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Xinyu Li
selenalee0614@gmail.com

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Fresh Blood in the Labor Market:
Challenges and Rewards of China's Returning Millennial Generation

Selena (Xinyu) Li

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Professor Brian Komei Dempster

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Abstract

In recent years, fresh blood has begun to emerge in China's workplace: Chinese millennials who have gone abroad to study and received an overseas education. This special experience has brought many obstacles for them when they return to the Chinese workplace, whether it is the lack of synchronization between recruitment and graduation periods in the early stage of job seeking, or the pressure they encounter later. However, this experience also creates a set of unique advantages for them. Accepting international higher education makes their resumes more attractive, brings them a global perspective, and cultivates their ability to learn new skills quickly and continuously. As they continue to strengthen their backgrounds and qualifications, the quality of the entire labor market also increases, and companies need to develop more strategies for talent management. Indeed for companies in various industries, the internationalization of higher education brings new opportunities and challenges to the Chinese workplace. This study combined qualitative and quantitative research to more fully demonstrate and compare the challenges faced by millennials in the workplace and the challenges they bring to human resource management teams. With the transformation of China's labor market, this research offer guidance to those Chinese millennials who are studying abroad and have not entered the workplace, and moreover, provides suggestions to human resource management teams that will help them cope with challenges and hire and retain millennials.

Keywords: Chinese millennial, overseas education, Chinese workplace, challenges, talent management.

Introduction

“Before going to the United Kingdom, I thought that studying abroad can make my future career path unimpeded, but it is not. After returning to China, I deeply realized that studying abroad has brought me a lot, but it has also made me lose a lot.”¹ These are the words of Sherry Hu, who went to the United Kingdom in 2014 for her undergraduate and master degrees. Five years later, she graduated successfully and went back to China. Her voice resonates with a concern that on the minds of other Chinese millennials who study abroad: is it really worth the effort to spend so many years abroad?

This paper will discuss the characteristics of Chinese millennials who received an international education and are returning to work in China with enhanced qualifications, and also take us into their inner world and complex experiences. They bring new skills to the workplace, such as proficiency in a second or third language, strong independence and adaptation skills, a more global perspective, and so forth. This paper addresses the following questions:

1. What challenges do returning millennials face in the workplace, and how do their unique skills and backgrounds act as both strengths and weaknesses?
2. What challenges do they bring to the workplace as fresh blood and how effectively do and can companies manage them?

This research seeks to define millennials who understand the various obstacles they must overcome, and how they along with companies can facilitate their success.

¹ Sherry Hu, text message to author, February 25, 2019.

A number of Chinese millennials have already entered the workplace, which has brought about a gradual shift in the labor force. This poses a great challenge for millennials who are just entering the workplace or are about to enter it. When they look for a job, they are rigorously screened for educational credentials, ability level, industry connections, relevant experience, and so forth. If a company or an industry wants to maintain and improve its competitiveness in the market, it must have the same competitive employees. Therefore, millennials, as the new workforce in the workplace, face higher requirements and expectations by the company than those of the previous generation. Returning millennials are among the top choices for these companies because they have the qualities that domestic graduates lack, such as the ability to work independently and passion that enhances their work. They will continue to learn new skills and increase the number of jobs they are qualified for, hoping to get better pay, more challenging work content and more development opportunities. It is undoubtedly a great challenge for HR management teams to retain excellent millennials, and this significant change in China's labor market will affect the younger generation's education goals and employment.

The Trend of Millennials Abroad

It is a commonly known fact that a huge number of Chinese millennials have traveled abroad. Various scholars discuss this phenomenon, such as Dr. Dian Liu, who currently works at the department of learning Environment and Behavior Research in Education, University of Stavanger, and is proficient in personal management issues and the sociology of working life. According to Liu, there had been a huge breakthrough in

the number of graduates entering the workplace since 1999, which was inseparable from the sudden growth of higher education at that time.² The unemployment problem of graduates has been plaguing China, and more domestic graduates have said that it is difficult to find a job. The increase in the number who pursue higher education has led to a surplus of labor, but the labor market has limited space. Some graduates in China believe that higher education does not provide effective training, but at the same time, their higher professional expectations also lead to difficulties in finding a job.³

Liu, along with other scholars, argues that internationalization of higher education is a positive global trend. More Chinese students, especially those who are financially capable, pursue overseas or transnational education.⁴ The experience and credential of studying abroad is a highlight of millennials' resumes, and one of the advantages that distinguishes them from domestic graduates. In the opinion of some scholars, the internationalization of higher education will not cause a loss of talent but will raise the level of talent and increase the employment rate of graduates in China.⁵

Some argue that this trend is positive mainly due to the various opportunities that millennials benefit from upon their return. Faced with a limited position in the Chinese workplace, returnees believe that continuous learning gives them a sense of security. In their opinion, career success depends more on their ability to learn quickly and adapt to

² Dian Liu, "Graduate Employment in China: Current Trends and Issues," *Chinese Education and Society* 47, no. 6 (November 1, 2014): 3.

³ Ibid, 5.

⁴ Ibid, 6.

⁵ Ka Ho Mok, and Xiao Han, "From 'Brain Drain' to 'Brain Bridging': Transnational Higher Education Development and Graduate Employment in China," *Journal of Higher Education Policy and Management* 38, no. 3 (January 1, 2016): 387.

new skills in order to stay competitive. Employers need to be able to recognize employees' learning abilities and provide incentives to avoid the lack of important skills. Most millennials believe that the continuous development of skills is an important part of their career, and therefore, they are willing to pay for and spend their time to learn new skills. In fact only 7 percent of millennials are not interested in learning and training.⁶

While various research asserts that this phenomenon is positive, others present the opposite side of the issue. Ma and Pan argue that the discomfort of dealing with complex interpersonal relationships and the lack of guaranteed contracts under the Thousand Talents Program have led many returnees to feel over stressed after returning to China.⁷ The Thousand Talents Program was implemented by the Chinese government in December 2008 with the goal of attracting the innovative talents from overseas to work in China. Outstanding Chinese students who studied abroad are one of the main targets of this program. These students can bring their global perspective international work experience, and professional expertise to China's market in order to promote economic development.⁸

Overall, the experience of studying abroad is a complex one for Chinese millennials, which is not completely positive or completely negative but some of both.

⁶ "ManpowerGroup: Qianxiyidai Zhichang Zhuangtai Diaocha (Fu Baogao)" [ManpowerGroup: millennial workplace status survey (with a report.)] *199IT*, May 13, 2017. <http://www.199it.com/archives/505701.html>.

⁷ Yuping Ma, and Suyan Pan, "Chinese Returnees from Overseas Study: An Understanding of Brain Gain and Brain Circulation in the Age of Globalization," *Frontiers of Education in China* 10, no. 2 (April 2015): 322.

⁸ Alan Chi Keung Cheung, and Li Xu, "To Return or Not to Return: Examining the Return Intentions of Mainland Chinese Students Studying at Elite Universities in the United States," *Studies in Higher Education* 40, No.9 (2015): 1606.

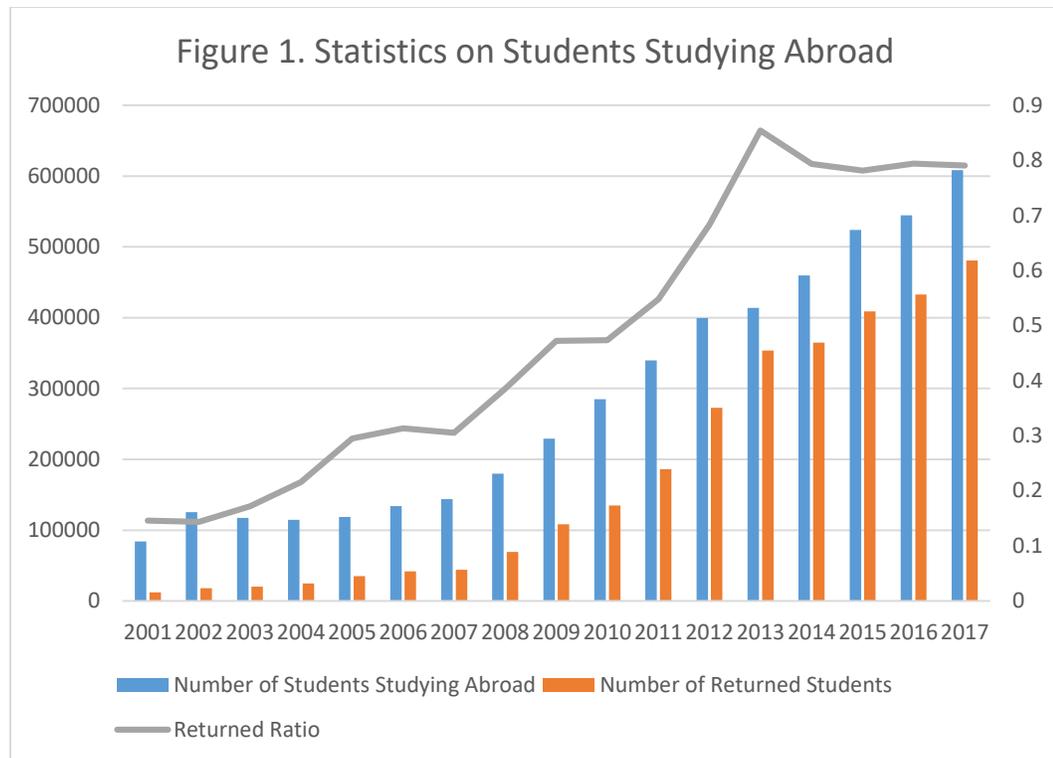
Some scholars think that it is a healthy process of growth and is also a milestone on the road of life. Others focus on the practical and emotional challenges. Things, of course, must have two sides. Only a more comprehensive understanding can allow us to know how to make the best use of the advantages and avoid the disadvantages. In other words, when millennials returning to China understand the pros and cons, they can try their best to avoid the mental and psychological issues that may be encountered and to effectively leverage their abilities and skills. This research combines actual data, the voices of returned millennials, and a review of policies in order for us to understand how influential this group of employees has become to the Chinese workplace.

Defining Chinese Millennials: A New Force in the Workplace

To understand the how we arrived at the current state of the millennial generation, we must look back in history and at important policies. The millennial generation in China is a group of people who were born between 1980 and 2000, and entered the workplace from the early 2000s. Their growth is inextricably linked to the One-Child Policy, which is one of the most important and influential decisions in Chinese history. The One-Child Policy was officially launched in 1980 and ended in 2015. Its purpose is clear: to control the explosion of the population and to raise living standards per capita. As the only child in the family, millennials have the absolute financial and spiritual support from their parents. With the improvement of living standard, parents are willing to spend more money on their children's higher education, including sending the child abroad to study. With this in mind, millennials have become a group of people who are highly educated and experienced an integration of Eastern and Western cultures.

The sharp increase in millennials who return to China has created issues that demands attention in the workplace, and society must adjust. A large number of Chinese millennials are studying abroad to receive higher education and choose to return to work after the completion of their studies. According to the data from National Bureau of Statistics of China, the number of students studying abroad and the number of returned students are both increasing in recent years, and the rate of returned students over students studying abroad is growing faster. Since 2013, there has been an annual return rate of over 80%,⁹ which has increased by about eight times compared with the beginning of 2000. Although no direct sample of the millennial population was found, the below chart is still informative, since according to age, a large part of the data are millennials. Such a high return rate means that the vast majority of millennials studying abroad have chosen to return to work, further highlighting the importance of this research.

⁹ *China Statistic Year Book 2018*. Compiled by National Bureau of Statistics of China (Beijing: China Statistic Press, 2018), <http://www.stats.gov.cn/tjsj/ndsj/2018/indexeh.htm>.



Source: China Statistical Yearbook 2018.¹⁰

The data shows that millennials continue to form a large segment of the workplace, which means employers must adjust to the challenges brought to the workplace as fresh blood. To further confirm the correlation of the data in Figure 1, “Report on Employment and Entrepreneurship of Chinese Returnees 2018,” proved that most of the returnees are born between 1985 and 1995.¹¹ This means that millennials have gradually become an important core of the workplace. They are not only the youngest generation in the Chinese market but also the future backbone of the Chinese workplace. Compared

¹⁰ Ibid.

¹¹ “Report on Employment and Entrepreneurship of Chinese Returnees 2018,” Center for China & Globalization, last modified August 21, 2018, <http://www.ccg.org.cn/research/View.aspx?Id=9643>.

with the older generation, they have a higher rate of mobility, faster promotions at work, and a higher probability of starting a business and working in different fields.¹² This means that the millennials are more self-disciplined, more capable, and more ambitious about the development of their careers than their older generations. Shen has the same opinion, who mentions in his article that millennials are more ambitious than the older generation: the vast majority of their job change is to seek career development, higher pay and more challenging work. They are also more bold: more than 20% said they wanted to try a new industry, and a large part of them worked as a compound talent for cross-field work.¹³

In addition, the high rate of mobility among returnees in the workplace is not only within the country but also across the world. Yingchan Zhang, a researcher, mentions in her article that the returnees studying in the United States are mostly concentrated in the high-tech industry and have strong mobility (mobility here mainly refers to transnational mobility.)¹⁴ The Chinese government's tendency toward a knowledge-based economy is very conducive to returning students to work in the country, and it also introduces corresponding incentives to reduce their transnational mobility and make efforts to keep

¹² Jingshao Wan, "Qianxiyidai de Zhichang Yinxiang" [Millennials' impressions of the workplace,] *China New Time*, April 25, 2018, <http://www.chinanewtime.com/guanli/puxestfv>.

¹³ Derek Shen, "Zhongguo Qianxiyidai Zhichangren Zhengzai Qiaoran Jueqi" [China's millennials are quietly on the rise in the workplace,] accessed February 4, 2019, <https://www.linkedin.com/pulse/%E4%B8%AD%E5%9B%BD%E5%8D%83%E7%A6%A7%E4%B8%80%E4%BB%A3%E8%81%8C%E5%9C%BA%E4%BA%BA%E6%AD%A3%E5%9C%A8%E6%82%84%E7%84%B6%E5%B4%9B%E8%B5%B7-derek-shen/>.

¹⁴ Yingchan Zhang, "Making the transnational move: deliberation, negotiation, and disjunctures among overseas Chinese returnees in China," *Journal of Ethnic & Migration Studies* 45, no. 3 (March 2019): 466.

them stay in China, such as the Thousand Talents Program. High mobility is not only a major challenge for national government but also a problem for HR teams – how to manage and retain this talent?

The Challenges Faced by Returned Millennials

Millennials who study abroad encounter many challenges in the process of job seeking and after entering the workplace in China. The lack of synchronization between recruitment and graduation periods creates obstacles for millennials in finding a job, and cuts off opportunities. In the interview with Jenny Liu, she said, “the first problem I encountered when I looking for a job was the lack of synchronization between graduation time and domestic recruitment time.”¹⁵ Jenny Liu, 24 years old, is currently an economics major at the University of California, Santa Cruz, and will graduate in June this year. She knows that the main recruitment methods for the Chinese workplace are the Spring Job Fair and Fall Job Fair. As the names imply, the main recruitment time is in spring and fall, and respectively from March to April and September to November. The main graduation time for students who study abroad is June and December, which means that when they embark on the road to job hunting, they often miss out on these two major job fairs. These two job fairs are not the only opportunities for overseas students, but Liu and others will still lose a number of chances if they miss out.

Moreover, great and competitive companies generally recruit talents from schools and via recruitment websites in the fall, hoping to collect outstanding and suitable talents

¹⁵ Jenny Liu, conversation with author by telephone, March 13, 2019.

as early as possible. At this moment, however, students are immersed in their studies and have no time to return to China to take the recruitment examinations, including a writing test and interview. Liu, as one of the millennials studying abroad, faces the same problem: “In September last year, I delivered my resume to China’s five major state-owned banks. Only the Bank of China had set up test centers overseas to provide us to take the written test. However, the exam locations are only in big cities, such as Los Angeles and New York, and most of the candidates need to take a long trip to get there.”¹⁶ Although the millennials studying abroad may be able to stand out in the screening of resumes, they rarely have the opportunity to participate in the next round of written tests because times are in conflict and the travel required creates great inconvenience.

The lack of a social network due to long-term study abroad also leads to a lack of job referral opportunities, and it is difficult for millennials to expand their customer groups during the work. Whether they start looking for a job or want to expand their business after working, long-term study abroad has created distance from society and lost opportunities for millennials. Hu, who has been studying in the UK for five years, said, “In the year when I was a graduate student, my classmate and I sent our resumes to a Chinese company. He got an interview but I didn’t. We were in the same school, the same major, and similar academic scores, but he was referred by somebody. Unlike me, he spent his four-year undergraduate in China, and during the internship in the fourth year, he met this person who referred him internally. I suddenly realized the importance

¹⁶ Ibid.

of social relations.”¹⁷ After graduating from high school, when Hu went to study in the UK, she did not have the opportunity to get in touch with the Chinese workplace for many years. Good social relations are not the only factor, but play a decisive role in the process of finding jobs. Her incomplete understanding of employment patterns and her failure to establish great social relations resulted in less interview opportunities.

In addition, many returnees said that there is a lack of social relations after returning to China, especially in terms of interpersonal relationships.¹⁸ There are some objective problems that are not compatible with Chinese domestic environment. They have been abroad for many years, and have not built their social relations within Chinese workplace. In the conversation with Hu, she also mentioned that “because I have not been in China for the past five years, I am a little at a loss when I try to expand my customer base and cannot find many potential customers from my network.” To a certain extent, lacking social relations has become a hindrance to the development of their work and they find it difficult to quickly expand their business.

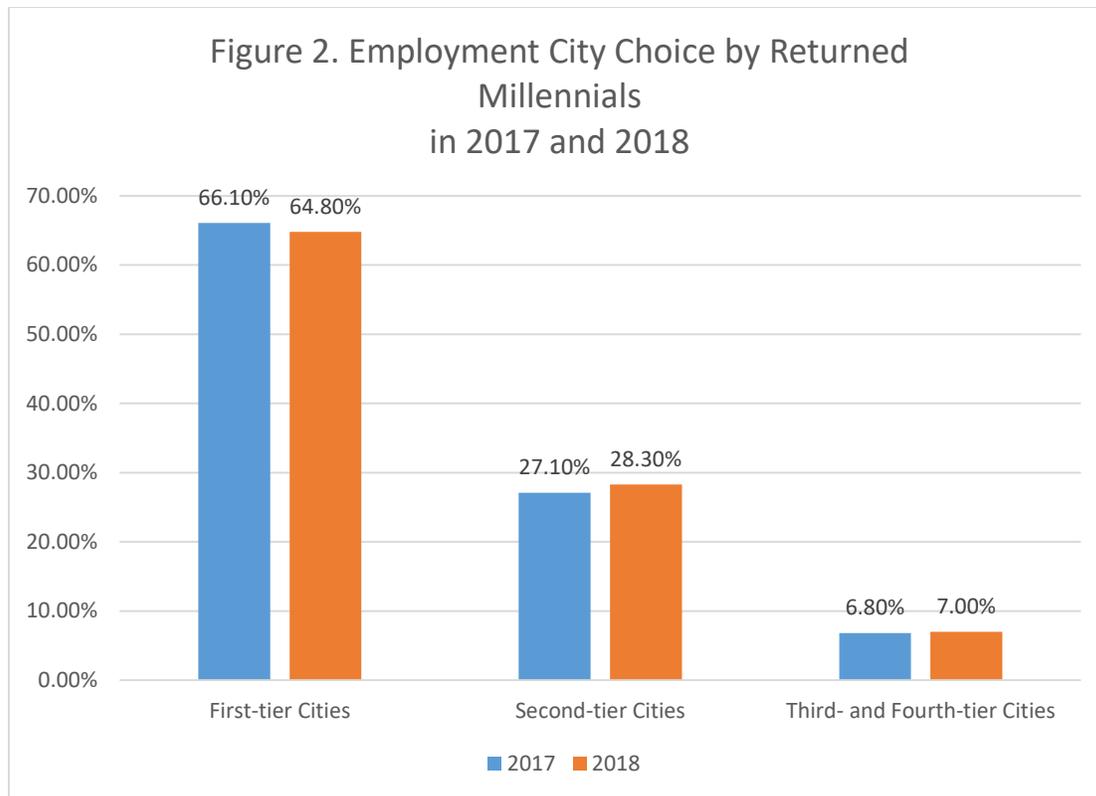
In choosing locations, they are more willing to work in big cities because there are more job opportunities and a larger platform, but, what follows is greater pressure and more intense competition. The low starting salaries make returned millennials difficult to afford the expensive living expenses in big cities. Obstacles such as these are all have to be overcome by millennials who want to return to China. It will be a trend for coming years that a number of millennials who studying abroad will face fierce competition after

¹⁷ Sherry Hu, text message to author, February 25, 2019.

¹⁸ Liujiazhenxiang, “Steven dissected the 2013 report on the development of Chinese returnees: is it true that ‘over 80% of returnees find jobs easily’,” Sina Blog, December 31, 2013, http://blog.sina.com.cn/s/blog_a512e10d0101rv73.html.

returning to China. This fierce competition faced is only amplified lack of social relations and the surrounding environment. With the rapid construction of talent systems in big cities in China and the launch of a series of talent attraction policies, more and more returnees are willing to work in big cities. According to the data, in the past two years, more than 60 percent of returnees have chosen to work in the first-tier cities, such as Beijing, Shanghai, Shenzhen, Guangzhou, Chengdu, Hangzhou, and Chongqing and so on; and nearly 30 percent choose to work in second-tier cities which are including Kunming, Dalian, Xiamen, Hefei, Foshan, Fuzhou and so on.¹⁹ Whether it is for the millennials who complete their studies in China, or for the millennials who study abroad, big cities have more job opportunities and provide them with a bigger platform.

¹⁹ “Beijing and Shanghai are still the most attractive destinations for overseas returnees, according to a report on employment options for Chinese returnees,” Guangmingwang, June 28, 2018, <http://baijiahao.baidu.com/s?id=1604492215730290356&wfr=spider&for=pc>.



All these factors combine to create considerable pressure on millennials. Hu grew up in Zhejiang, but she chose to work in Beijing after returning to China. Perhaps this is the inner ambition of every returnee: I don't want to settle for living in a small city, I want to make a difference, and I want to make my years of studying abroad worthwhile. More job opportunities and a larger platform make these big cities full of talents from all walks of life. Hu is busy every day because there is always a lot of work to do. At the same time, she also faces competitive pressure from competitors in the same industry. In addition, the high living cost also doubled her pressure. She state, "I am holding a salary of 8,000 RMB (Chinese dollar) per month, which seems to be good for a newly graduated student, but I have to pay 5,000 RMB rents."²⁰ After removing the monthly fixed

²⁰ Sherry Hu, text message to author, March 18, 2019.

expenses, Hu's salary is not adequate. She sometimes wonders if she would be better off working back to hometown but not in a "big city," where she does not have to pay high rent. For millennials who have just started working, what they want is not just to be stable, but to work hard and to build a promising future and life.

Overcoming the Challenges or Not

While millennials do face a lot competition and pressure, they do also have attributes that can allow them to face these challenges. Chinese millennials have overseas knowledge of western culture, a broadened perspective, an expanded social network, and strengthened independence and adaptability. But after they turn around and return from the other side of the ocean, do they really turn these goals into their own advantages when they are looking for a job?

The first advantage returned millennials have is excellent: adaptability, learning ability and independence. For any teenager, it takes a lot of courage and a strong psychological quality to go to a strange country to study. Faced with unfamiliar environments and unfamiliar language, they need to overcome many obstacles in life and adapt constantly. In the interview with Hu, she mentioned that "it is because of these five years' overseas study experience that I will have the courage to work in Beijing. I went to work in Beijing not only because of the prospects of my job, but also because of my ability to live and work in a strange city far away from my hometown, just as I have the ability to live and study in the UK."²¹ Let's leave aside how much returnees actually learn

²¹ Ibid.

from books, but at least they have been trained to have a strong ability to adapt to the new environment and can quickly integrate into it.

In addition, compared with the relaxed environment of domestic universities, the intensive study in overseas universities also enables them to have stronger learning ability than domestic students. This is verified by the phrase, “Chinese universities are Yan Jin Kuan Chu, but foreign universities are Huan Jin Yan Chu.” It means that if you are admitted to a Chinese university, you can graduate easily afterwards; but when you go to a foreign university, the real test begins. Unlike Chinese domestic students, the returned millennials have more experience in developing their learning ability over the past years. The ability to adapt and learn is complemented by the ability to be independent. As a student who has studied abroad for many years, one forms a strong independence in both life and study. They not only need to deal with the trivial things in life, but also need to complete a lot of study tasks by themselves. Therefore, in the years of study abroad experience, one of the biggest gains of returnees is the cultivation of ability, which is one of the conditions for companies to recruit people.

Another comparative advantage of returned millennials is that they can use international perspectives, language skills, and knowledge of western culture and overseas markets to help companies connect with the international community. Whether it is a private company or a foreign-invested company in China, they are very inclined to recruit returnees and are willing to provide additional benefits to them. With the globalization of China’s economic development, the companies also need to be in line with international standards, whether it is company operations, product marketing or international project cooperation. For students who study abroad, these skills are slowly

accumulated during their study and life. If a person is only living in the country, then he can only receive foreign information through the media. It does not mean that the information received through media is wrong, but it is only one-sided and incomplete. Therefore, the millennials who study in China are not sufficiently aware of overseas culture and market. In other words, when a person is in the environment, what he or she knows and experiences is really true, and not just heard second-hand. This is the priceless advantage that the returned millennials have which is gained by time and experience. Therefore, they are more able to participate in international projects. They understand the real customer demands in overseas markets, and because of the background, it is easier to gain trust and establish close cooperative relationships with overseas companies. All of these experience have become the advantages of the returned millennials.

How Should the Companies Treat Them?

While millennials face challenges and bring various attributes to the workforce, their experience is impacted by how the companies view and receive them. Different companies have different needs for employees. Science and engineering students who studied abroad and majored in new materials, biotechnology and mechanical engineering are very popular among companies in this field. Also, returned students who major in finance and management are also valued by domestic companies. With the globalization of the economy, these companies have to absorb global technology, financial knowledge and management concepts. So how can these companies do the best attract, relate to, and retain returning millennials?

“Each HR has a standard of hiring employees, there must be a reason if you are selected or not. When we believe that a returnee has the value of being hired, we will consider his requests, such as salary and benefits.”²² States Lisa Chen, a human resources manager in a foreign trade company. Years of experience have made her realize that excellent returnees have higher and higher requirements for companies. According to the interview with her, millennials who have returned to China in recent years are more demanding in terms of salary amounts and job prospects. It is also a challenge for a company to grow and develop. Companies need to hire valuable employees to grow better, and only when the company has become better then it will attract more valuable employees. Therefore, HR plays a crucial role in this process which need to judge whether each the returned millennial has such value. As such not all returned millennials will receive high salaries.

Chen also mentions that, “in addition to salary, I also found that returned millennials in recent years have placed great emphasis on post-employment training opportunities and flexible working hours.”²³ For the millennials who have studied abroad, the high-intensity and fast-paced learning style makes them keen to learn and improve. In addition, they are used to self-scheduling, and like to arrange tasks for themselves at the most efficient time. As a result, companies that recruit overseas returnees are often asked to offer more training opportunities and more flexible working hours. As for companies, it is possible to provide training opportunities, because it not only improves the ability of employees but also improves the companies’ performance and development. Companies

²² Lisa Chen, text message to author, April 2, 2019.

²³ Ibid.

can offer skills training corresponding to job positions, more advanced knowledge development, and essential skills for the workplace. It is part of a sustainable strategy for a company, despite the needs of returned millennials. However, fully flexible working hours are something that Chinese companies may not be able to do easily. It has been difficult to break the nine-to-five work system for a long time. Although the companies need employees to be efficient, they also need to regulate the way the companies operate.

Faced with returning millennials, Chinese companies try their best to meet returnees' needs under certain standards and hope to keep them in their companies. Of course, it is far from enough to rely solely on the strength of the company. Attracting talents back to China also requires the country to implement practical and reliable policies.

The Impact of Policies on Returned Millennials

The Thousand Talents Plan, is an effective policy implemented by the Chinese government for attracting talents of students, many of whom are millennials, to work in China when it was facing a serious brain drain. In 2005, there were 118,515 Chinese studying abroad, but only 34,987 choose to return to China.²⁴ At that time, some of the Chinese students who studied abroad, after graduation, were looking for jobs and experience in the countries they studying in, and hope to stay there for the rest of their lives. It was a sign of a brain drain, where more competent Chinese went abroad to study

²⁴ *China Statistical Yearbook 2016*. Compiled by National Bureau of Statistics of China (Beijing: China Statistic Press, 2016), <http://www.stats.gov.cn/tjsj/ndsj/2016/indexch.htm>.

in top-level universities and work in well-known companies. For China, the Chinese who study abroad and work overseas offer work experience and professional expertise that can foster China's long-term economic development after they went back to work.²⁵ Thus, Chinese returnees play a crucial role in economy's future.

China, as a rapidly developing country, has tremendous development space and job opportunities for talented people. Therefore, the return of Chinese students can not only satisfy their desire to return home but also create more possibilities for their future. In 2017, there were 608,400 Chinese studying abroad, and 480,900 choose to return to China.²⁶ The rate of talent loss has gradually decreased in the twelve years. Therefore, the Thousand Talents Program has been successful in attracting Chinese students who studying abroad to come back to China.

In addition to Thousand Talents Program, the Chinese government has also provided preferential policies for returnees that are allowing more outstanding students who study abroad to return to China to work, and realize the strategy of rejuvenating the country through gathering talents. At present, the central government's preferential policies are mainly reflected in the following areas: purchasing of duty-free cars, settling to big cities, financial support for starting a business, and academic research.²⁷

²⁵ Alan Chi Keung Cheung, and Li Xu, "To Return or Not to Return: Examining the Return Intentions of Mainland Chinese Students Studying at Elite Universities in the United States," *Studies in Higher Education* 40, No.9 (2015): 1606.

²⁶ *China Statistic Year Book 2018*. Compiled by National Bureau of Statistics of China (Beijing: China Statistic Press, 2018), <http://www.stats.gov.cn/tjsj/ndsj/2018/indexeh.htm>.

²⁷ "Woguo Guanyu Liuxue Huiguo Renyuan de Youhui Zhengce" [China's preferential policies for overseas returnees,] *China Association for Science and Technology*, July 12, 2017, <http://vote.cast.org.cn/n435777/n435799/n17693026/n17693119/17772286.html>.

One of the best strategies the government has formulated to encourage those who study abroad to return to China after graduation, a preferential policy on purchasing self-using cars. The students must define the purpose of study, whether they are at a regular university (college) or research institutions, whether they are studying for a degree, for further business, or conducting scientific research. In terms of the length of study, the government stipulates that these students must have studied for at least one academic year, then they have the right to apply for the purchase of duty-free cars within two years after completing their studies. Duty-free cars mainly refer to exemption from import duties on auto parts and vehicle purchase tax, which the average is 11.7% of the vehicle price.²⁸ For most returnees who just come back to China to work, a car is a necessity. Whether it is for going to work, shopping, or the convenience of travel after having a child, the car has gradually changed from a luxury good on strict meaning to a necessary good. Jenny once told me, “When I came back to China, I found that the car has become an necessity of my life, especially because when I need to go out for work, the car can greatly improve the efficiency of work. My friends who have also returned to China are using the policy to buy their first cars.”²⁹ Therefore, this policy has a certain appeal to returnees.

But the government does not stop there. They provide additional support with their second preferential policy for those, settling in big cities, such a Shanghai and Beijing. It not only requires students to study abroad for more than one year and to apply in two years after graduation, but also requires a master’s degree or higher in foreign

²⁸ Ibid.

²⁹ Jenny Liu, conversation with author by telephone, March 13, 2019.

countries. The requirement is higher than the previous policy.³⁰ The requirements in different cities are different, but they are generally similar to each other. Both applicants and employers are required to provide a series of materials before applying and reviewing. Generally known, it is not an easy case to have a hukou in big cities in China, but there is such an opportunity for returnees. For example, if you have a Shanghai hukou, you can buy a house in Shanghai and your children can attend Shanghai's public school, which tend to have higher teaching quality than the ones in other smaller cities and you cannot be entered without a Shanghai hukou. In addition, you can have a license plate in Shanghai, which means you don't have to worry about being unable to drive in a certain period of time as there are fewer traffic restrictions. Chinese government has high hopes that these outstanding students can return to China and return to work in big cities, thus launching this attractive policy.

The next policy provides financial support for returnees who wish to start a business. National and local governments will provide various levels of funding according to the actual situation, as well as tax and loan concessions. For example, if you come to Beijing to work and are selected for the Beijing Foreign Talents Cluster Project, then the government will reward you with one million RMB (Chinese dollar). If you are starting a business, your company will receive government funding as well. Funding sponsorship is such important for students who have just started their businesses. They are usually a younger group who have enough technical support but do not have enough

³⁰ Ibid.

financial support. Therefore, this financial support is important for them, and it also brings opportunities for the further development of the country.

The last aspect is related to academic research. If a returnee wants to do academic research, he/she will get a higher professional title which is professor or associate professor. However, if he/she is doing academic research abroad, he/she might only be a teaching assistant. This group of returnees will no longer be limited by age when that are rating. Moreover, they will also receive a start-up fund based on their actual situation.³¹ Although the domestic academic research environment does not have the same freedom in foreign countries, the Chinese government has tried to improve from other aspects.

Conclusion

With the internationalization of higher education, returned millennials have attracted much attention as the newest group in China's labor market. The proportion of returning students from overseas is about 10 percent in 2001, and has gradually increased to over 80 percent in 16 years, with most of them being millennials.³² The experience of studying abroad has brought them a complex impact on them. Due to the lack of alignment between recruitment time and graduation times, weakened social network and fierce competition in big cities, the returned millennials face considerable pressure and challenges when they looking for jobs and after they enter the workplace. Liu found that

³¹ Ibid.

³² *China Statistic Year Book 2018*. Compiled by National Bureau of Statistics of China (Beijing: China Statistic Press, 2018), <http://www.stats.gov.cn/tjsj/ndsj/2018/indexeh.htm>.

her graduation time was inconsistent with the domestic recruitment time; Hu didn't have an internal referral when she applied for jobs, and found difficult to broaden her customer base because of the lack of a domestic social network. At the same time, the experience of studying abroad also gives Liu, Hu, and others strong adaptability, learning ability and independence, as well as gradually accumulated language skills, a global perspective and a clear understanding of overseas markets. When returned millennials come to the workplace with their unique strengths, Chinese companies also face the challenge of managing them. Companies who hire returned millennials, like the one Lisa Chen works for, face the same challenges of managing and retaining this pool of talent. Not only have companies made corresponding countermeasures, but the Chinese government has formulated quite a number of favorable policies, such as the Thousands Talent Plan. The fresh blood in the labor market poses challenges for both sides, but by overcoming these challenges progress can be made: for millennials, companies, the economy, and entire country.

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