



Converging HR Practice – State-owned Enterprises (SOEs)

Willis Towers Watson

David Wong

May 2022

State-owned Enterprises (SOEs)

300,000+
SOEs

50M+
Employees

75+trillion (CNY)
or
10+trillion (Euro)
Turnover in 2021

=

 × 500 *or*
LOUIS VUITTON × 160 *or*
 × 31

Data resource: national bureau of statistics, SASAC

Today

25M

**Registered
companies**

800M

Population
Ages between 18
and 60

10M+

**Graduates
in 2022**

Data resource: national bureau of statistics, ministry of education

Union

①

Prevalence in SOEs is almost 100%

②

Union law says 25+ employees

③

2% of total payroll as funding

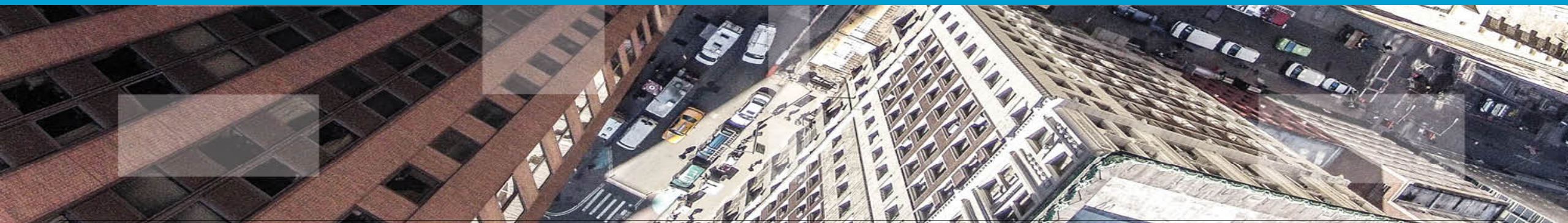
④

Protects rights and interests of employees





Hierarchy Phenomenon



Employment



China

Planned-economy

(in the past)



West

Market-economy

SOE average turnover rate <1%

Compensation: Average Salary Increase Rate is 9.9%

Indicators	2020	2019	2018	2017	2016	2015	2014	2013	2012
Average Wage of Employed Persons in Urban Units (CNY)	97,379	90,501	82,413	74,318	67,569	62,029	56,360	51,483	46,769
Annual Increase Rate	8%	10%	11%	10%	9%	10%	9%	10%	12%

Data resource: national bureau of statistics

China Prospects



Eliminate Polarization by 2035

- Anti-monopoly
- Equity in Education
- Increase Blue-collar Worker
- More Protection on Employee Rights and Interests

Average Annual Disposable Income

People in Urban Area
47,000 RMB or
(6,600 Euro)

People in Rural Area
19,000 RMB or
(2,700 Euro)

60% : 40%
Urbanization



THANK YOU!