay and indirect pay, such as 'overtime compensation' and 'paid time off', when both of them are paid by cash, they can be direct pay. But when 'overtime compensation' is rewarded by extra breaks and 'paid time off' is rewarded by paid holidays, they can be indirect pay. Monetary rewards in Figure 3 are only critical rewards. Each critical reward has different items, such as 'High pay' and 'The pay is on time' are in the item of 'Basic salary'. And in the questionnaire, there are still some other rewards mentioned.

Direct pay	Indirect pay
<ul style="list-style-type: none"> • Basic salary • Wage • Bonus • Commission • Merit pay • Overtime compensation (cash) • Paid time off (cash) 	<ul style="list-style-type: none"> • Employee stock ownership • Endowment insurance • Medical insurance • Unemployment insurance • Employment injury insurance • Maternity insurance • Housing fund • Employee services • Overtime compensation (extra breaks) • Paid time off (paid holidays)

Figure 3 Monetary rewards

Basic salary is normally paid for employees monthly or annually at average and below or above average level in the labor market (Druker, 2000, 118). In China, the salary is normally paid monthly. Wilson (2003, pp.9-10) asserted that pay is differentiated by different industries on account of the ability to manage the costs and different requirements for talents, and also by the cost of living in different towns, different cities, different areas and different countries.

Wage is calculated base on hours, and it can be paid by weekly hours or fortnightly hours, being earned from a basic rate, shift or overtime compensation. Wage systems are mainly concerned with the occupation of manual workers, such as workers in companies' workplaces, retail, lower-grade clerical or administrative positions and cleaning and so on. Waged workers have much fewer opportunities to get social benefits from

organizations such as sick pay or pension schemes on account of their temporary or part-time work. (Druker, 2000, 118-119).

Bonus programs are to award executives, managers, and employees for their excellent performance for a designated time period, such as the annual bonus paid in the end of each year. The bonus is excluded in the salary, but is one part of the total annual compensation. As to salespeople, they can get bonus for accomplishing extra sales objectives which belongs to the task of the next year (Wilson, 2003, p.12).

Commission exists in sales region of the business, and sellers can get the commission for selling products or services, according to a percent of their sales up to a quota (Wilson, 2003, P.4). So the more percents they achieve the more commission they can obtain.

Merit pay is that those people who perform better should receive higher pay increases than those who function at average or below-average level (Wilson, 2003, p.10).

Employee stock ownership (ESO) is a general term for employees to obtain additional income on the basis of participation in ownership in companies' results in the marketplace (Wilke, Maack & Partner, 2007). The stock can make employees feel that they are also owners of the company and they will be glad to devote themselves to achieve goals of the company.

Company-paid insurance also means employment-based coverage which mainly includes health care, medical insurance, mate, dental and vision coverage (Harris, 2008, p.332). As to Chinese social insurance, there are main five types of insurance and one fund, they are endowment insurance, medical insurance, unemployment insurance, employment injury insurance and maternity insurance, and housing fund (Wuxian yijin).

The details about Wuxian yijin as follows (Club.hr.com.cn 2009; Sohu.com 2007):

Endowment insurance is the charge paid by the employer and the employee with their obligation before employees' retirements. Employees can only enjoy pension benefits accumulated over 15 years and employees have to reach the statutory retirement age. In other words, employees have to pay the endowment insurance but cannot get any pension before their retirements.

Medical insurance is offered for serious sicknesses and operations in a certain period and certain amount of expenses.

Unemployment insurance means that employees who are unemployed after one year's working time with accumulated unemployment insurance payment and will attend working in the near future can obtain unemployment benefit.

Employment injury insurance is a kind of compensation to employees who are injured accidentally during the working time according to the contract.

Maternity insurance is related to any expenses caused by employees' pregnancy and bearing.

Housing fund refers to that employees can increase their personal income, because all the payment for the housing fund by individuals and organizations belong to employees' personal property. Employees can pay less personal income tax because one part of income from the housing fund can be tax-free, and employees can enjoy low-interest loans when they are going to purchase houses.

Hakala (2008) reported that employee health insurance is provided by about 59% of employers who have employees below 200 and more than 97% of

employers in small business just expressed the desire to offer the health insurance. Generally, the health insurance makes companies spend lots of money to protect employees on account of its fastest-growing cost and changes in the insurance marketplace.

Hengst (2007) said the health insurance is a great important tool to attract and retain qualified employees.

Employee services comprise credit unions, food services, accommodation, education expenses, free/discounted transportation, mobile reimbursement, free coffee/tea, child care programs and elder-care programs (Harris, 2008, p.332).

Overtime compensation is paid to employees for their special or extra labor expenditure in unhealthy or dangerous environment and the commodity price allowance is also paid in order to keep the staff's wage level (Shenzhen Labor and Social Guarantee Law, 2008).

Paid time off refers to some vacations/holidays (e.g. national holidays), personal absences, military leave, and sick leave with the company's payment (Harris, 2008, p.332).

2.2.2 Non-monetary rewards

Keller (quoted in Ryan's study, n.d.) said non-monetary could greatly motivate employees to obtain the feelings of confidence and satisfaction.

Non-monetary reward mainly contains promotions, career development, special recognition, flexible hours, and the opportunity to contribute (Williamson, n.d.).

Promotions: According to my own working experience in China, promotion is offered for the employee who performs excellently in one special and important project with his/her potential skills and capability that exceed company's expectation. Therefore, the company will promote him/her with higher position, more rights and more rewards.

Career development: In most large-scale business companies, employees who are managers, directors and high-qualified designers in each sector can have opportunities to go to professional trainings or seminars to learn more and equip themselves.

Special recognition: It refers to rewards provided to recognize employees who perform successfully with awards, such as special recognition and trust from others, movie passes, distinctive meals, points for merchandise, coupon, free spa and so on. Meanwhile, employees who serve for companies for certain years (e.g. 30years) or play an important role of the company's celebration of a milestone event (Winson, 2003, pp.12-13). Nelson's "Guru of Thank You" reported that there were 78% of employees stated it was very or extremely important to be recognized by their managers for their great performance. Lynch reported that Walt Disney World did a great success in employee recognition (Ryan, n.d.). Meanwhile, the trust and honesty from the boss are also quite motivating to employees.

Flexible working hours: It's related to the company of people-orientation, employees need private time to communicate with their family, friends to enjoy their own life (e.g. doing sports, personal parties, shopping, visiting relatives/friends etc.) and accomplish any personal problems (e.g. buying cooking staff, paying rent, mobile/transport card recharge fee, going to see the doctor, taking care of children/the old, sick leave etc.) in flexible hours. For example, one or some hours off during one day's work, or one day off per

week/per month on weekdays, which are good for employees to take a relaxation and then devote full energy to the work.

The opportunity to contribute: From my own working experience, I learned that every employee has his/her own self-respect, self-satisfaction and self-achievement in the work. They hope they can get the opportunity to contribute in companies' small tasks, projects or important events with their skills, capabilities and creative ideas. Therefore, they can receive respect and recognition from the other colleagues and the leader, and then become more confident.

Psychological reward: It refers to the nature of the work and its significance to the company (Bratton, 2007, 360).

The nature of the work is related to the work itself. Is the work interesting? Is it boring? Is it challengeable? Is it meaningful? (Chiang & Birtch 2005, 2005, p.365) Is it directly related to someone's responsibilities? Is it filled with the stress? Is it exhausted? All of above aspects can influence employees' working motivation. Thus leaders should change boring work into interesting and challengeable one, which can make the psychological reward go thoroughly.

The significance of the work means how the work contributes to the company. Is it the milestone or not very important? However, all tasks related to the company are important to company's development. So employees should also be motivated to work hard on small tasks.

In other words, leaders should provide their employees with the opportunity to contribute to interesting and challengeable tasks without big responsibility or stress for mistakes in main projects.

3 STUDIES ABOUT REWARDS IN CHINESE CONTEXT

3.1 The rewards in China

In China, there are main five types of insurance and one kind of fund, all of those are indirect pay in monetary rewards. The five types of insurance are endowment insurance, medical insurance, unemployment insurance, employment injury insurance and maternity insurance (Wuxian), and the fund is housing fund (Yijin), namely Chinese Wuxian yijin.

The endowment insurance, medical insurance and unemployment insurance are paid by the enterprise and the employee, and the employment injury insurance and maternity insurance are totally afforded by the company (Table 1). The five types of insurance are set up by the law, but the housing fund is not. In different regions or cities in China, the regulation of the proportion of the payment of the insurance is differentiated on the base of the total amount of salary/wage in local regions/cities (See Table 2). Some companies pay the insurance subject to the regulation in the government of the province, but some pay according to the local government or the company's own situation, in other words, the company can choose the type of insurance (e.g. one/two/three/four/five/all insurance) for employees. From above information, readers can learn basic rules about the distribution of the payments related to those five critical insurance in Zhejiang, especially for new employers/employees who are from foreign countries or from other provinces, or people who are interested in studying about the distribution of the payment of the rewards, or graduates who know nothing about rewards in the company.

Table 1 Example of the general payment of Wuxian Yijin in

Zhejiang (Intebankhr.com n.d. & Sansiliming, 2007)

Example:1100Yuan/month (pre-tax)				
Insurance&fund	Individual payment		Enterprise payment	
	Formula	Amount (Yuan)	Formula	Amount (Yuan)
Endowment insurance	Salary base \times 8%	1100 \times 8% =88	Salary base \times 20%	1100 \times 20%=220
Medical insurance	Salary base \times 2%	1100 \times 2% =22	Salary base \times 10%	1100 \times 10%=110
Large medical expenses	3	3	Salary base \times 1%	1100 \times 1%=11
Unemployment insurance	Salary base \times 0.5%	1100 \times 0.5% =5.5	Salary base \times 1.5%	1100 \times 1.5%=16.5
Maternity insurance			Salary base \times 0.8%	1100 \times 0.8%=8.8
Employment injury insurance			Salary base \times 0.5%	1100 \times 0.5%=5.5
Housing fund	Salary base \times 7%	1100 \times 7% =77	Salary base \times 7%	1100 \times 7%=77
Sum	Salary	1100 \times	Salary	1100 \times 40.8%

Table 2 The proportion of payment in Ningbo & Hangzhou city

(Chinar188.cn, 2010)

The proportion of payment		
Insurance&fund	Ningbo city	Hangzhou city
Endowment insurance	13 %	14 %
Medical insurance	2,50 %	11,50 %
Unemployment insurance	2 %	2 %
Maternity insurance	0,70 %	0,60 %
Employment injury insurance	0,40 %	0,50 %

Recently, a research about top ten popular welfare by Beijing Foreign Enterprise Human Resources Service Co., Ltd. (FESCO) in China (See Table 3), and participants of the research are mainly from foreign companies. According to the research, the housing subsidy is obviously the most important reward among participants on account of the high expense of the housing, especially in Beijing. In the chapter 3.3, there will be details about top ten important rewards in Zhejiang province and some differences about importance of rewards between the whole China and Zhejiang.

Table 3 Top ten popular welfares in China (Wangyi wealth, 2010)

Number	Welfare	Percent
1	Housing subsidy	76.30%
2	Working opportunity abroad	74.50%
3	Promotion	73.10%
4	Vacation and travel subsidy	71.50%
5	Education	70.20%
6	Bonus	68.00%
7	Celebration subsidy	68.00%
8	Endowment insurance	67.70%
9	Kinds of training	67.70%
10	The care of children's education	66.90%

Meanwhile, Zhuang et al. (quoted in Warner 2000, pp. 205-209.) report that in a certain degree, Chinese enterprises in different regions are allowed to set up their own payment system according to their empirical circumstances, which is good to reward employees diversely with different contribution in the position and skill levels. Chinese employees are rewarded by the scheme of pay-for-labor with incentive pay and performance bonuses after the economic reform in 1978, which is similar as western pay-for-performance. And performance bonus can motivate employees to create greater additional profits from the improved productivity than the bonus payments that offered by the enterprise. In China, there are quite few companies provide a complete set of rewards, only few workers ('production backbone') can get special benefits such as endowment insurance and medical insurance etc. But most part-time/temporary and seasonal workers have less chances to get those five kinds of insurance and the housing fund.

3.2 HRM problems in China

Main problems related to employee reward system in China can be concluded as follows (Zeng 2009; Ma & Hu, 2006):

- ✧ The company has inadequate awareness of employee training. In order to decrease the training expenses and time, a great many companies even ignore basic training for new employees, but contrarily, being lack of enough knowledge makes employees work inefficiently and waste time. Although new employees have mastered good theories, there are still differences between theories in their minds and practice in the company, and they have to learn skills with reasonable trainings better than learning by themselves. Therefore, Employees need adequate practical training concerned to the company's main tasks and goals.
- ✧ Problems in personnel distribution. Employers especially in family firms prefer to recruit their own family members or relatives to play key roles in key positions (e.g. managers or directors) even though they have no professional knowledge and capability of managing. Finally, the talents with high skills and great capabilities are resisted outside the company.
- ✧ The company has no formal reward system or even has no reward system. Most employers have no sense of what employees really need. Although they know that, they hate to part with their money for satisfying employees with extra rewards, obviously it's not necessary for them to make a reward system. Until now, most companies have no brochures about rewards for employees to read in their organizations or some have rather few rewards listed in one paper. More unbelievable point is that some companies even have no extra rewards except the basic salary. As to new employees or some green hands from school without knowing about rewards in the company, they may lose the chance to enjoy the benefits of the rewards if

their managers don't let them know.

Those main problems will be still discussed and compared in management problems in the case company Ningbo Zhonghao Silk Dress Co., Ltd.

The study of Wang et al. (quoted in Terence & Mette, 1998, pp. 282-300) shows that main reasons of the failure in human resources management in international joint ventures in China are related to a variety of aspects, such as Chinese employees' recruiting, pay, welfare, arrangements of accommodation, performance motivation, and employee retention.

To sum up, HRM problems still exist in most companies in China, the only difference is that the problem is big or small. The topic about HRM problems will be endless. In the following chapter, problems about rewarding in Zhejiang and the case company will be discussed as well.

3.3 The research results in Zhejiang

As mentioned in Chapter 2.2, different people are motivated by different rewards, some prefer monetary rewards and some prefer non-monetary rewards, in other words, different people here can be relevant to people's different characters, such as gender, age, education, salary, position, status and city.

Therefore, it's significant to study what rewards are top important in the whole Zhejiang province and what top important rewards females prefer, what rewards males prefer, what participants at different age prefer, what rewards participants with different education/salary/status prefer and what rewards participants from different cities prefer. Meanwhile, it's also significant to find out how successfully companies do.

In this chapter, there are total fifty four employees from different companies involved in my research. The main part of participants are female, taking up 85%, their main age are from 18-25 occupying 77.8%, most of them are single (46.3%), graduated from Junior College (64%), working as business personnel (46.3%), 37% of them get the pay from 1500 to 2000RMB/month (160-213 Euros/month), and most of them are from Wenzhou city of Zhejiang. The research refers to monetary rewards and non-monetary rewards classified in the questionnaire into thirty six types of rewards in details, such as 'Recognition and trust from others' (covered under 'Special recognition item), 'Pension' (covered under 'Endowment insurance' item), 'Housing fund', 'Medical insurance', 'Employment injury insurance', 'Maternity insurance', 'Flexible working hours', 'Career development' and so on.

The research results are going to be analyzed through three procedures. In the first place, the main task is to find out what types of rewards motivate employees most in Zhejiang Province, China. In the second place, to analyze the research results. Finally, to find out how successfully do companies worked.

3.3.1 Top important rewards

According to the research, the result about top ten important rewards is going to be studied as follows.

From Figure 4, we can see that totally 88.9% of participants think that non-monetary reward of 'Recognition and trust from others' is the most important and motivational way to drive employees to keep working in Zhejiang, which is confirmed to Maslow's hierarchy of needs that praise, respect, recognition, empowerment and a sense of belongingness are more motivational than money at the higher levels.

The second one is monetary reward of 'Paid time off (87%), and some other top important rewards over 50% are 'Pension', 'High pay', 'Overtime compensation', 'Housing fund', 'The pay is on time' (in the item of 'Basic salary'), 'Annual bonus' (covered under 'Bonus' item), 'The pay is fair' (covered under 'Basic salary' item) and 'Medical insurance'.

Compared to the former research about the most popular reward 'Housing subsidy' in whole China in chapter 3.1, participants in my research prefer non-monetary reward 'Recognition and trust from others' (covered under 'Special recognition' item).

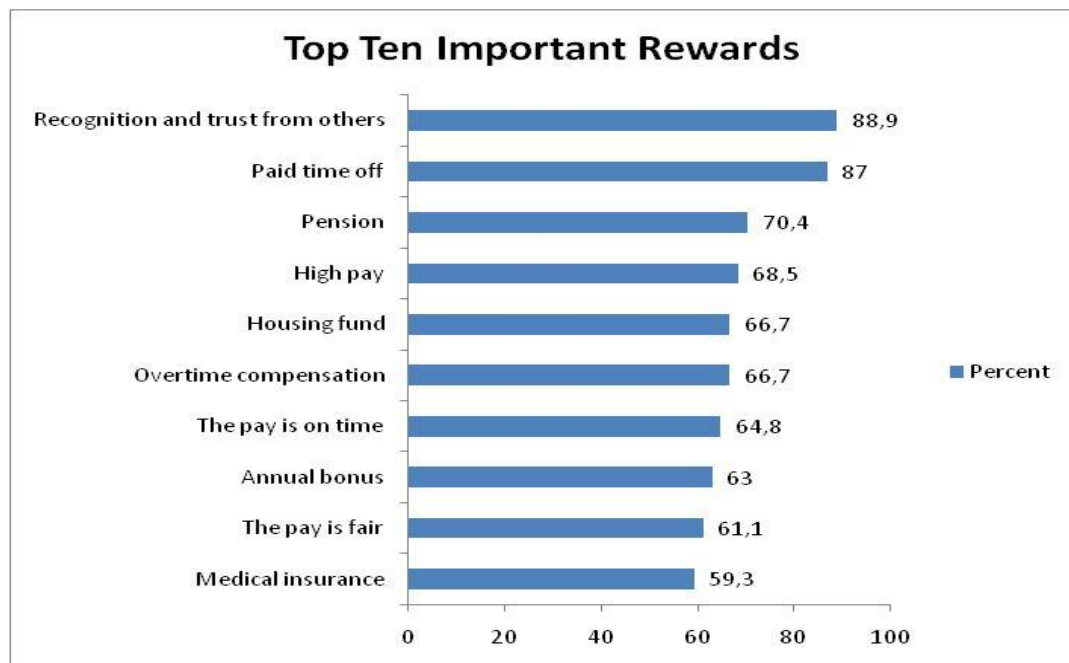


Figure 4 Top Ten Important Rewards

3.3.2 Analysis of research results

From chapter 3.3.1, we can only get the general idea about the reward of 'Recognition and trust from others' is the most important to employees, but we still cannot define different levels of attention to top five rewards or some other rewards between different participants' characters, such as differences

between female and male, or different age, education, status, salary, position and city. So the results related to above will be analyzed subsequently.

If one company wants to conquer its employees, the manager should know everything about his/her employees, and give every opportunity to bring their talents into full play and help them when they need, such as the saying 'Everything should be people-oriented'. So it's significant to study about participants' characters, and then it's possible to find out what kinds of rewards can be most effective on the basis of those characters.

From the research results, it is found people in Zhejiang pay more attention to kinds of monetary rewards rather than non-monetary rewards, although the non-monetary reward 'Recognition and trust from others' is the most important one among the list of top important rewards, there are no more other non-monetary rewards.

Compare the results about opinions of females and males, it shows that both females and males need top important monetary reward 'Paid time off' and non-monetary reward 'Recognition and trust from others'. Undoubtedly, all people like to be paid without working during the sickness or wonderful holidays. Besides, the results demonstrate that females focus more on 'Pension', 'Overtime compensation' and 'Housing fund', whilst males pay more attention to 'High pay'(covered under 'Basic salary' item), 'Medical insurance' and 'Child/elder care programs' (covered under 'Employee services' item).

In this research, more than 75% of participants' age ranges from 18 to 25, and most of them are at the age of 23 or 24 (Figure 5). Undoubtedly, all of them were just classified into employees for around 1-3 years and are leading a life with great passion and aspiration in the new beginning in the society. And there are 20.4% are at the age of 26-33. Compare the attention between people at the age of 18-25 and people at 26-33, the research result shows that their top

ten important rewards are almost the same, namely there are no big differences between the following rewards for each period of age, i.e. people at the age of 18-25 focus on 'Paid time off', 'Recognition and trust from others', 'Pension', 'High pay' and 'Housing fund', whilst people at the age of 26-33 pay attention to 'Recognition and trust from others', 'Paid time off', 'Company's good location/working environment', 'Overtime compensation' and 'Pension'. Meanwhile, we can find out some other big differences (See Figure 6).

From Figure 6, it figures out more participants at the age of 18-25 focus more on 'The opportunity to perform in main projects', 'Merit pay', 'Reasonable vacation/holidays' and 'Pension'. Definitely, it's important to get opportunities to make a good performance in main tasks or important projects to win managers' appreciation, especially for green hands. Then, there will be more chances to get merit pay which is great reward to employees who are still get the low pay. As to vacation or holidays, I think it's the favorite of all young people at the age of 18-25. But it's a surprise to see that participants (18-25) pay more attention to 'Pension' than that at the age of 26-33, which means that increasingly more young people are going to have the consciousness of planning their future. While participants (26-33) focus more on 'Company's good location/working environment' and 'Promotion' more than that at the age of 18-25. Age 26-33 is a good period for experienced employees and they begin to seek better environment and have the right to be promoted to a better position.

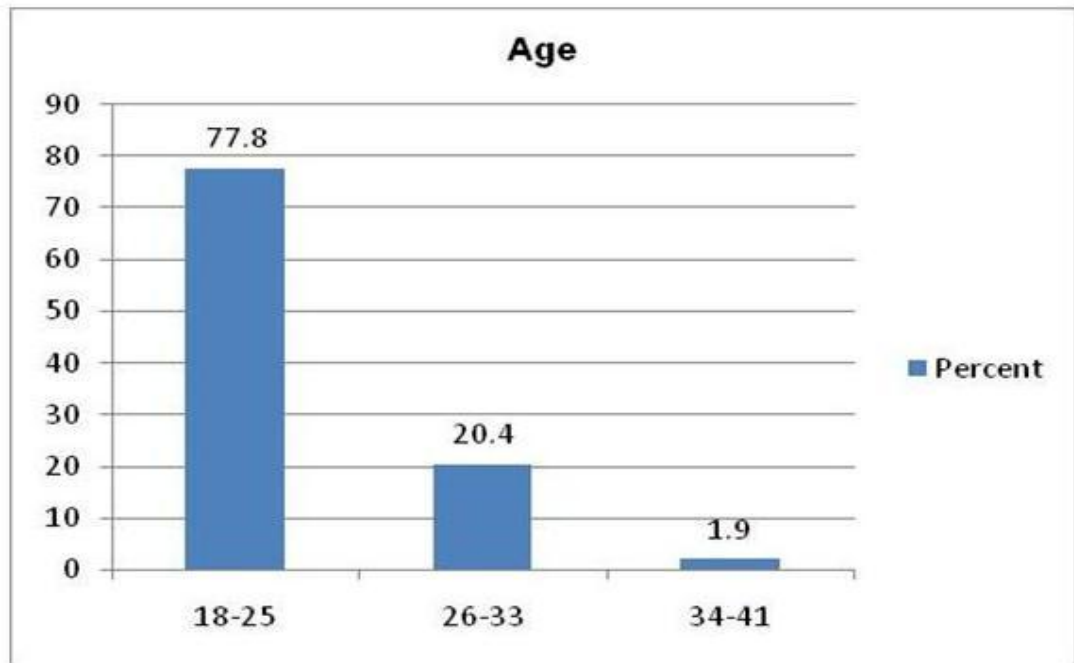


Figure 5 The Percent of Age

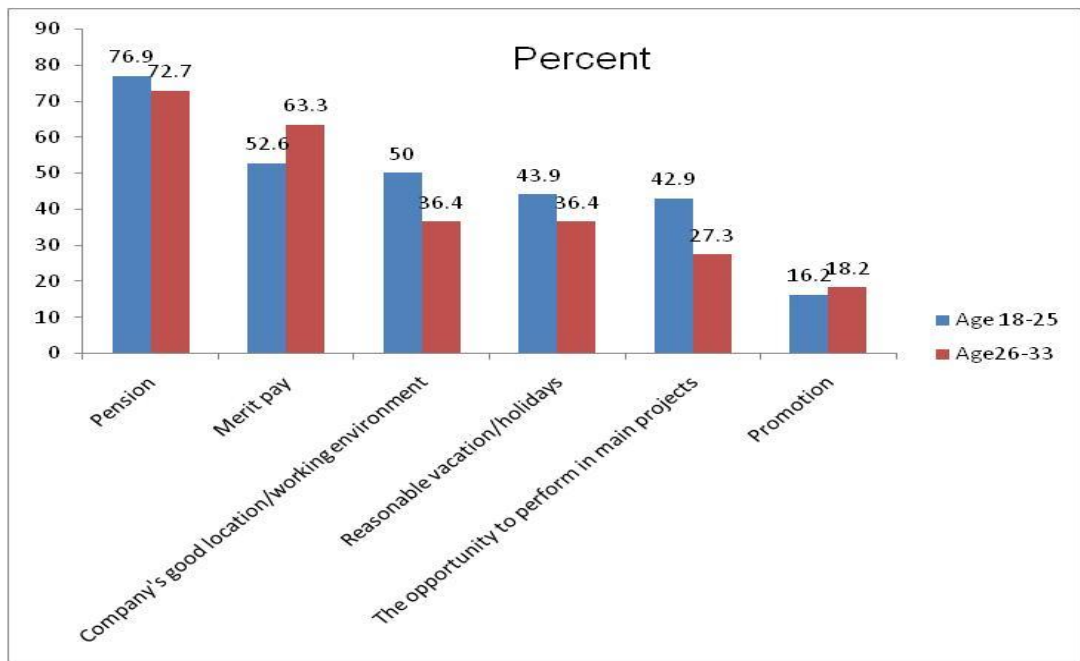


Figure 6 Age & Rewards

Although there are only 31.5% of participants are bachelor/postgraduate students which are much less than college students. (Figure7), all bachelor/postgraduate students regard monetary reward 'Paid time off' as the

top important reward, meanwhile, they also focus more on 'Pension' (Figure 8). Whilst college students prefer non-monetary reward 'Recognition and trust from others' to be the best and also give more attention to 'Paid time off'.

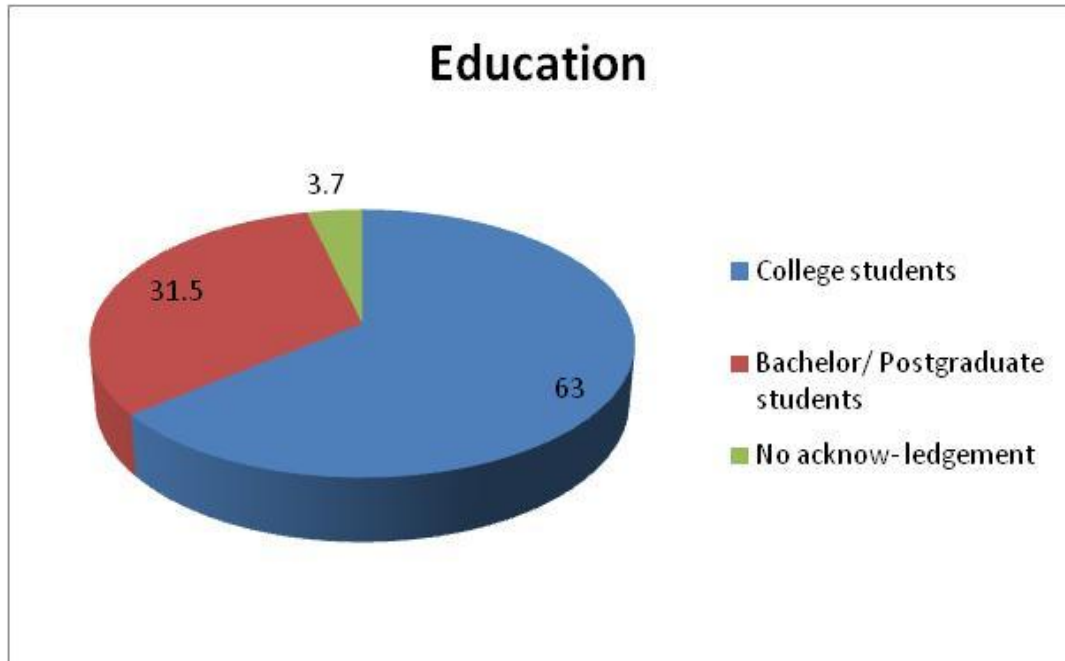


Figure 7 The education of participants

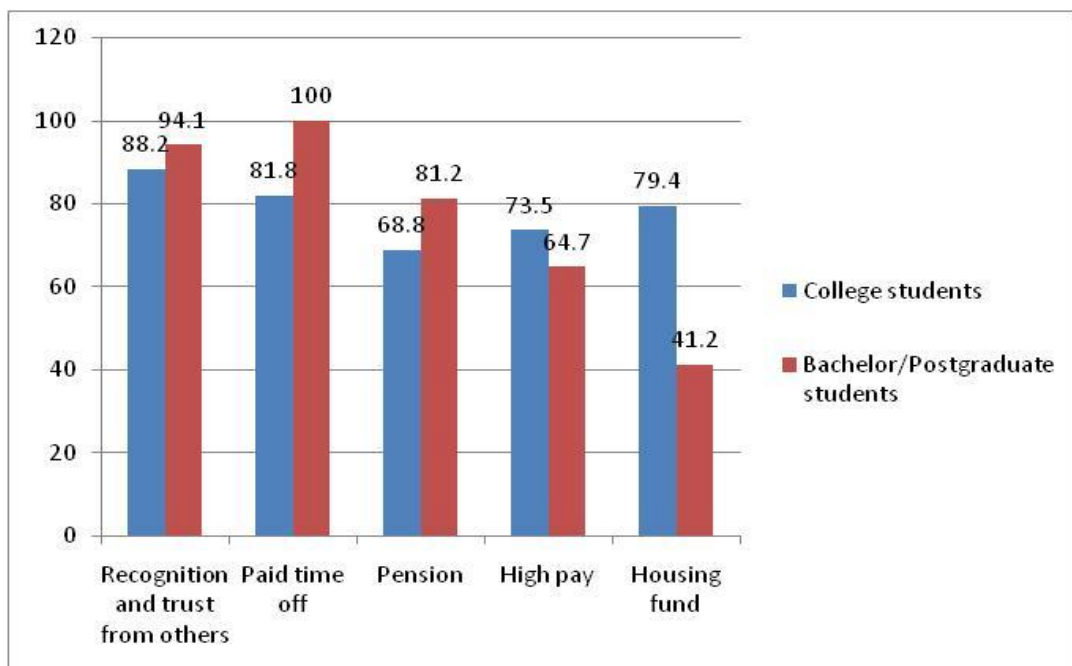


Figure 8 Education & Rewards

Most participants (46.3%) are in the status of single, it seems that they have more free time to do their own things compared to people who are in love (in a relationship) (24.1%) or married (20.4%) (Figure 9). And a majority of singles pay close attention to non-monetary reward 'Recognition and trust from others', taking up 92% followed by rewards 'Paid time off' and 'High pay'. But participants who are in love or married pay more attention to monetary reward 'Paid time off'. And the difference between the single and the married is obvious, 83.3% of singles support 'Pension', but there are only 45.5% of the married do (Figure 10), maybe it dues to that the married have got 'Pension' from their companies, so they needn't to worry about it and the level of the importance is easy to be lower.

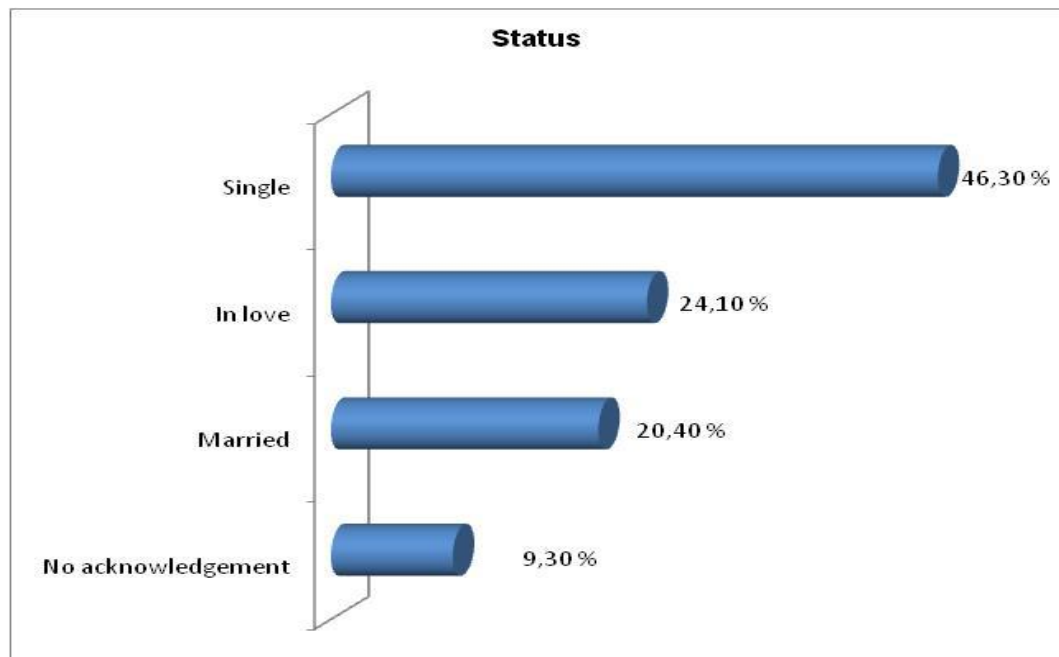


Figure 9 The status of participants

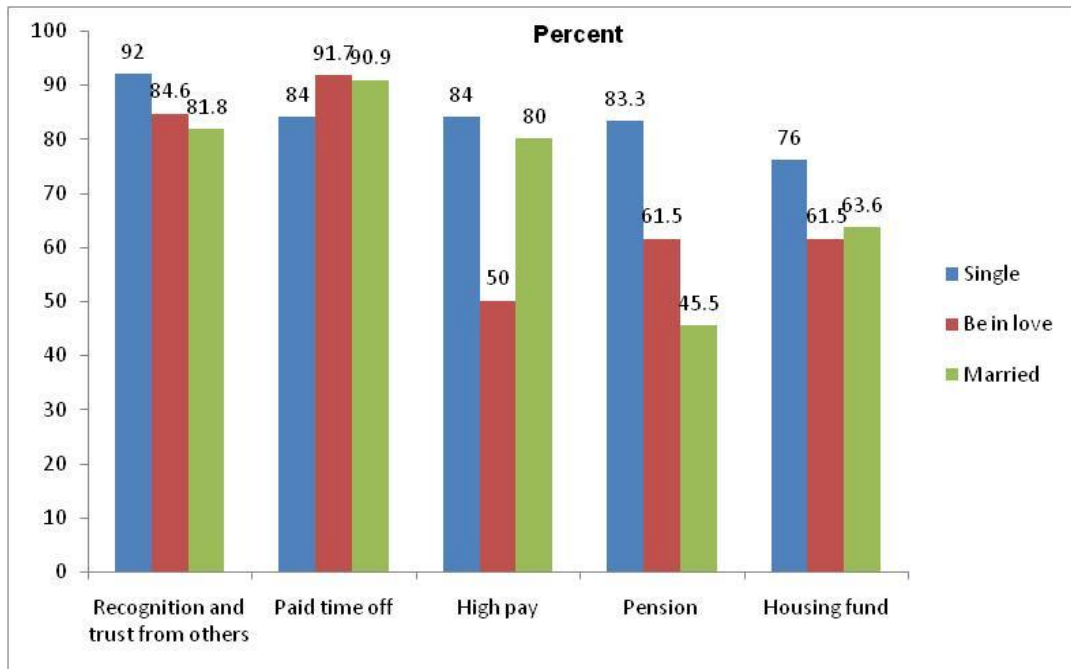


Figure 10 Comparison between different statuses

The salaries of participants mainly range from 1500-3000RMB (Figure 11), all participants with the salary 2000-2500RMB and 89.5% of workers with the salary 1500-2000RMB focus mostly on 'Paid time off', and the former also regard 'Recognition and trust from others' as the best. And there are 86.7% (Figure 12) of people with 2000-2500 also want to rewarded by 'High pay', but most participants with the third highest salary 2500-3000 don't pursue it eagerly, they may think 2500-3000 is enough at that moment compared to other workers at the same level.

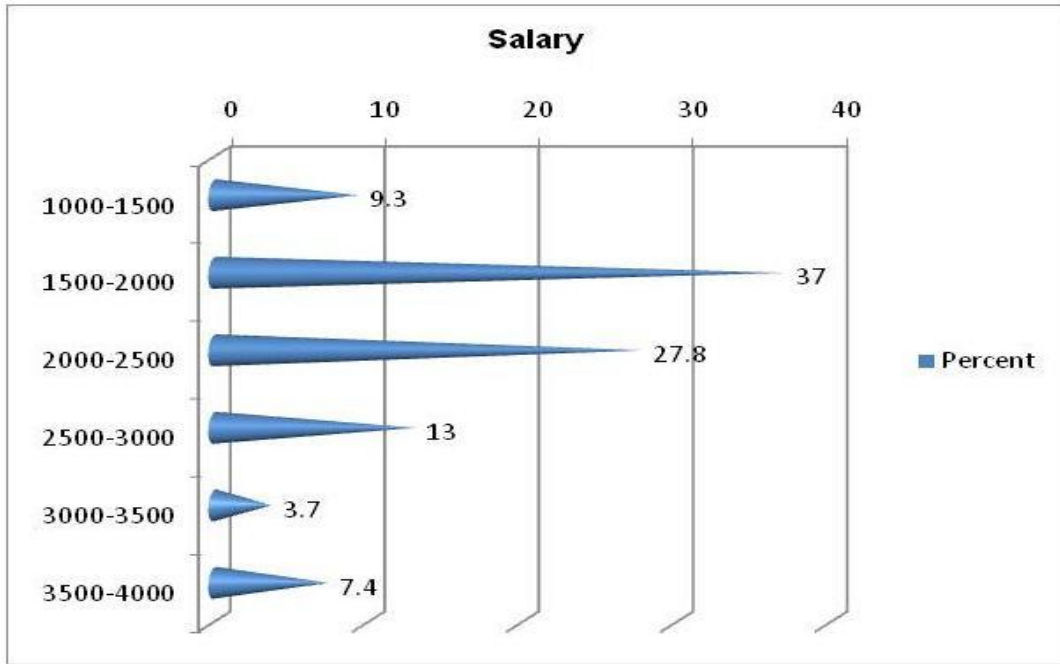


Figure 11 The salary of participants

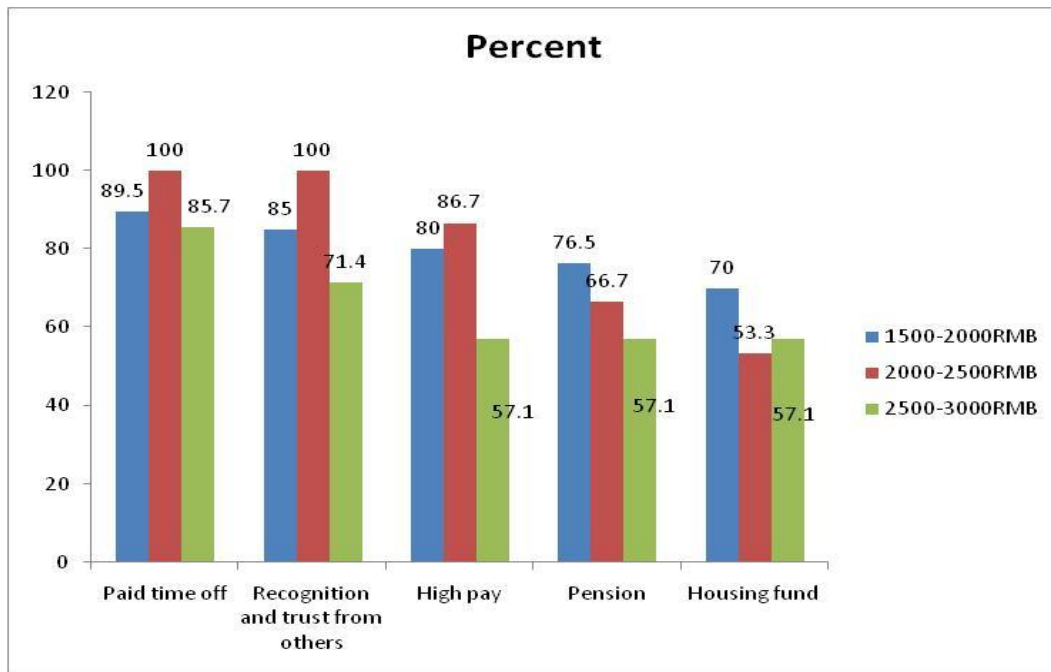


Figure 12 Rewards & Salaries

All of participants are chosen from trade or marketing companies, obviously, more than 40% (Figure 13) of them are working as business personnel that are

far more than other positions, which is difficult to do comparison. So the research here just discuss about the position of business personal, salesman and accountant. From Figure 14, we can see 'Paid time off' is popular among participants who work as above three positions, but 'Housing fund' is the least popular, especially for accountants.

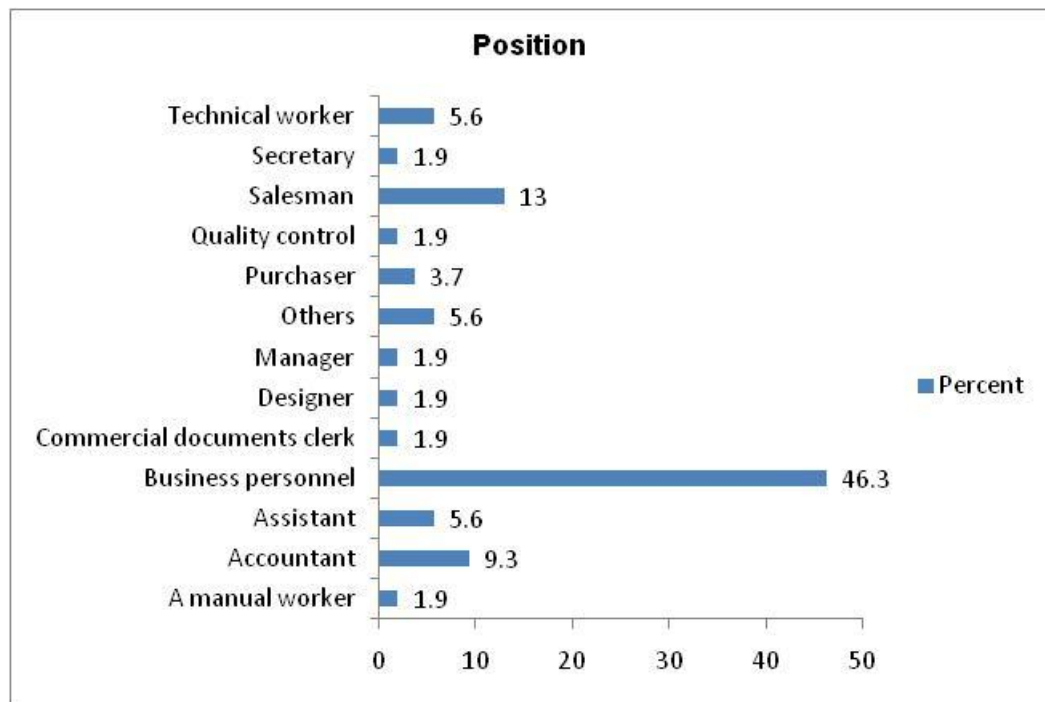


Figure 13 The position of participants

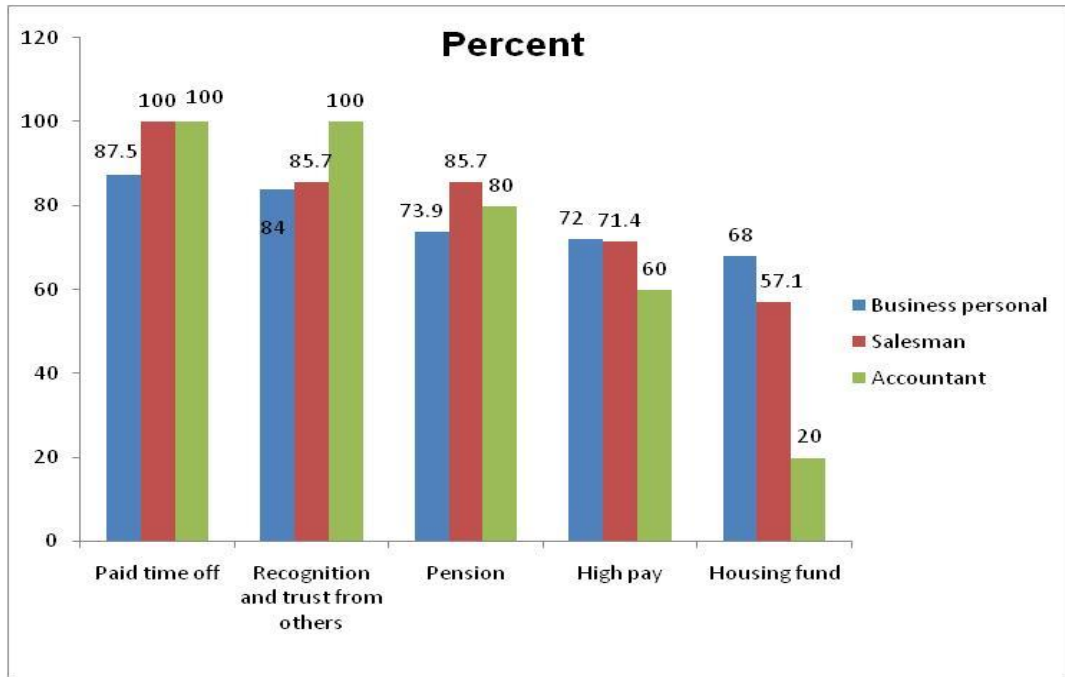


Figure 14 Positions & Rewards

Most participants (35.2%) are from Wenzhou city (see Figure 15) due to most of my friends in companies are in my hometown—Wenzhou. The second most of them are from Ningbo and Jinhua. And some are related to my friends' friends.

Figure 16 demonstrates that monetary reward 'Paid time off' is quite prevalent in Wenzhou occupying 94.7%, Jinhua taking up 92.3%, Ningbo holding 87.5%. People in Ningbo also focus most on 'Housing fund'. From figure 16, it's obvious to find that rewards 'High pay' (53.8%) and 'Housing fund' (38.5%) in Jinhua are not popular as that in Wenzhou and Ningbo, maybe it's due to the lower level of the consumption in Jinhua and lower housing price, so people there are not too worried about that.

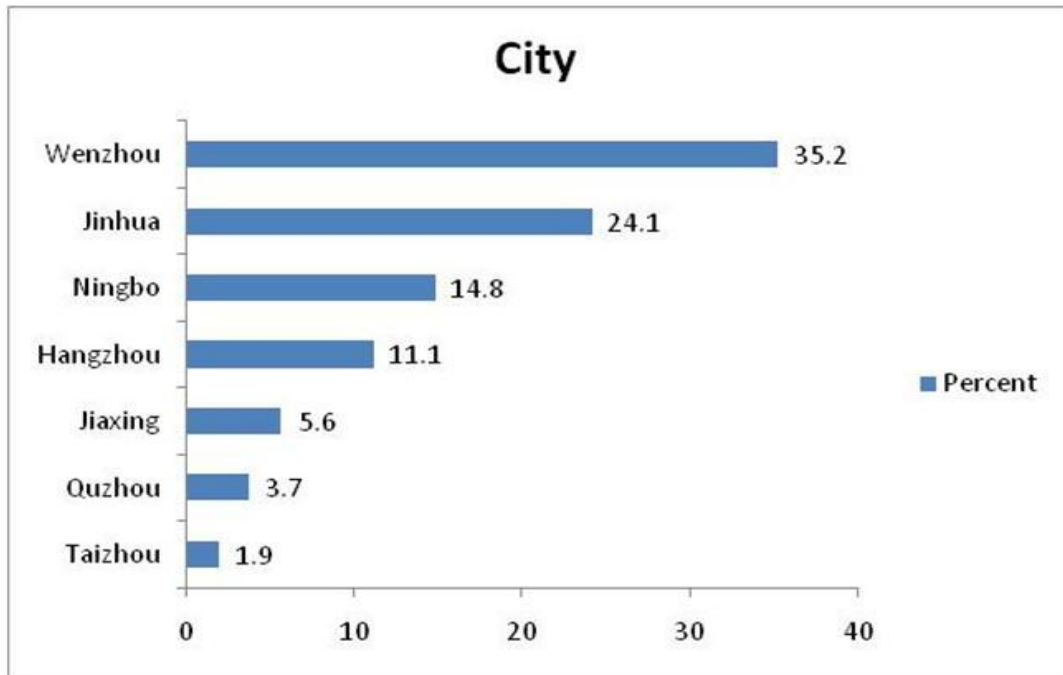


Figure 15 The city of participants

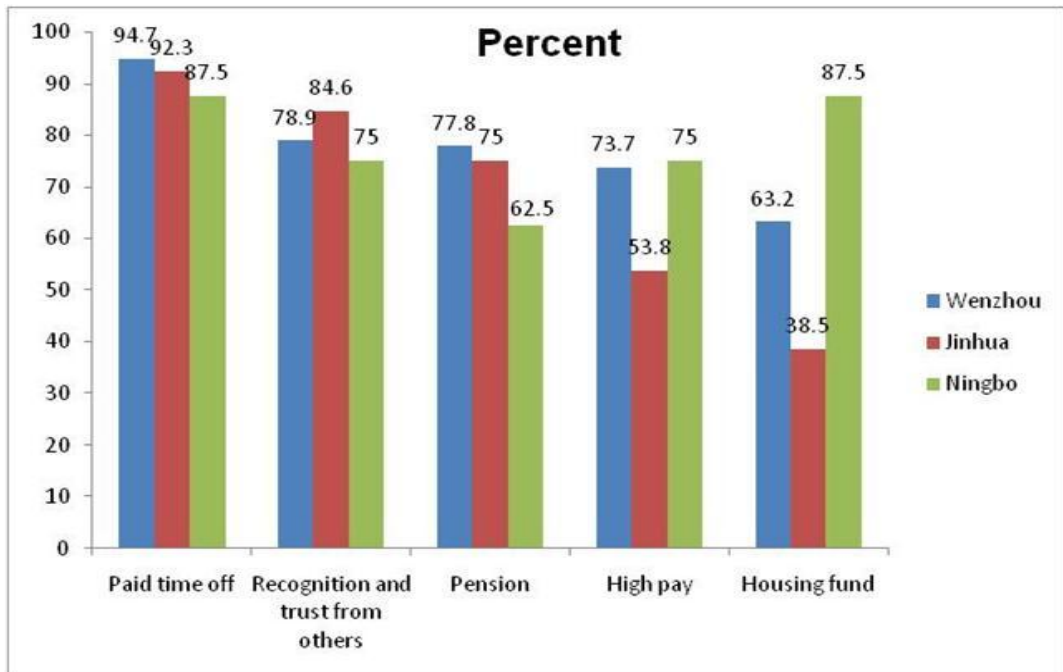


Figure 16 Cities & Rewards

3.3.3 How successfully companies do

It's good to see companies are doing very well in the reward of 'The pay is on time' taking up 33.3% and 'Pension' (20.4%), 'Medical insurance' (16.7%) and 'The pay is fair' (14.85%). But that only satisfies one part of employees' needs among top ten important rewards, and the differences between the percent of 'very well' and the percent of top ten important rewards are negative, for instance, the percent of importance of 'Pension' is 70.4%, but the percent of 'very well' of it is only 20.4%, etc (See Figure 17). Therefore, companies should do more efforts to satisfy their employees. Besides, the research also figures that there are no opinions about companies of participants doing very well in 'High pay', 'Paid time off', 'Housing fund', 'Coupon', 'Points for merchandise', 'Child/elder care programs', 'Unemployment insurance' and 'Stock options. In fact, some participants even don't know about those rewards or some rewards above really don't exist in the company, such as rewards of maternity insurance and child/elder care programs which up to 72.2% and 70.4%, and others such as points for merchandise, coupon, free spa/KTV singing, free movies, paid time off and housing fund (See Figure 18).

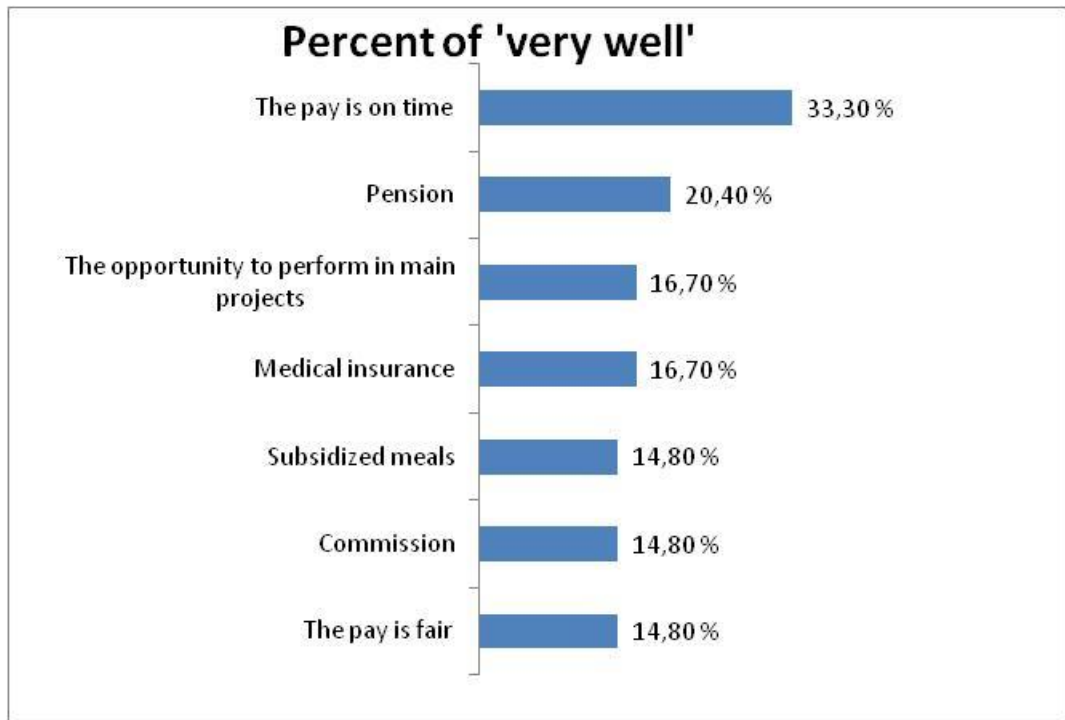


Figure 17 Top four good performance

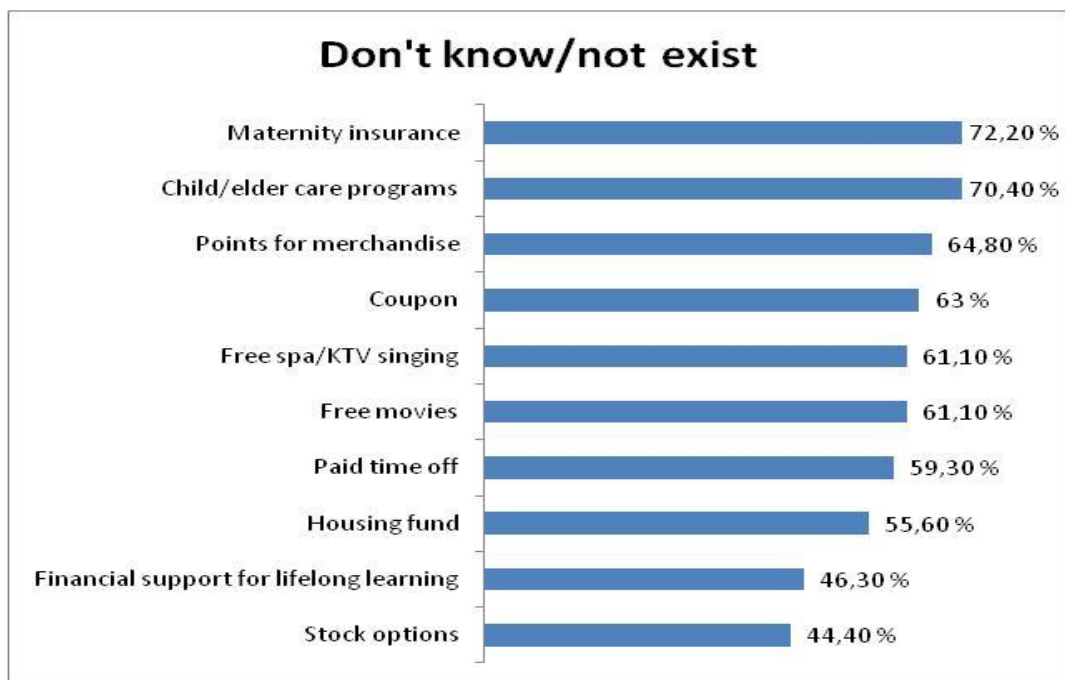


Figure 18 The percent of 'Don't know/not exist'

Figure 19 shows that companies do badly in monetary rewards 'Paid time off', 'Overtime compensation' and 'Reasonable vacation/holidays, which means

that the company should improve their senses of rewarding with important rewards generously according to the company's situation, undoubtedly, all employees like to work for generous boss. And the other rewards are almost related to non-monetary rewards, such as 'Recognition and trust from others', 'Interesting and challengeable tasks', 'Flexible working hours' etc. As mentioned above, 'Recognition and trust from others' is the most important motivational non-monetary reward, so companies may try to praise or motivate employees with non-monetary rewards.

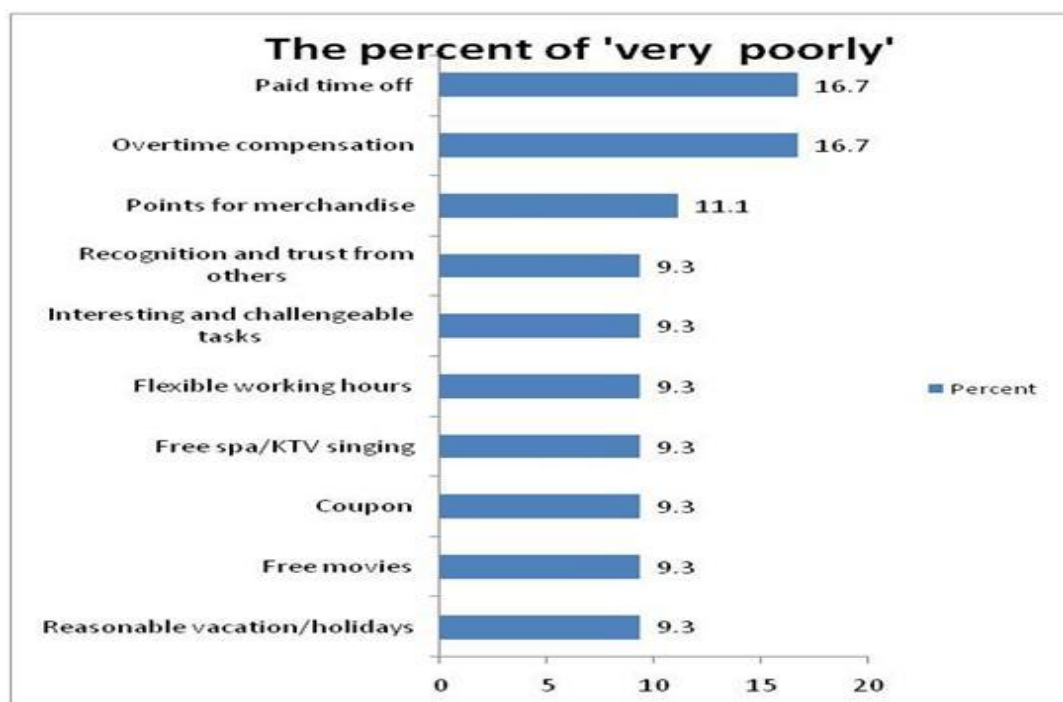


Figure 19 Top four poor performance

3.4 Summary of main findings in Zhejiang

The research demonstrates that non-monetary reward 'Recognition and trust from others' is the most important reward to motivate employees to work in Zhejiang, China. Besides, there are also some top important monetary rewards, such as 'Paid time off', 'Pension', 'High pay', 'Overtime compensation', 'Housing fund', 'The pay is on time', 'Annual bonus', 'The pay is fair' and 'Medical insurance'. Meanwhile, the research demonstrates that participants'

companies perform very well in the monetary reward 'The pay is on time', but very poorly in the monetary reward 'Paid time off' and 'Overtime compensation'.

From the analysis of the research results, it is found that participants in Zhejiang pay more attention to kinds of monetary rewards rather than non-monetary rewards. And the extent of attention to some top important rewards or some other rewards is affected by different factors, such as gender, age, education, status, salary, position and city, main points listed as follows:

- ◆ The results figure out that both females and males prefer top important monetary reward 'Paid time off' and non-monetary reward 'Recognition and trust from others'. And females focus more on 'Pension', 'Overtime compensation' and 'Housing fund', whilst males pay more attention to 'High pay', 'Medical insurance' and 'Child/elder care programs'.
- ◆ Besides top five rewards, young people at the age of 18-25 focus more on 'The opportunity to perform in main projects', 'Merit pay', 'Reasonable vacation/holidays' and 'Pension' while participants at the age of 26-33 focus more on 'Company's good location/working environment' and 'Promotion'.
- ◆ And all bachelor/postgraduate students give more attention to 'Paid time off' compared to 'Recognition and trust from others' preferred by college students.
- ◆ Among the single, a majority of them pay close attention to non-monetary reward 'Recognition and trust from others'. But participants who are in love or married pay more attention to 'Paid time off'. And the big difference is that the single pay great more on 'Pension' than the married do.

- ◆ All participants with the salary ranging from 1500-3000RMB regard 'Paid time off' as the best one, and workers with 2000-2500RMB also focus most on 'Recognition and trust from others'.
- ◆ And 'Paid time off' is popular among all participants who work as above three positions, but 'Housing fund' is the least popular, especially for accountants.
- ◆ Participants from Ningbo pay the same attention to 'Paid time off' and 'Housing fund', people from Jinhua and Wenzhou focus less on 'Housing fund', especially least in Jinhua.

4 CASE STUDY: NINGBO ZHONGHAO SILK DRESS CO., LTD

This case study is going to strengthen the understanding about rewards and practice the ability to solve problems in the case company, such as the saying 'Practice makes perfect'. The following case study is mainly on the base of the interview with my instructor named Lu Diebo working as business personnel around three years in Ningbo Zhonghao Silk Dress CO., LTD., I hope it's also helpful to readers.

4.1 The introduction of the case company

The website of Ningbo Zhonghao Silk Dress CO., LTD has details as follows:

Ningbo Zhonghao Silk Dress CO., LTD. is located in Ningbo (Figure 20) which is a beautiful seashore city, township of clothing. It is 35 km away from Ningbo Airport, close to 329 National Highway, enjoying convenient traffic and superior geographical environment. The company is subject to China Light Industrial Group Stock Co., Ltd that specializes in producing all kinds of clothing and top-grade silk beddings.

The company is a private organization established in 1969, mainly producing tatting clothes. Its factory building covers an area of more than 6,000 square meters and has 260 high-speed sewing machines, 18 knitting machines, 8 electric scissors and other various assistant equipments. Now there are 310 employees in the company; its annual throughput is 60 million Yuan; fixed assets is 1.85 million Yuan and annual output capability reaches 1 million sets of sleepwear (knitting and tatting) and 0.5 million sets of home textile products.

The company's product varieties are: women and men sleepwear, all kinds of shirts, trousers, tatting, knitting, children's wear series and home textile beddings. Products are mainly exported to Japan, USA, France, Germany, Italy and other European countries, and the products obtain favorable comments and reception from overseas customers. Its annual export output reaches about 30 million RMB (3.2 million Euros).



Figure 20 Map of Ningbo city in Zhejiang, China

And according to the introduction of Lu Diebo (Interview, 05/2010), the case company has Business Department, Purchasing Department, Documentary Department, and Accounting Department. And in the workplace, there are Cutting Department, Technology Department, Packaging Department, Ironing Department, Warehouse, Workshop NO.1 and Workshop NO.2 (Figure 21).

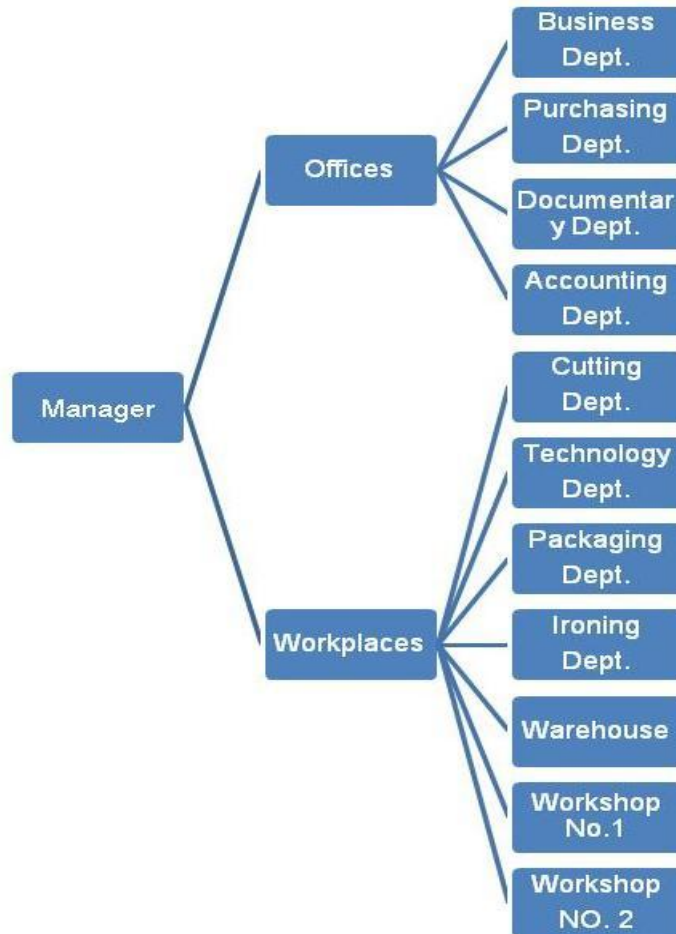


Figure 21 The Organization Structure of Ningbo Zhonghao Silk Dress Co., Ltd.

4.2 The rewards and problems in the company

According to the interview with Lu Diebo through QQ, there are main information about rewards and problems in the case company (Lu, 03-11/2009):

- The company has no formal regulations about reward system and there are no formal contracts between the company and employees.
- There are only around 20-30 senior employees with long-playing service for the company are provided with endowment insurance. The company pays one third of the insurance for those employees, and two third of the insurance is paid by their own, but the other employees don't have any insurances like that, even some employees perform quit well. In other

words, numerous employees don't have any rewards except basic salaries. Luckily, the salary is paid on time and one day off per week.

- The company belongs to the type of family firm, and the manager inherits the business from his parents. Unfortunately, the manager is lack of knowledge and interest in management. As a result, sometimes, employees are not able to see the manager in the company. Moreover, the director of each sector is not professional, works inefficiently due to the lack of enough knowledge.
- Some employees are not responsible in the accomplishment of tasks within their responsibilities, in other words, they only complain others instead of trying to find ways to solve problems.
- The communication between each sector is not on time which also leads to the lack of efficiency.

4.3 The research results

Because of time limitation and distance limitation, the research is carried on only with the enterprise instructor Lu, and the main results are listed as follows:

- There is no extra pay for overtime work, namely the monetary reward 'Overtime compensation' is performed very poorly in the case company.
- Although the salary is paid on time, but the price around 1500 RMB (158.6Euros)/month cannot satisfy all employees. Honestly, most employees only want to get a little bit higher pay, they know they cannot get other rewards such as non-monetary rewards 'Recognition and trust from others', 'The opportunity to perform in main projects', 'Reasonable vacation/holidays', to say nothing of monetary reward 'Paid time off'.

- From the introduction of the case company above, we can find that there are seven workplaces in the company, and some work are dangerous to employees, such as ironing department and cutting department. But they also have no other motivational rewards except quite a few senior workers have insurance. And some employees always complain in the workplaces about the dangerous working environment and hope the company can pay employment injury insurance or pay allowances.
- In the interview, Lu said she didn't leave the company because of the company's location is near her home and meanwhile she was used to work for the company even the bad working environment.
- Finally, Lu figured out that sometimes employees could not get the fair pay from their hardworking. Once, there was one important employee left the company due to that the manager didn't pay her as he promised.

4.4 Summary of findings in the case company

Combine the information about rewards and problems in the case company and the research results. We can conclude that employees tend to pay most attention to monetary reward 'High pay'. And some employees also focus on 'Overtime compensation', 'The pay is fair', 'Company's good location/working environment' and 'Employment injury insurance'.

It's good to conclude that the case company is doing well in the reward 'The pay is on time', but the company is performing very poorly in basic important rewards that are employees' imperative needs, such as 'High pay', 'Overtime compensation', 'The pay is fair' and 'Employment injury insurance'. And the extent of the attention to above rewards is mainly differentiated by employees' position, for instance, business personnel is focus more on 'High pay' and 'The pay is fair', whilst manual workers in workplaces pay close attention to

‘Overtime compensation’ and ‘Employment injury insurance’.

Moreover, the case company is involved in main HRM problems which are obvious in the whole Zhejiang. For instance, the case company is a family enterprise, the position of the manager is distributed by his parents, in fact, and the manager is lack of management knowledge. Besides, the case company has no reward system and has no inadequate awareness of employee training.

5 CONCLUSIONS

5.1 Comparison of findings in Zhejiang and Ningbo

Zhejiang: People from the whole Zhejiang regard non-monetary reward ‘Recognition and trust from others’ as the most important rewards. The monetary reward ‘The pay is on time’ is performed very well in Zhejiang, but rewards ‘Paid time off’ and ‘Overtime compensation’ are carried out very poorly. Definitely, the problem of working overtime without appropriate compensation is always discussed by employees.

Ningbo: People from Ningbo are mostly interested in rewards ‘Medical insurance’, ‘Housing fund’ and ‘Recognition and trust from others’. People also pay more attention to monetary rewards, which is the same as that in the whole Zhejiang. Employees in Ningbo are rewarded very well with ‘The pay is on time’, ‘Commission’, ‘Subsidized meals’ and ‘Pension’, but companies perform very poorly in ‘Reasonable vacation/holidays’, ‘Paid time off’, ‘Flexible working hours’ and ‘High pay’.

5.2 Main results of the study

In this study, the main results are concluded that non-monetary reward ‘Recognition and trust from others’ and monetary rewards ‘Paid time off’,

'Pension', 'High pay', and 'Housing fund' are top five important rewards motivating employees most. Companies in Zhejiang perform very well in monetary rewards 'The pay is on time', 'Pension', 'Medical insurance', 'Commission', 'The pay is fair' and non-monetary rewards 'The opportunity to perform in main projects' and 'Subsidized meals'. But companies in Zhejiang perform very poorly in monetary rewards 'Paid time off', 'Overtime compensation' and especially in non-monetary rewards, such as 'Recognition and trust from others', 'Interesting and challengeable tasks', 'Flexible working hours', 'Free spa/KTV singing', 'Coupon', 'Free movies' and 'Reasonable vacation/holidays'.

5.3 Recommendations for the case company and further study

From the analysis of Chapter 4, I have some recommendations for the case company as follows:

In the first place, it's better for the company to set up a reward system for motivating employees to pursue their favorite rewards with good working performance, naturally, the working environment will turn to be better.

In the second place, the company would better try to satisfy employees with a little bit higher pay in order to comfort employees' hard working and fulfill their best needs in reward 'High pay', which cannot cost the company too much. Meanwhile, the pay should be fair, and the manager should be honest to his employees. Otherwise, it would be difficult to retain employees for long term without building trust and respectation.

In the third place, the manager should learn more knowledge about business management and learn how to communicate with his employees in different sectors, which is good for him to be magisterial and make employees more confident to the development of the business. Moreover, it may work if the

manager said 'thank you' to his employees or recognized them, because employees would be surprised and moved by the manager's infrequent and kind behavior. Undoubtedly, employees can be motivated to a certain extent by non-monetary rewards 'Recognition and trust from others' and 'Thank you from others', and both of rewards cannot cost the company's money, so it's beneficial to managers who don't want to pay much more money.

Finally, it's important to improve the directors' knowledge with basic training or the manager should instruct them to learn skills in the internet or by themselves which is necessary to improve the working efficiency.

As to the further study, more questionnaires need be carried out by more people, especially males, people at the age of 26-41, Bachelor/Postgraduate students, people in love and married, the salary ranges from 1000-1500 and 2500-4000/month even more at the position of technical worker, secretary, quality control, purchaser, manager, designer, assistant and manual workers, and people from Huzhou, Zhoushan, Shaoxing and Lishui city in Zhejiang. Meanwhile, the significance and the correlation between each reward and people's background information cannot be analysed accurately in this study due to the lack of numbers of participants in the research, therefore, it's quite meaningful to do more researches on the base of a large number of questionnaires for getting much more accurate results.

5.4 Evaluation of the thesis

The research topic of this thesis is significant to be discussed and relevant to joint ventures, foreign companies, Chinese managers, foreign/expatriate managers and people who are interested in working as employers or employees in Zhejiang province, China. And the research can be useful to let more employers know how to define rewards towards different employees with different characters subject to the company's own situation. And let employees

know more about different kinds of rewards and how to choose their favorite rewards if it is possible to achieve.

In this study, the quantitative research method and the quality research method are combined to be used to find out non-monetary reward 'Recognition and trust from others' is the most important to motivate employees in Zhejiang. And companies do very well in the reward 'The pay is on time', but do very poorly in the reward 'Paid time off'. And in the case company, the reward 'High pay' is top important, the company also performs well in reward 'The pay is on time', but poorly in the reward 'High pay'.

In the beginning of writing this thesis, I chose the topic related to HRM on account of my interest. After reading some primary and secondary data, I think it was also interesting and significant to do research about top important rewards in companies in Zhejiang Province. Then I talked to one of my friend, namely Lu Diebo, about information related to rewards with unstructured questions and make sure that the possibility to do this research. Luckily, most of my friends are doing business in companies which makes a good opportunity for me to carry out my questionnaires. During the whole study, the most difficult part to me is the analysis of the data due to much work, especially when problems come out, I have to reanalyze the data, and in other words, it's the most important to motivate myself to keep studying. Undoubtedly, time limitation is my great motivation.

Finally and sincerely, thank you very much for the teachers' help with my study, especially my kind supervisor Mr. Ari Lindeman.

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Interview:

Name Miss Lu Diebo

Title Business personnel

Company Ningbo Zhonghao Silk Dress CO. LTD.

Time 03-11/2009 and 05/2010

Appendix 1 Employee rewards questionnaire (Zhejiang, China)

The Importance of Rewards and the Success of the Company's Performance

Please fill scales (1-5) that represent how strongly you feel about the importance of rewards using the following scoring system and fill the answer from A, B, C etc. in Background information. (Note: The data is analyzed through Statistical Package for Social Sciences and individual information can be confidential).

Importance: Evaluate the importance of rewards on a scale from 1 to 5 where 1=not at all important, 2=not very important, 3=neutral, 4=quite important, 5=very important

Importance	Scales:	1	2	3	4	5
1.The pay is on time						
2.The pay is fair						
3.Annual bonus						
4.Commission						
5.Merit pay						
6.Stock options						
7.Medical insurance						
8.Unemployment insurance						
9.Maternity insurance						
10.Employment injury insurance						
11.Housing fund						
12.Subsidized meals						
13.Free coffee/tea						
14.Free/discounted transportation charge						
15.Mobile reimbursement						
16.Child /elder care programs						
17.Financial support for lifelong learning						
18.Pension						
19.Overtime compensation						
20.Paid time off (Public holidays or sick leave)						
21.Reasonable vacation/holidays						

Importance	Scales:	1	2	3	4	5
22.Promotion						
23.Career development						
24.Free movies						
25.Distinctive meals						
26.Points for merchandise						
27.Coupon						
28.Free spa/KTV singing						
29.Flexible working hours						
30.Interesting and challengeable tasks						
31.No big responsibility for mistakes						
32.Recognition and trust from others						
33.Company's good location/working environment						
34.High pay						
35.The opportunity to perform in main projects						
36.'Thank you' from leaders						

Success: Evaluate how well the company has succeeded in making the reward system and motivating employees on a scale from 1 to 5 where 1=very poorly, 2=poorly, 3=neutral, 4=well, 5=very well, 6=don't know/not exist

Success	Scales:	1	2	3	4	5	6
1.The pay is on time							
2.The pay is fair							
3.Annual bonus							
4. Commission							
5.Merit pay							
6.Stock options							
7.Medical insurance							
8.Unemployment insurance							
9.Maternity insurance							
10. Employment injury insurance							
11.Housing fund							
12.Subsidized meals							
13.Free coffee/tea							
14.Free/discounted transportation charge							
15.Mobile reimbursement							
16.Child /elder care programs							
17. Financial support for lifelong learning							
18.Pension							
19.Overtime compensation							
20.Paid time off (Public holidays or sick leave)							
21.Reasonable vacation/ holidays							
22.Promotion							
23.Career development							
24.Free movies							
25.Distinctive meals							
26.Points for merchandise							
27.Coupon							
28.Free spa/KTV singing							

Success	Scales:	1	2	3	4	5	6
29.Flexible working hours							
30.Interesting and challengeable tasks							
31.No big responsibility for mistakes							
32.Recognition and trust from others							
33.Company's good location/working environment							
34.High pay							
35.The opportunity to perform in main projects							
36.'Thank you' from leaders							

Background Information

	1. Gender ()	2. Age ()	3. Education ()	4. Status ()	5.Pay (RMB) ()	6. Position ()	7. Email/QQ & City
A	Male	18-25	Below senior high school	Single	1000 - 1500	A manual worker	
B	Female	26-33	Senior high school	Be in love	1500 - 2000	Salesman	
C		34-41	College students	Married	2000 - 2500	Business personnel	
D		42-49	Bachelor/ Postgraduate students	Divorced	2500 - 3000	Technical worker	
E		Above 49	No acknowledgement	No acknowledgement	3000 - 3500	Purchaser	
F					3500 - 4000	Accountant	
G					4000 - 4500	Assistant	
H					Above 4500	Designer	
I						Manager	
J						Planner	
K						Commercial documents clerk	
L						Quality control	
M						Secretary	
N						Others	

Appendix 2 Question list of the interview

1. Do you get any kinds of insurance in your company (e.g. medical insurance, endowment insurance, and maternity insurance)?
2. Does your company offer the other rewards (e.g. overtime compensation, high pay, and flexible working hours)?
3. What problems does your company have?
4. What kinds of rewards motivate you most (e.g. paid time off, promotion and high pay)?
5. Why do you still work there? (Lu said the pay is low in the case company)
6. What do other employees think about the rewards?
7. Is the salary paid on time?
8. Can you describe the organization structure of your company?

Appendix 3 Employee rewards questionnaire in Chinese

Appendix 3/1

奖励的重要性的公司实行奖励的成功性

请选出你对不同奖励重要性的看法，分别用等级 1-5 表示，等级越高，表示你对该奖励的重要性越关注。在“公司实行奖励的成功性”一栏中，答案用等级 1-6 表示，等级 1-5 表示成功性的大小，6 表示不发表意见。在个人信息一栏中，答案分别用 A, B, C 等字母表示。（注：数据通过社会科学统计软件 SPSS 分析后，不会显示个人的具体信息，即绝对保密）

重要性：评估奖励对于激励员工的重要性，等级从 1-5,1=很不重要，2=不重要，3=中立，4=相当重要，5=非常重要

重要性	等级：	1	2	3	4	5
1.按时发工资						
2.工资公平						
3.年终奖						
4.佣金						
5.功劳补贴						
6.股份						
7.医疗保险						
8.失业保险						
9.生育保险						

Appendix 3/2

重要性	等级：	1	2	3	4	5
-----	-----	---	---	---	---	---

10.工伤保险
11.住房基金
12.餐饮补贴
13.免费咖啡/茶
14.交通费用补贴
15.手机费用补贴
16.孩子/老年人补助项目
17.终生学习资助
18.养老金
19.加班费
20.带薪休假（公共假期/病假）
21.合理假期
22.升职
23.事业发展
24.免费电影
25.特色餐
26.购物积分
27.优惠券
28.免费温泉疗养/KTV 唱歌
29.灵活的工作时间

Appendix 3/3

重要性

等级：

1

2

3

4

5

30.有趣并具挑战性的任务
31.对失误不用承担大责任
32.别人的认可和信任
33.公司的地理位置和工作环境
34.高薪水
35.有机会在重要项目中表现自己
36.领导的谢意

Appendix 3/4

成功性：评估公司实行奖励制度的成功程度，评估等级从 1-6,1=非常差，2=差，3=中立，4=好，5=非常好，6=不知道/不存在

成功性	等级：	1	2	3	4	5	6
1.按时发工资							
2.工资公平							
3.年终奖							
4.佣金							
5.功劳补贴							
6.股份							
7.医疗保险							
8.失业保险							
9.生育保险							
10.工伤保险							
11.住房基金							
12.餐饮补贴							
13.免费咖啡/茶							
14.交通费用补贴							
15.手机费用补贴							
16.孩子/老年人补助项目							
17.终生学习资助							
18.养老金							

Appendix 3/5

成功性	等级：	1	2	3	4	5	6
-----	-----	---	---	---	---	---	---

19.加班费
20.带薪休假（公共假期/病假）
21.合理假期
22.升职
23.事业发展
24.免费电影
25.特色餐
26.购物积分
27.优惠券
28.免费温泉疗养/KTV 唱歌
29.灵活的工作时间
30.有趣并具挑战性的任务
31.对失误不用承担大责任
32.别人的认可和信任
33.公司的地理位置和工作环境
34.高薪水
35.有机会在重要项目中表现自己
36.领导的谢意

个人信息

	1.性别 ()	2.年龄 ()	3.教育 ()	4.状态 ()	5.工资 (人民币) ()	6.职位 ()	7. 邮件/QQ&城市
A	男	18-25	高中以下	单身	1000 - 1500	体力劳动	
B	女	26-33	高中	恋爱中	1500 - 2000	销售员	
C		34-41	大学专科	已婚	2000 - 2500	业务员	
D		42-49	本科/研究生	离婚了	2500 - 3000	技术工	
E		49 以上	保密	保密	3000 - 3500	采购员	
F					3500 - 4000	会计	
G					4000 - 4500	助理	
H					4500 以上	设计师	
I						经理	
J						策划者	
K						单证员	
L						质检	
M						秘书	
N						其它	

Appendix 4 Question list of the interview in Chinese

1. 公司给你哪些保险（如医疗保险、养老保险和生育保险等）？
2. 你公司还有其它什么奖励吗（如加班费、高工资及灵活的工作时间等）？

3. 你公司有什么问题？
4. 你觉得什么奖励最能激励你工作（如带薪休假、升职及高工资等）？
5. 你为什么还在那里工作？（卢说公司工资不高）
6. 其他人觉得你们公司的奖励制度怎么样？
7. 老板按时发工资吗？
8. 简单说下你们公司有哪些部门？