

# HR Insights for SMEs: From Talent Pool to Work Contracts

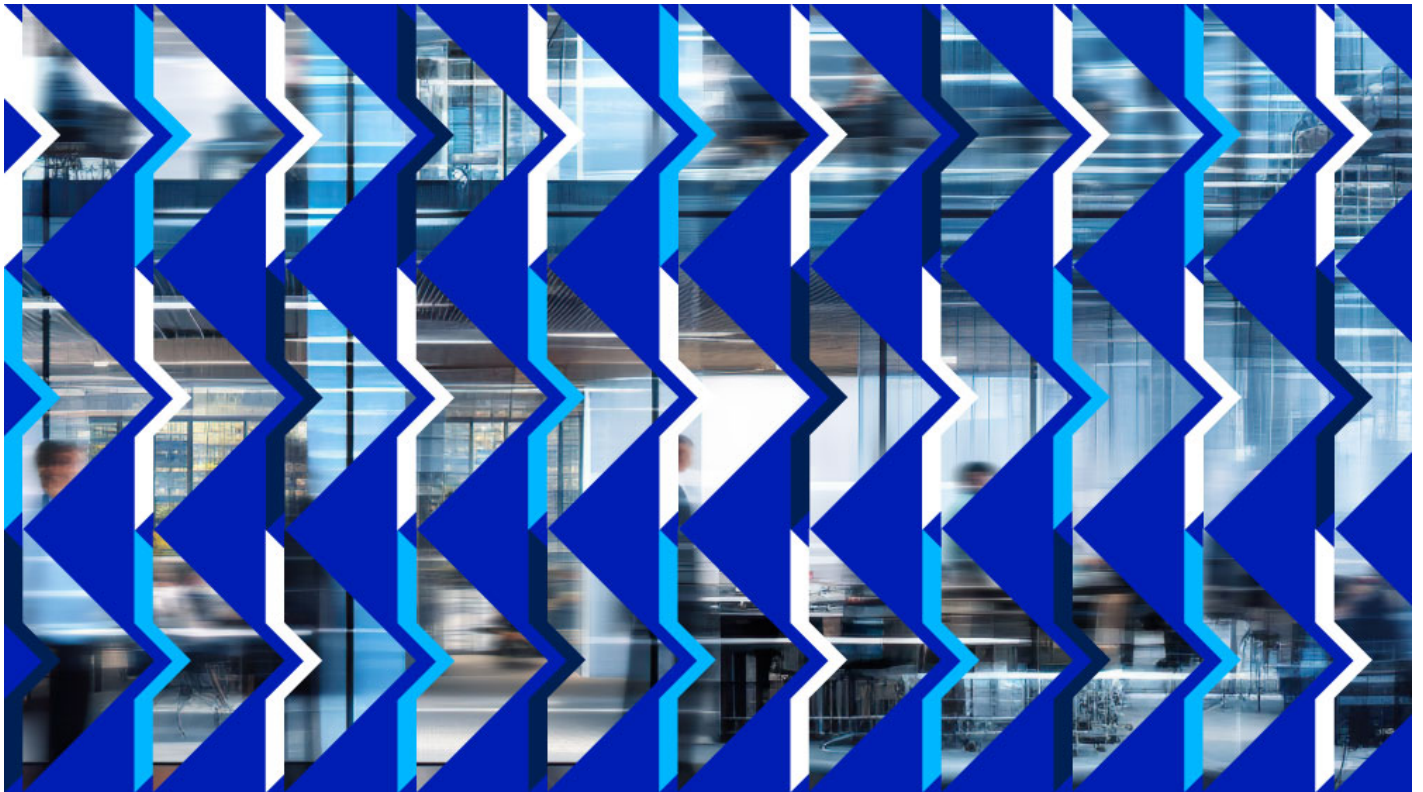
## TAGS

Human Resources

HR

Labour Law

ARTICLES | 26 March 2024



China's labour market is undergoing profound changes. The educational attainment level of urbanites has soared over the past decade, transforming the talent pool in large cities. This has also contributed to the gradual shift to an economy more reliant on the tertiary sector in terms of GDP and employment shares. However, urban-rural differences remain high. In first-tier cities such as Beijing, Shanghai, and Tianjin, 30% of the population has graduated from university. In comparison, at the national level, the rate of tertiary education remained at 18,5% in 2022.

For European SMEs in China, understanding the country's labour market is key to creating sound staffing strategies for their teams on the ground. Our recent report on the topic highlights the evolution of the talent pool, the cultural differences between China and Europe in terms of communication styles, hierarchy, and work-life balance, as well as contractual considerations. In this video, Hunter Shi, co-author of the report, presents some of the main points that SMEs should know when they build teams in China.

# Video Chapters

## Introduction

– Presentation agenda

## China's labour market

– Talent pool and employment

## China's labour law and regulations

– Summary of report findings

## Five social insurances and one housing fund

– Mandatory employer contributions

## Labour types in China

– Direct labour, dispatched labour, and outsourced labour

## Contract termination

– Three main types of labour termination

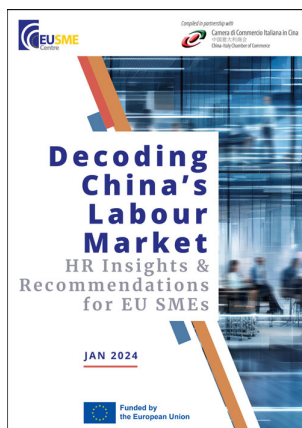
## Proactive management

– How to optimise training and set up a grievance mechanism

## Looking ahead

– Opportunities and challenges for SMEs

# More HR Insights



For more information and advice on China's labour market and its regulatory landscape, download our January 2024 report *Decoding China's Labour Market: HR Insights and Recommendations for EU SMEs*. The report offers insights into relevant labour laws, regulations, and best practices to recruit, manage and retain talent. It also looks into common organisational and management structures for companies in China, as well as the types of employment relationships and wage calculation systems for recruiting staff in China, including foreign citizens. [Download the report](#)