

# Applicability of the Chinese overtime culture in a Chinese enterprise based in South Africa

**Xun Long Zou**

A research report submitted to the Faculty of Commerce, Law and Management,  
University of the Witwatersrand, in partial fulfilment of the requirements for the  
degree of Master of Business Administration

Johannesburg, 2008

## ***Abstract***

---

Overtime culture is very common in Chinese enterprises and also become a means for employer to measure staff loyalty and dedication. Also overtime greatly enhanced enterprise internal cohesiveness and operating performance, increase enterprises competitiveness.

With the development of globalization, more and more Chinese Enterprises went abroad and established subsidiary companies or joint ventures overseas. When Chinese enterprises go abroad, they also want to keep its overtime culture within local company to improve its working efficiency and competitiveness.

This study investigates if Chinese overtime culture is applicable in a Chinese enterprise based in South Africa. This study used a qualitative research approach and a case study methodology, and conducted semi-structured interviews, by using a uniform interview schedule. Twenty four staffs from Huawei Technologies SA were interviewed. Besides semi-structured interviews, a literature review was also used to obtain secondary data in order to fill the gaps and the limitations of the interviews.

The study disclosed sixteen factors that make implementation of Chinese overtime culture in South Africa difficult. It also found that there are another fifteen factors that can make possible to implement Chinese overtime culture in South Africa. The study also discussed five main issues concerning the overtime.

The research makes ten recommendations to have successful establishment of Chinese overtime culture in Huawei Technologies SA, and finally identified potential areas for further research.

## ***Declaration***

---

I, Xun Long Zou, declare that this research report is my own work, except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

-----  
**Xun Long Zou**

Signed at Johannesburg

On the .....day of ... ..... 2008

## ***Dedication***

---

To my wife, without her love, understanding and support this research would never have been possible.

To my parents, for always believing in me and creating in me a passion to achieve success.

## *Acknowledgements*

---

I am deeply grateful to Mr Rasoava Rijamampianina for his practical and helpful supervision. My special thanks also go to my wife for her support and understanding during my study. I also would like to express my sincere thanks to the respondents who agreed to sacrifice their time to discuss and answer my questions in detail. Without their assistance, support and encouragement, this research would not have been possible.

# TABLE OF CONTENTS

|                                                                                    |           |
|------------------------------------------------------------------------------------|-----------|
| ABSTRACT.....                                                                      | I         |
| DECLARATION .....                                                                  | II        |
| DEDICATION.....                                                                    | III       |
| ACKNOWLEDGEMENTS .....                                                             | IV        |
| <b>CHAPTER 1 .....</b>                                                             | <b>1</b>  |
| <b>INTRODUCTION .....</b>                                                          | <b>1</b>  |
| 1.1 PURPOSE OF STUDY .....                                                         | 1         |
| 1.2 CONTEXT OF STUDY .....                                                         | 1         |
| 1.3 PROBLEM STATEMENT .....                                                        | 3         |
| 1.4 SIGNIFICANCE OF RESEARCH OF STUDY .....                                        | 3         |
| 1.5 DELIMITATIONS AND LIMITATIONS .....                                            | 4         |
| 1.5.1 Delimitations.....                                                           | 4         |
| 1.5.2 Limitations .....                                                            | 4         |
| 1.6 ASSUMPTION .....                                                               | 4         |
| <b>CHAPTER 2 .....</b>                                                             | <b>5</b>  |
| <b>LITERATURE REVIEW .....</b>                                                     | <b>5</b>  |
| 2.1 DEFINITION OF OVERTIME CULTURE.....                                            | 5         |
| 2.1.1 Overtime Practice in the World .....                                         | 5         |
| 2.1.2 Legislation and Policy on Overtime Practice Worldwide and in SA .....        | 7         |
| 2.1.3 ILO and Overtime Culture .....                                               | 9         |
| 2.2 OVERTIME PRACTICE IN CHINA.....                                                | 10        |
| 2.2.1 Chinese Overtime Culture.....                                                | 10        |
| 2.2.2 Popular Reasons for China Overtime Culture .....                             | 12        |
| 2.2.3 Relationship between Overtime and Profit and Enterprise Competitiveness..... | 15        |
| 2.2.4 Impact of Overtime on Employee and Enterprise in China.....                  | 17        |
| 2.2.5 Legislation and Regulation on Overtime in China.....                         | 19        |
| 2.3 APPLICABILITY OF CHINESE OVERTIME CULTURE OVERSEAS.....                        | 21        |
| 2.3.1 Barriers and Challenges .....                                                | 21        |
| 2.3.2 Key Success Factors.....                                                     | 23        |
| 2.4 PROPOSITIONS .....                                                             | 24        |
| <b>CHAPTER 3 .....</b>                                                             | <b>25</b> |
| <b>RESEARCH METHODOLOGY.....</b>                                                   | <b>25</b> |
| 3.1 RESEARCH METHOD AND ITS UNDERLYING CHARACTERISTICS .....                       | 25        |
| 3.1.1 Qualitative Research.....                                                    | 26        |
| 3.1.2 Case Study Method.....                                                       | 27        |
| 3.1.3 Interpretive Paradigm.....                                                   | 28        |
| 3.2 CASE SITE AND INTERVIEW SAMPLE .....                                           | 29        |
| 3.2.1 Case Site.....                                                               | 29        |
| 3.2.2 Interview Sample.....                                                        | 30        |
| 3.3 RESEARCH DESIGN.....                                                           | 31        |
| 3.3.1 Building the Initial Model by Formulating Research Propositions .....        | 31        |
| 3.3.2 Developing an Interview Schedule.....                                        | 31        |
| 3.4 DATA COLLECTION .....                                                          | 32        |
| 3.4.1 Interviews as the Main Data Source .....                                     | 32        |
| 3.4.2 Other Data Sources.....                                                      | 33        |
| 3.4.3 Data Storage .....                                                           | 33        |
| 3.4.4 Triangulation .....                                                          | 34        |
| 3.5 DATA ANALYSIS AND INTERPRETATION.....                                          | 35        |
| 3.5.1 Data Analysis .....                                                          | 35        |

|                                                                          |           |
|--------------------------------------------------------------------------|-----------|
| 3.5.2 Data Display .....                                                 | 36        |
| 3.5.3 Data Interpretation .....                                          | 37        |
| 3.6 VALIDITY AND RELIABILITY .....                                       | 38        |
| 3.6.1 External Validity .....                                            | 38        |
| 3.6.2 Internal Validity .....                                            | 38        |
| 3.6.3 Construct Validity .....                                           | 39        |
| 3.6.4 Reliability .....                                                  | 39        |
| <b>CHAPTER 4 .....</b>                                                   | <b>41</b> |
| <b>CASE STUDY .....</b>                                                  | <b>41</b> |
| 4.1 HUAWEI TECHNOLOGIES CO. LTD .....                                    | 41        |
| 4.1.1 Global Operations .....                                            | 42        |
| 4.3.2 Huawei Technologies SA (Pty) Ltd .....                             | 42        |
| 4.3.3 Three Kinds of Employees in Huawei Technologies SA (Pty) Ltd ..... | 43        |
| 4.3.4 Different Culture of Employees in Huawei SA .....                  | 44        |
| 4.2 OVERTIME .....                                                       | 44        |
| 4.3 SOUTH AFRICA’S LABOUR LAW .....                                      | 45        |
| 4.3.1 Overtime .....                                                     | 45        |
| 4.3.1 What is “Overtime Work” ? .....                                    | 46        |
| 4.3.1 Overtime Hours .....                                               | 46        |
| 4.3.1 Overtime on Short Notice .....                                     | 46        |
| 4.3.1 Pay for Overtime .....                                             | 47        |
| 4.3.1 Remuneration for Sunday and public holiday work .....              | 47        |
| 4.3.1 Hours of Works and Overtime .....                                  | 48        |
| 4.4 CONCLUSION .....                                                     | 49        |
| <b>CHAPTER 5 .....</b>                                                   | <b>51</b> |
| <b>ANALYSIS AND FINDING .....</b>                                        | <b>51</b> |
| 5.1 STATISTICS ON THE RESPONDENT’S BIOGRAPHICAL INFORMATION .....        | 51        |
| 5.2 RESPONDENTS’ ANSWERS .....                                           | 52        |
| 5.3 FACTORS UNDERMINING THE SUCCESS OF CHINESE OVERTIME CULTURE .....    | 53        |
| 5.4 FACTORS THAT ENCOURAGE WORKING OVERTIME .....                        | 54        |
| 5.5 CAN CHINESE OVERTIME CULTURE BE IMPLEMENTED? .....                   | 55        |
| 5.6 REASONS FOR WORKING OVERTIME .....                                   | 60        |
| 5.7 ISSUES CONCERNING OVERTIME .....                                     | 60        |
| 5.3.1 Overtime Payment .....                                             | 62        |
| 5.3.2 Performance Appraisal and rewards .....                            | 63        |
| 5.3.3 Working Structure of Company .....                                 | 65        |
| 5.3.4 Team Work and Work Morale .....                                    | 67        |
| 5.3.5 Declining Job Security and Competitive Pressure .....              | 68        |
| 5.4 CONCLUSION .....                                                     | 69        |
| <b>CHAPTER 6 .....</b>                                                   | <b>72</b> |
| <b>RECOMMENDATIONS AND CONCLUSION .....</b>                              | <b>72</b> |
| 6.1 INTRODUCTION .....                                                   | 72        |
| 6.2 RECOMMENDATIONS .....                                                | 72        |
| 6.3 SUGGESTIONS FOR FURTHER RESEARCH .....                               | 73        |
| 6.4 CONCLUSION .....                                                     | 74        |
| <b>CHAPTER 7 .....</b>                                                   | <b>76</b> |
| <b>REFERENCES .....</b>                                                  | <b>76</b> |
| <b>APPENDIX A .....</b>                                                  | <b>82</b> |
| INTERVIEW SCHEDULE .....                                                 | 82        |

## LIST OF TABLES

|                                                                       |    |
|-----------------------------------------------------------------------|----|
| TABLE 5.1 ANSWERS FROM INTERVIEWEES .....                             | 52 |
| TABLE 5.2 FACTORS THAT AFFECT APPLICABILITY OF OVERTIME CULTURE ..... | 55 |
| TABLE 5.3 ANSWERS BY THE INTERVIEWEES .....                           | 58 |
| TABLE 5.4 ISSUES CONCERNING OVERTIME .....                            | 62 |
| TABLE 5.5 TESTING PROPOSITIONS .....                                  | 70 |

## **Chapter 1**

### **INTRODUCTION**

#### **1.1 Purpose of Study**

The main purpose of this study is to see if it is possible to implement Chinese overtime culture in a Chinese enterprise based in South Africa. While researching this area it was found with the development of globalization more and more Chinese Enterprises went abroad to establish their subsidiary companies or joint ventures overseas and required their employees overseas to work overtime for the company. Therefore, the applicability of Chinese overtime working culture in a Chinese firm based in SA was studied; with a view to see what factors affect the implementation of such overtime culture in local Chinese enterprise in SA. To do this a case study methodology to establish the applicability of Chinese overtime culture in a Chinese enterprise based in South Africa was applied.

#### **1.2 Context of Study**

It is now difficult to find a shop in the West that does not sell products with a Made-in-China label. China has overtaken Japan within the last decade to become the largest manufacturer and exporter of consumer goods. It is believed that China is now the world's number one producer in 172 categories of different consumer and industrial products (Barboza, 2006). At the same time, with the implementation of open-economy policy since 1992, more and more Chinese enterprises walked out of country and established subsidiary company or Joint Ventures overseas (Tan, 2005). China is not only one of the leading recipients of foreign direct investment (FDI) in the world, but also has grown into a capital exporter. China's

overseas investment took a leap forward in the last decade (People Daily, 2004).

There are two reasons to explain why Chinese enterprises step up the pace of overseas investments: First, China's economic strength has grown up enough to conduct large-scale cross-border investments. Since the 1990s, China's foreign exchange reserves continued rapid growth. According to the latest statistics of the State Administration of Foreign Exchange by the end of 2004, China's balance of foreign exchange reserves had reached 609.9 billion U.S dollars (Xinhua, 2005). Second, after years of industrial restructuring, especially domestic enterprises merger and reorganization in recent years, A number of Chinese enterprises gradually developed and some of them has entered the world's top 500 Fortune magazine. Some were elected into the United Nations Conference on Trade and Development (UNCTAD)'s top 50 transnational companies in developing countries (Xinhua, 2005). Both from the perspectives of financial strength and management experience or a multinational operation, these Chinese enterprises have obvious advantages of foreign investment.

The integration of corporate culture in local Chinese enterprises or Joint Ventures overseas is one of the most difficult tasks Chinese enterprises are facing after foreign investments because it related to the integration of human behavior, values and the rules of conduct change (Wu and Bai, 2005).

Overtime culture is very common in Chinese enterprises and also become a means for boss to measure staff loyalty and dedication. Also overtime greatly enhanced enterprise internal cohesiveness and operating performance, increase enterprises competitiveness (Xinhua, 2005). When Chinese enterprises go abroad, they also want to keep its overtime culture within local company to improve its working efficiency and competitiveness. This research would like to investigate if Chinese

overtime culture is applicable in a Chinese enterprise based in South Africa.

### **1.3 Problem Statement**

To investigate the applicability of the Chinese Overtime culture in a Chinese enterprise based in South Africa.

### **1.4 Significance of research of study**

This study fills a gap around the evaluation of applicability of Chinese overtime culture in Chinese enterprise based in South Africa, as this does not appear to have been attempted before.

The study provided guidance to other Chinese enterprises in SA whether it would be possible to implement Chinese overtime culture in Chinese enterprise based in South Africa. Evaluating the applicability of Chinese overtime culture within local context has several benefits:

- Can be used to evaluate the competitiveness of Chinese enterprise within local social context
- Can demonstrate the usefulness of implementing Chinese overtime culture locally
- Can assist with the decision making process when choosing methods to integrate cultural difference.

Benefits for:

- Management teams of researching organization who needs to evaluate organization competitiveness.

- HR manager who needs to choose methods to integrate cultural difference to achieve better cohesiveness within enterprises
- Management teams of other Chinese enterprises in South Africa by giving recommendations on applicability of Chinese overtime culture in South Africa

## **1.5 Delimitations and Limitations**

### ***1.5.1 Delimitations***

This research is specifically to evaluate applicability of Chinese overtime culture in a Chinese enterprise based in South Africa. Being a case study, the scope of the study was limited to evaluate the applicability of Chinese overtime culture at a Chinese telecommunication company based in South Africa, called Huawei Technologies SA (Pty) Ltd. No attempt was made to investigate applicability of Chinese overtime culture at other Chinese enterprises in South Africa.

### ***1.5.2 Limitations***

With the nature of this research process being qualitative research in the form of a case study, performed in the interpretive paradigm, certain limitations apply: Apart from the interview schedule, no additional standardized instruments were used, since data collection occurred through observations and semi-structured interviews. Therefore subjectivity may occur as potential bias may slip in from the researcher and/or the interviewees.

## **1.6 Assumption**

The employee and management member interviewed have the basic knowledge of Chinese Overtime culture.

## **Chapter 2**

### **LITERATURE REVIEW**

#### **2.1 Definition of Overtime Culture**

Overtime refers to all hours worked in excess of the normal hours, unless they are taken into account in fixing remuneration in accordance with custom [Reduction of Hours and Work Recommendation, 1962 (No. 116)]. The definitions used in practice differ however. First, the threshold used for identification of overtime varies depending on institutional settings. It can be made up, for example, by the contractual working time, usual working time or statutory working time. Second, for some purposes (mainly for statistical ones), overtime does not necessarily need to be linked to compensation (International labor office information sheet, 2004). Thus, many studies on overtime distinguish between paid and unpaid overtime.

##### ***2.1.1 Overtime Practice in the World***

Finding a balance between work and family is tough. Both require devotion, loyalty, respect, and hard work. Unfortunately, in today's society, those attributes seem to be more directed toward our job. There is a serious imbalance in how American manufacturing workers juggle the hours they are at work and how much time is spent with their families.

Scholars, business people, and the public throughout the industrialized world are increasingly concerned about workers' struggles to juggle work and family obligations (Blossfeld & Hakim, 1997; Haas, Hwang, & Russell, 2000; Klein, 1997; Lewis, Izraeli, & Hootsmans, 1992; O'Reilly & Fagan, 1998; Parcel, 1999; Parcel & Cornfield, 2000). Higher rates of Female labour force participation, accompanied by the rise in dual-earner and

single parent households, the changing demographics of the workforce, and corresponding cultural shifts in the meaning and significance of families, have sparked this concern. As Gornick, Meyers, and Ross (1998:35) observed, “Many labour economists describe the influx of women into paid work as the single most influential change in the labor markets of industrialized countries in the postwar period”.

Although balancing work and family is an issue for all kinds of workers, highly educated professionals and managers face particular challenges. In the United States, their working hours have increased in recent years, and a large minority now works 50 hours a week or more in addition to commuting time (Jacobs & Gerson, 1997). Managers’ and professionals’ long work weeks are partly due to features of their jobs. Because productivity is often difficult to measure, hours spent at work may be used as a proxy for work output.

In addition, firms demand that managers and professionals demonstrate commitment by working long hours and by making work the central focus of their lives (Fried, 1998; Kanter, 1977; Schor, 1991). These aspects of professional and managerial work create what Fried (1998:39) called an “overtime culture”.

Whether the culture of overtime extends across national boundaries is unclear, however. Jacobs and Gerson (1997) and Schor (1991) found that long work hours are more prevalent in the United States than in many European and other industrialized countries. However, these studies do not include Asian countries, and these researchers do not examine cross-national differences in the work hours of managers and professionals specifically. In contrast, other research—although not focused on work hours per se—implies that the culture of overtime characteristic of U.S. managers and professionals may be a feature of managerial and professional work in other industrialized countries as well. Especially in

global industries such as Finance, “American practices” are spreading across national boundaries and are replacing more traditional organizational practices (McDowell, 1997:51). This process of Americanization might be especially true in companies headquartered in the United States.

Long work hours for professionals and managers may also be a response to the competitive pressures of globalization. These pressures have been responsible for employment restructuring and demands for increased work effort throughout the industrialized world (Frenkel, Korczynski, Shire, & Tam, 1999). Declining job security, coupled with greater emphasis on individual performance rather than seniority as the basis for pay and promotion, thus may be contributing to long hours for managers and professionals in most industrial economies. According to Frenkel et al., these practices have led to increased stress and reduced job commitment, which are responses that may fuel managers’ and professionals’ interest in reduced work hours.

### ***2.1.2 Legislation and Policy on Overtime Practice Worldwide and in SA***

Overtime Work in excess of forty (40) hours in one (1) week performed by overtime-eligible employees constitutes overtime. The overtime hours worked by the eligible employees shall be compensated at a rate of one and one-half (1-1/2) times the employee’s straight time hourly rate.

Whenever overtime work is required, the employing official shall determine the employees needed to work overtime on the basis of their relevant experience. Overtime shall be distributed as equitably as possible among qualified employees (UW, 2005).

A record of overtime hours worked by each employee shall be kept by the Employer, and such record of overtime may be reviewed, upon request, by the Union (UW, 2005).

It is intended that overtime wages for which salary payment is to be made shall be paid to the employee on the pay date following the pay period in which the overtime was earned. In no event shall such overtime payments be made later than thirty calendar days from the end of the pay period in which the overtime was earned providing the payroll office has received the Exception Time Report (ETR) authorizing such payment within the time limits set by the payroll department (UW, 2005).

Temporary Modified Weekly Schedule. By mutual agreement, individual employees and their supervisors may agree to a temporary modified weekly schedule. This schedule allows employees to alter their regular daily working hours within a work week without generating the payment of overtime (unless the employee works beyond forty hours in the employee's regular workweek). Such scheduling would not be considered a regularly recurring alternative schedule (UW,2005).

In South Africa, Basic Conditions of Employment Act (1997) has strict and clear requirement on overtime practice (BCEA, 1997): Ordinary hours of work (i.e. not overtime) may not be more than 45 hours in a week or 9 hours in a day. For employees who work a 6-day week, it is 8 hours per day. Any additional hours will be considered overtime for which a specified amount of additional remuneration is prescribed.

Overtime is limited to a total of 10 hours per week and then too, may not exceed 3 hours of overtime per day. An agreement is necessary between the employer and the employee for overtime work.

Overtime work must be paid at no less than 1.5 times the normal hourly rate, or time off (equivalent to 1.5 times), or partially paid and partially paid time off (BCEA,1997).

The BCEA does recognize a certain amount of flexibility in arranging shifts and work times. These are however also regulated – e.g. a compressed working week can be implemented by means of a written agreement, to allow for 12 ordinary hours of work (including meals) to be done in a day. It may however only be done in terms of a 5-day week, and with regard to the statutory daily rest periods. Averaging of hours is also recognized by the BCEA, to enable more hours to be worked on a particular day and less on another provided it ‘averages’ out over a period of 4 months to the statutory weekly limit on ordinary and overtime hours of work per week. Averaging can however only be done in terms of a collective agreement (i.e. a written agreement concluded with a registered trade union), and must be subject to the daily and weekly rest periods (BCEA, 1997).

### ***2.1.3 ILO and Overtime Culture***

The ILO Hours of Work (Industry) Convention (No. 1) of 1919 introduced a maximum standard working time of 48 hours per week and eight hours per day as an international norm (ILO, 1999). In several exceptional cases, working time is allowed to exceed these limits, as long as daily working time remains not higher than ten hours, and weekly working time not higher than 56 hours. The European Union’s Working Time Directive of 1993 sets the threshold of total working time, including overtime, at 48 hours per week on average over a 17-week period. Daily working time is implicitly limited by a requirement for 11 hours rest during a 24-hour period.

At the national level, overtime is regulated by a combination of legal restrictions and collective agreements. The scope of both modes of governance varies considerably across countries. The Member States of the European Union have adjusted their legal regulations on total working time to the EU Directive mentioned above. In Europe, the maximum limit of standard working time is set either by legislation (like in many

Scandinavian and southern European countries) or by collective bargaining (like in Germany and Denmark). In the United Kingdom, it is determined at the company or workplace level. In Central Europe, mainly as a consequence of the socialist legacy, overtime is still regulated to a large extent by state legislation instead of collective bargaining. The federal law of the United States, in contrast, contains no legal restrictions on total, but only on standard, working hours (ILO, 1999).

The procedures which employers must adopt before making use of overtime work also vary considerably among different countries. In some countries, employers are not restricted in demanding overtime work from their employees. In others, some justification — such as exceptional peaks of workload, unforeseeable or special circumstances — is required by law and, in some cases; the approval of a government agency is required. In many countries, overtime work has to be approved by a collective agreement or by the agreement of the individual (ILO, 1999).

According to ILO Conventions No. 1 and No. 30, the rate of pay for overtime shall be not less than one-and-one-quarter times the regular rate (ILO, 1999). Overtime premia of 50 per cent above the regular wage are standard in many countries. Often, overtime premia rise progressively with the number of extra hours worked. In the European Union, Italy is the only country where overtime can be compensated below the ILO's 125 per cent threshold (i.e. overtime should be at least 125 per cent of the normal wage rate) (ILO, 1999).

## **2.2 Overtime Practice in China**

### ***2.2.1 Chinese Overtime Culture***

China's workers who are putting in long hours of unpaid overtime or being required to work through the coming week-long holiday are starting to wonder if their bosses have forgotten what May Day commemorates. The holiday is in remembrance of the 1886 protests by 200,000 workers in Chicago, the United States who demanded better working conditions including an eight-hour working day (Xinhua, 2006).

Yet in China's urban areas, more and more workers are being required to put in extra hours whether they want to or not and then finding their pay docked if they miss a half day.

Zhu Mingqian, 25, is a typically stressed professional who puts in many extra hours. He is a certified public accountant working for a firm in Nanjing, capital city of the booming Jiangsu Province in east China. He will be taking his laptop computer home with him to stay on top of his work load throughout the holiday week. "Even with overtime, I can barely finish my assignments. Although my company has an eight-hour work day, it is never enforced," complained Zhu, who says he has to volunteer for the overtime which has become part of his daily routine (Xinhua, 2006).

The rapid adoption of mobile communications, wireless access and Internet has overcome the limitations of time and space, making working at home possible but at the same time squeezing people's resting hours.

A survey made in mid April by China's Social Survey Center showed that among 1,218 samples in different social strata of Beijing, 65.6 percent worked more than eight hours daily and 20 percent of respondents worked more than 10 hours a day (Chinaview, 2006). Experts attributed the phenomena to accelerated industrialization, rapid economic growth and mounting employment pressure. (Xinhua, 2006)

If companies that need overtime work should negotiate with trade unions for approval, the employer must ask the trade union for its agreement and it must be on a volunteer basis and should not exceed three hours a day.

In real practice, however, hardly anyone follows the regulations. Under the protection of the Law, many Chinese people can enjoy the eight-hour work day if they are unwilling to work extra hours. On the other hand, though many people acknowledge that overworking compromises one's health and life, they voluntarily act like workaholics (Chinaview.2006).

The Beijing Bureau of Statistics said employed people in China's capital worked for 5.9 days, or 47.2 hours, a week on average. Most of the employees in labor-intensive businesses and the service trade worked for more than six days a week. A well-known job-hunting Website, [www.zhaopin.com](http://www.zhaopin.com), conducted an online survey of 15,000 people recently. The survey found that approximately 40 percent of the respondents worked extra hours voluntarily (Xinhua, 2006).

### ***2.2.2 Popular Reasons for China Overtime Culture***

Many Chinese enterprises rely on cheap labor to achieve their primitive accumulation .This is a problem that the majority of the Chinese enterprises need to face. Within a company whose major competitive advantage is low-cost and rapid response, "culture of overtime" is a natural result (PeopleNet, 2006). "Culture of overtime" is becoming an unspoken rule. So called the unspoken rule is that no one is not required to work overtime, but people know very well that if you choose not to work overtime, you have no way to survive in this organization. Many outstanding Chinese enterprises, such as Haier Corporation also have the same culture of overtime. Besides, within many Taiwanese, Korean, Japanese, American and domestic private enterprises or joint ventures in China, Overtime culture is rather popular. Overtime has become the means for boss to measure the staff's professionalism and loyalty (ChinaHR, 2006).

"Culture of overtime" existed in different appearances in China, with the most popular one called "wolf culture within Chinese entrepreneurs. "Wolf Culture" does not only exist from China. In 1970s, Japanese companies who possessed the "wolf culture" are worse than Chinese companies. It was in that time, "overstrain death," the term was invented in Japan and spread in china in 1980s (PeopleNet, 2006).

"The wolf is coming!" a large number of Chinese enterprises shouted in the face of competition from multinational corporations. To fight against the fierce competition, Chinese domestic enterprises have to firstly become a wolf. "When Chinese enterprise addressed "Wolf Culture ", they ignored individual health and spirit pressure intentionally or unintentionally under the influence of the "wolf culture" (Peoplenet, 2006).

The lack of excellent enterprises and oversupply of labor force in China is the major reason of the "culture of overtime". Because of an oversupply of labor, wage standards are at low level, people have chosen to work overtime to earn a better life. In those few outstanding companies, in order to survive the harsh competition in the labor market, people opt for voluntary overtime to get a better performance evaluation (Peoplenet, 2006).

With 760 million laborers, an average wage that is a small fraction of America's, and one of the highest savings rates in the world (38 percent to 42 percent, though much of this is wasted by the dysfunctional Chinese banking system), China has enjoyed annual economic growth of 9 percent for the last quarter-century (International tribue, 2006).

Only 10 years ago Beijing employed an army of lift operators whose job was to press buttons in automatic lifts. Now employees see a 12-hour working day as normal. Long gone are the days when full employment meant a short work stint in the morning reading the newspaper, followed

by an early lunch, a nap and then more newspaper reading (Guardian, 2006).

As the factories of the communist state-planned economy have shut down and reformed, the majority of workers now labor on unsecured contracts, with no health or social security allowances, and work only at the whim of an employer who can fire at will.

China is a nation on the move. A massive shift towards urbanization - with hundreds of millions of people moving to the cities and new industrial centers - is taking place, as workers leave their farms to create a new life, or at least make some money. But to graft in the new "workshop of the world" is no picnic. Employers are free to terminate contracts without notice, withhold workers' wages, and refuse to renew contracts. Workers in China have no official right to strike (Guardian, 2006).

The new corporate culture in China involves working long hours. Cases of workers dying through overwork are not uncommon. Recently an employee of Huawei, China's top telecoms equipment maker, died of "overwork", according to his colleagues, and the company has since brought in new rules to prevent staff working overnight in the office.

An employee of an international company situated in Beijing, who uses the English name Ivy complains that each time she works overtime, she signs a paper on the first page of which is printed: She volunteered to work overtime for more than 36 hours per week (Guardian, 2006).

If you don't sign the paper, it means you don't work overtime, and you get no money, she dare not refuse to work overtime. If she doesn't want to work overtime, that means she doesn't want to work there (Guardian, 2006). Also workaholics are usually respected and supported by China society and a busy schedule suggests a key position in one's company and a good salary (Xinhua, 2005).

### ***2.2.3 Relationship between Overtime and Profit and Enterprise Competitiveness***

Chinese overtime culture with less paid reduced the other countries' employee rate. Kris (2006) states that the labor federation's petition states that the repression of workers' rights in China constitutes a violation of U.S. trade law. It cites evidence from U.S. government reports that show workers in China frequently are paid less than the country's minimum wage, denied overtime pay, denied collective-bargaining rights and often subjected to abusive treatment. Violations of China's labor laws have led to illegally depressed wages that have contributed to the loss of 1.2 million U.S. jobs, including 930,000 in manufacturing; the petition says (Kris, 2006).

Although China is ostensibly still a communist country, independent trade unions are banned here and every night 200 million Chinese workers go to bed in overcrowded dormitory rooms after working 15- to 18-hour days in Dickensian factories. And their lot is likely to get worse before it gets any better (Jehangir, 2006).

Cheap labour -- along with market reforms, disdain for intellectual rights, disregard for the environment and cheap capital from state-controlled banks -- is what has allowed China to offer global investors a unique combination of 19th-century business practices and 21st-century infrastructure that has attracted more than \$800 billion in investment since 1979 (Jehangir, 2006). Recent moves to protect workers' rights and empower labor unions may be more window dressing than reality.

Environmental devastation has forced Beijing to adopt more-sustainable policies, and Washington is pushing for China to respect intellectual property rights. Last, China's decision to privatize its banks means they can't subsidize China's gargantuan state-owned companies (ChinaHR, 2006).

This leaves China's cheap and disempowered labor force as the country's only unchanged competitive advantage. Chinese officials say they realize that wages cannot be controlled indefinitely and that China must move its economy up the value chain if it wants to compete. But that process could take decades, and until it happens, China's growth will continue to be built on the back of its workers (ChinaHR, 2006).

According to Han Dongfang, a union advocates with the China Labor Bulletin in Hong Kong that the exploitation in China is getting harsh. On the one hand we have better laws than ever. But in reality, there is no enforcement (ChinaHR, 2006).

Conditions for workers employed by Western companies are generally better, but not by much. In July, thousands of workers at the Merton Co. in southern Guangdong province that made plastic toys for U.S. companies, such as Disney, Mattel and McDonalds, rioted. They were being paid just \$72 a month (the local minimum wage), required to work 11 hours a day, six days a week, and not compensated for overtime, according to New York's China Labor Watch(Jehangir,2006).

If Western diplomats and trade representatives have been disturbingly silent about labor standards in China, which clearly violate norms set by the International Labor Organization, it's partly because they're loath to rock a system that's allowing Western corporations and governments to reap huge profits (Jehangir, 2006).

A recent survey of 1,800 U.S. businesses in China by the American Chamber of Commerce in Beijing found that the profit margins for 42 percent of them were higher than their average worldwide margins (Jehangir, 2006).

More significantly, the Chinese government, which benefits enormously from its labor-driven export economy, has invested almost \$300 billion in Treasury bills and \$500 billion in other U.S. securities. Thus, China helps

fund the U.S. deficit and keeps U.S. interest rates low. This in turn allows U.S. consumers the cheap credit with which to buy loads of Chinese goods, and then the cycle begins anew. The one crack in the Chinese government's grip on labor has come from China's fledgling legal system (Guardian, 2006).

#### ***2.2.4 Impact of Overtime on Employee and Enterprise in China***

Culture of overtime is a double-edged sword. If it is used properly, enterprise can greatly enhance the cohesiveness and operating performance in the enterprise. However, if used improperly, it is highly likely to harm the feelings and health of employees, creating a negative culture, thus weakening the competitiveness of enterprises. In many industries, working hours of employees in China is almost catching up staff working hours of South Korea and Japan. China Economics Review (2006) point out that "When overtime as a 'corporate culture', the side effects are manifested quickly.

For the majority of the labor force, overtime work is only a temporary condition and a necessary supplementary for job training or promotion. If it is the case, people are more willing to accept such overtime (Xinhua, 2006). Also there are other causes for overtime. It may be due to too much work and unable to complete it within the normal time schedule, so have to work overtime. It may also due to intense competition, and great pressure from performance appraisal and end-elimination principle. It also may due to the pressure of comparison between colleagues within the department or beyond department. It also may be the reason that employee would like to give boss better impression and thus stay and work overtime at office. No matter what type of reason for overtime, there is always unbalance between work and rest. As a result of overtime, many employees body are at sub-healthy state, or even fell sick and die very young as a result of overstrain (Xinhua, 2006).

Volunteering for extra hours also conforms to Chinese traditional values on diligence and hard work. However, these values which were first taught by Confucius thousands of years ago may be having a "negative effect" in China's fast-paced modern society (Xinhua, 2005). High pressure and extreme overtime are the culprits of bad-health.

The Chinese Medical Association recently conducted a random survey of 330,000 people in 33 cities. The findings show 70 percent of Chinese people complained of fatigue, insomnia and appetite disorders. "Trading leisure for money can actually mean more losses," Dai Dengkai agrees that less may mean more in the long run. He is with a labor monitoring organization in Nanjing (Xinhua, 2006).

The eight-hour work day was set in accordance with people's normal physical strength. It is conducive for businesses to ensure workers' physical and mental health. Change has added a lot of new words to the Mandarin vocabulary, and the most ominous is "guolaosi," or death from over-working (Jehangir, 2006). Du Wendong suggested that laborers should keep a proper balance between work and rest, and trade unions and labor monitoring organs should prompt employers to abide by the labor law (Xinhua, 2006)

Chinese-style management emphasizes on both structure and processes and attitude and behaviour will make employees confused with the culture of overtime (Xinhua, 2006). In fact, long-term overtime is prone to have negative impacts on enterprise, such as vocational idleness, inefficiency and low satisfaction and so on. It did not bring any benefits to the enterprise, but a lot of waste of the capital.

Unique survey data are analyzed to consider whether measures of self-reported subjective happiness, psychological health and economic satisfaction bear a net positive or negative relationship with working extra hours (Lonnie, 2006). Overtime work hours generally are associated with

increased work stress, fatigue and work-family interference. When overtime work is required, this appears to offset the otherwise greater happiness and mental healthiness produced by its additional income. Mandatory overtime work is associated with additional work-family interference and unhappiness for some workers but the opposite for some others. Policies those are most fruitful for improving individual economic and social welfare should focus on minimizing the incidences where overtime is both mandatory and harmful.

### ***2.2.5 Legislation and Regulation on Overtime in China***

Payment of overtime is increasingly the subject of scrutiny by the authorities and employees. Prudent employers will bring their HR practices into line with their legal obligations (Graham Brown & Wei Xin, 2006).

Overtime issues are difficult to manage in China because the laws were implemented in the early stages of China's economic growth and do not fully take account of many circumstances now common in the Chinese economy, including service workers working at times that suit the customer or potential customer(Kris, 2006).

The basic legal position is that, except for the few categories nominated in the law, overtime must be paid according to the law and this cannot be contracted out (*Graham Brown & Wei Xin*, 2006). Employees may agree to particular arrangements, but if those arrangements are found not to be in full compliance with the law, they will be of no effect and the employee will be entitled to seek the overtime payments that the law guarantees. As is often the case, there are usually local rules and practices that impact upon overtime and local information is necessary.

But a new labor bill - which will have its third reading later this year - could make sweeping changes to the way that employees work in the People's Republic. It will include regulations that exceed some European standards.

If successful, it will improve safety and workplace inspections, compel bosses to consult with workers' representatives over significant redundancies and enforce minimum wages. It may even cut the maximum working week to 40 hours - eight hours less than in Europe (Guardian, 2006).

A key piece of legislation following China's leadership change, the new Labor Contract Law is expected to come into full effect in March 2007 and is meant to reflect the new "harmonious society" promoted under current president Hu Jintao - as opposed to the raw capitalism of previous president Jiang Zemin (Xinhua, 2006). For China's millions of casual laborers and migrant workers - the mainstay of many industry sectors - the legislation will make provisions for their health, safety.

But the strongest opponents to the legislation are the foreign-owned multinationals in China. The American Chamber of Commerce has written a lengthy 42-page plea to the Chinese government asking it to reconsider. While foreign employers say they will adhere to the law, they claim it will increase production costs and force them to reconsider new investment or suspend their activities in China (Xinhua, 2006).

They also harbour suspicions that their Chinese competitors will circumnavigate the laws, leading to an uneven playing field. The issue of bonus as a substitute for overtime has recently been the subject of an explanation issued in Shanghai by Shanghai Labour and Social Security Authority ("Explanation") (Graham Brown & Wei Xin, 2006). The Explanation was directed at overtime worked during the Spring Festival holidays but sets out at least one official view fairly clearly.

According to the Explanation, the annual bonus cannot replace overtime pay. Employers can set out overtime rules, but they cannot limit the legal requirements. Referring specifically to Spring Festival, the Explanation said that an employee receiving an annual bonus is still entitled to overtime pay at the prescribed rates. Further, except for the situations provided for in the law, an employee cannot be required to work during the statutory holidays. If the employee agrees to work overtime during the holidays, they must be paid overtime in accordance with the provisions of the labor law (*Graham Brown & Wei Xin*, 2006).

According to the Labor Law, companies that need overtime work should negotiate with trade unions for approval, in real practice; however, hardly anyone follows the regulations (Xinhua, 2006).

All 47,000 foreign-funded firms in China are to be unionized in the next two years to protect about six million Chinese workers who the government said are overworked, underpaid and poorly treated (Richard, 1994). "Foreign employers often force workers to work overtime, pay no heed to labor-safety regulations and deliberately find fault with the workers as an excuse to cut their wages or fine them," the government-run All-China Federation of Trade Unions said. Labor disputes are increasing at foreign-funded enterprises (Richard, 1994).

## **2.3 Applicability of Chinese Overtime Culture Overseas**

### **2.3.1 Barriers and Challenges**

Different conceptualizations of the centrality of work in people's lives and in providing meaning to these lives lead to differences in workers' attitudes toward working overtime. In the U.S. the overtime culture is only rarely challenged among professionals and managers (Blair-Loy & Jacobs, 2003;

Jacobs & Gerson, 2004; Moen, 2003), and many workers in the general population put in more hours than they would prefer (Clarkberg & Moen, 2001). Yet in other cultures, long hours are less normative (Perlow, 2001). Local cultural conceptualizations of working time may explain some of the wide differences. Stier and Lewin-Epstein (2003) found in workers preferences of working time in 22 industrialized societies. (Heymann, Earle & Hanchate, 2004). For example, in Japan activists have spurred a social movement against corporate demands for long overtime hours in part by popularizing the concept of *karoshi*, or death by overwork (Morioka, 2005).

Cultural understandings of overtime work also vary across national and local boundaries. It is an important factor to affect the applicability of Chinese overtime culture in Chinese enterprises overseas. Chinese staff developed a habit of working overtime in China and thus will work overtime without being asked to do. Local employees have different habits for overtime culture. They are used to going home after work and attach great importance to the gathering of family members, especially on weekends. Normally they are not willing to work overtime. (Huawei People, 2006).

Also local employees within Chinese enterprises overseas feel that all the Chinese at the division are like their supervisors, who require them to do this and do that. They are not accustomed to this, for they accept only one supervisor. In addition, they are confused with their career development at Chinese enterprise because they are not sure if they can be promoted and put in some important positions as their Chinese counterparts are, this also make it difficult to ask local employees to work overtime (Huawei People, 2006).

The Chinese culture is diverse, although traditional culture "Confucianism, Taoism, and Buddhism," has a remarkable influence on the Chinese people. But it is believed that the influence of the culture of Europe and the United States on Chinese people is currently increasing, enterprises

mostly use western-style management system (ChinaHR, 2006). For example, objectives management and performance appraisal system, which behind is the management of the West's values and ways of thinking. Western culture is simply a contract culture, and the relationship between the company and staff is contractual and more emphasis is placed on individual rights and obligations. So Europe and the United States stressed the staff responsibilities and obligations and required lower staff loyalty to the company. But Westerners' greatest strength lies in their sense of innovation and awareness of the rules, so their business is in order. Chinese enterprises carried out a lot of the management system, and incentive payment system is more Western-style orientated. But as far as the spirit of enterprise, we still want to get the staff loyalty as Japan did. So this type of conflicting emotions works out ineffective management system.

### ***2.3.2 Key Success Factors***

However, good local employees will opt for volunteer work overtime if they can not finish the job within working hours. Deeply influenced by Chinese Confucian culture, great attention is given to "Humanity, Justice, Courtesy, wisdom and trust within Chinese enterprises overseas. Chinese enterprises should conduct a Chinese-style management practice in this regard, specifically, to achieve a "first move them with affection, Further appeal to logic and lastly apply to the decision of justice". Enterprises which is going to create overtime culture should be feeling with the staff, make the staff of enterprises be grateful for this; give the staff a sense of crisis and encourage employees to establish a correct outlook on life and work; finally have a sound mechanism of motivation. Chinese enterprises overseas need to establish security and material basis guarantee for employees (ChinaHR, 2006).

There are good examples of successful implementation of Chinese overtime culture in Chinese enterprises overseas. In Huawei Middle East and Middle Asian regional division in Egypt, good local employees will opt for volunteer work overtime if they can not finish the job within working hours (HuaweiPeople, 2006). For the local employees, it is important to set a proper work plan and goal for them so that performance can guide the locals and they can better honor their personal business commitments, or PBCs. Also good communication and rewarding system based on performance is needed to give a motivation to encourage local employees to work overtime.

## **2.4 Propositions**

In summary, literature suggests that implementation of Chinese overtime culture in Chinese enterprise overseas is possible if:

Proposition 1: There is guidance for local employee in terms of work attitude and work plan

Proposition 2: The goal for local employee can be set properly and full communication is provided.

Proposition 3: There is reasonable rewarding and promotion system based on performance.

## **Chapter 3**

### **RESEARCH METHODOLOGY**

This chapter describes the methodology that was followed to answer research propositions posed in the previous section. The chapter starts off with description of the chosen method and its implications for this research. The research design, case site and sample of interviews are then discussed. This is followed by descriptions of the processes that were used in data collection, analysis and interpretation. The chapter is concluded with a discussion on validity and reliability of the chosen research method.

#### **3.1 Research Method and its Underlying Characteristics**

The research problem stated in Section 1.3 requires the researcher to reveal the nature of and gain insight into the problem of applicability of Chinese overtime culture in a Chinese enterprise based in South Africa.

According to Leedy & Ormrod (2001) this type of research problem lends itself well to qualitative research. Another reason for doing qualitative research is that same company may have different applicability of Chinese overtime culture in different destination countries, mostly due to different social context and business environments.

Since a specific site were studied in-depth for a period of time, the case study method were used (Perry, 2001). Leedy & Ormrod (2001) suggests that all forms of qualitative research have two things in common: the focus is on phenomena that occur in natural settings and the phenomena are studied in all their complexity and multiple facets. Qualitative research therefore lends itself well to the case study method used here.

The interpretive paradigm was chosen because the case study method and the specific research that were conducted in this case, suits the underlying assumptions (nominalism, anti-positivism, voluntarism and ideographic methodology) of this paradigm better than the functional paradigm.

The research method chosen for the proposed research was therefore be qualitative research that were conducted in the interpretive paradigm, using the case study method. This approach and its implications on the proposed research process are discussed below.

### **3.1.1 Qualitative Research**

According to Leedy & Ormrod (2001:101), qualitative research often starts off with general research propositions rather than specific hypotheses and is followed by the collection of an “extensive amount of verbal data from a small number of participants”. The subsequent organization of data into a coherent format and the portrayal of the situation through the use of verbal descriptions are then used to state tentative answers to the research propositions. The same process was followed for this research.

The proposed research performed during this study has many of the typical characteristics of qualitative research identified by Leedy & Ormrod (2001). The characteristics specific to the proposed research in this specific study are listed below.

**Emergent design.** The research process might uncover a number of variables with regard to the applicability of Chinese overtime culture in a Chinese company based in South Africa being studied, which are unknown to the researcher at the start of this research process. This implies the need for a flexible or emergent design. The research were conducted with an open mind to allow for the emergent nature of this

research, and as the variables emerge from the data, interpretations were made within the context of the case study.

***Role of the researcher.*** Rigid, standardized instruments for data collection was not be used, since data collection occurred through semi-structured interviews and observations. (However, an interview schedule was used.) This does however mean that the research process might be influenced by the researcher's personal view. The role of the researcher as an instrument in qualitative research can therefore not be ignored, in that the researcher's ability to interpret the collected data is critical to the understanding of the case study.

Rowley (2002) argues that successful execution of the research depends critically upon the competence of the researcher, while Benbasat, Goldstein & Mead (1987) states that research results depend heavily on the integrative powers of the researcher. The potential subjectivity was attempted to be mitigated by not leading the interviewee, regularly confirming with the interviewee what is meant by specific statements and through various techniques to ensure validity and reliability.

### ***3.1.2 Case Study Method***

One of the main reasons for choosing the case study method for this research is because it allows for the study of the applicability of Chinese overtime culture in a Chinese enterprise based in South Africa in its natural setting. In defining what the case study method entails, Benbasat *et al* (1987:370) summarizes the viewpoints of various authors as follows: "A case study examines a phenomenon in its natural setting, employing multiple methods of data collection to gather information from one or a few entities.... No experimental control or manipulation is used".

Yin (1994) suggests that case research is especially appropriate to a practical situation of a current business phenomenon within its real-life;

dynamic context, especially when the boundaries between the phenomenon and its context are not clear-cut and various sources of data are used.

### **3.1.3 Interpretive Paradigm**

It is important to note that interpretive research is not synonymous with qualitative research, since qualitative research can also be conducted in the functional paradigm (Klein & Myers, 1999). The proposed research method adhered to the underlying principles of the interpretive paradigm; the applicability of each to the proposed research process is discussed below:

**Ideographic methodology:** When choosing a methodology, most social research is concerned with the homothetic (i.e. general case) rather than the Individual, with the latter studied only to allow for generalization. Benbasat *et Al* (1987) suggest the use of ideographic methodology in case studies because it allows for the understanding of a specific phenomenon in its context, the examination of a single situation. In this case a specific case site was studied with a view to understanding it better and therefore to add to theory-building.

**Anti-positivism:** The positivist believes that experiment, observation and measurement is the core of research. In the proposed research no formal hypothesis testing, measuring of variables or drawing of inferences from a representative sample of a stated population were done. Therefore, within the assumption of epistemology, the anti-positivism principle is more applicable to the proposed research (Klein & Myers, 1999).

**Voluntarism:** Assumptions about human nature fall on a spectrum where the one end of the scale states that people's reactions can be pre-determined and the other end of the scale states that one would never know how people would react (Burrell & Morgan, 1979). The proposed

research adopted an intermediate standpoint, but with an inclination towards the school of thought that people's reactions cannot be pre-determined.

***Nominalism:*** Within the ontological debate, nominalism (as opposed to realism) does not assume that the world is made up of hard, tangible, immutable structures and that the world does not exist independently of the observer (Burrell & Morgan, 1979). This is specifically relevant to this research, since the role of the researcher in the interviews, observations and interpretations are intertwined with the activities themselves.

In summary, the interpretive paradigm was chosen because it allows for the development of an understanding that emerges as a specific situation is studied in-depth, within its specific context, acknowledging the role of the researcher in the process.

## **3.2 Case Site and Interview Sample**

### **3.2.1 Case Site**

Huawei Technologies Co. Ltd is one of China's top telecommunications companies which located in Shenzhen, Guangdong Province. This company is famous for its "mattress culture" in China, in which every newcomer receives a mattress, which is put under the desk. Employees sleep on it during lunch break or whenever they work late and can't or don't want to return home (People Daily, 2006). The company's overtime culture serves the company's success. Huawei's drive has helped it prevail in international competition. Huawei Technologies SA (Pty) Ltd is a 100% subsidiary company of Huawei China and most of employee came from China. it is valuable to identify the applicability of Chinese overtime culture in the Huawei Technologies SA(Pty)Ltd. Huawei Technologies SA(Pty)Ltd was therefore be used as the case site.

### **3.2.2 Interview Sample**

The people that were interviewed at the case site are the various role-players within Huawei Technologies SA (Pty) Ltd who have the knowledge of Chinese overtime culture.

The sample design is “purposive” (Morton-Williams, 1985:30). The nature of this sample design was such that the researcher purposefully selected respondents who had the required experience to answer the research propositions (Creswell, 1994). Furthermore, the objective was to select experts who were representative of the population and who were expected to provide normal perceptions and perspectives (Leedy & Ormrod, 2001). No attempt was made to select respondents randomly (Creswell, 1994) but the researcher did endeavor to be objective in the selection of the respondents (Morton-Williams, 1985).

The size of the sample included 24 respondents across all departments within Huawei Technologies SA (Pty) Ltd. Those 24 respondents include Chinese manager, employees and local manager and employees who have the required level of expertise to contribute meaningfully to the research. As the fact that people with different backgrounds may have different opinions on the applicability of Chinese overtime culture in South Africa. We may divide those 24 people into three different groups: Chinese people who come from China, Chinese people who are enrolled in South Africa and local staff which include white, black and Color. Each group may include low-level staff and managers. The breakdown of all interviewees and their position levels are as follow:

| <b>Levels</b>   | <b>Chinese overseas</b> | <b>Chinese local</b> | <b>Local staff</b> |
|-----------------|-------------------------|----------------------|--------------------|
| Director        | 1                       |                      |                    |
| Senior Managers | 2                       | 1                    | 2                  |
| Junior Managers | 2                       | 4                    | 3                  |

|                  |   |   |   |
|------------------|---|---|---|
| Normal Employees | 3 | 3 | 3 |
|------------------|---|---|---|

### **3.3 Research Design**

Rowley (2002:18) defines research design as the “logic that links data to be collected and the conclusions to be drawn to the initial questions of a study”. The main thrust of the proposed research design is to aid in discovering potentially new aspects not uncovered during the literature review.

#### ***3.3.1 Building the Initial Model by Formulating Research Propositions***

The focus of the initial model was on understanding what are Chinese overtime culture and its applicability in Chinese enterprises overseas. This has led to the formulation of research propositions that act as the initial model.

#### ***3.3.2 Developing an Interview Schedule***

The next step was to develop a semi-structured interview schedule, which were used during interviews to assist in the reliability of data collection and to ensure that the questions are answered as comprehensively as possible to ensure a thorough analysis. The interview schedule is attached in Appendix A. Note that the interview schedule does not contain any structured, closed questions, since the interview needs to remain flexible to allow for any relevant information to emerge. Various prompting were done towards the end of the interview to ensure that those questions are answered as comprehensively as possible.

Also note that no other standardized instruments for data collection were used, since data collection occurred through interviews as well as through observations made by the researcher. Although open-ended guiding

questions were used, the interview was directed into areas of interest that come up during the interview. Although this assists greatly in exploring the research topic, the lack of a fully structured interview schedule might have drawbacks (Leedy & Ormrod, 2001):

It might be difficult to analyze some of the interview data, especially when synthesising across interviewees. The research process might be influenced by the researcher's personal view in certain areas. The role of the researcher in this interview process is therefore critical and was discussed under the characteristics of qualitative research in Section 3.1.1. (Silverman, 1993) Despite these drawbacks, unstructured interviews are powerful data collection tools that can yield very useful information.

### **3.4 Data Collection**

Three sources of data were used: interviews, observations by the researcher and appropriate, relevant documentation (Yin, 1994). These three sources allowed for triangulation; a process which is described later.

#### ***3.4.1 Interviews as the Main Data Source***

The interview roster and the semi-structure interview schedule were used as a basis from which to conduct comprehensive, in-depth interviews. The interviews were conducted at the interviewees' respective offices to ensure that any documentation that may be required by the interviewee during the interview is on-hand. Each interview is expected to take one to two hours.

At the start of the interview, the interviewee were told that the objective of the research is to identify the applicability of Chinese overtime culture in a Chinese enterprise based in South Africa.

Written permission was obtained from the interviewee at that stage. To avoid any responses that may be based on what is viewed by the interviewee as appropriate or desirable rather than what the interviewee truly believes to be the case, the interviewee were assured that pseudonyms were used to disguise their responses. Recordings were made of the interviews and notes were taken during the interviews. If the interviewee is uncomfortable with a recording and cannot be convinced otherwise, only notes were taken.

### ***3.4.2 Other Data Sources***

The data obtained from interviews were complemented by observations made by the researcher during the interviews and while spending time on-site. Care was taken not to confuse observations with the interpretation of data.

Related documentation that may be provided by the interviewees was included in the data collection process. Other documentation such as newspaper articles on the Chinese overtime culture brochures, memoranda, organization charts and formal reports were also used as a source of data. Note that the documentation referred to here, is not the documentation used in the literature review.

### ***3.4.3 Data Storage***

A case study database (Yin, 1994 and Rowley, 2002) were created that contained the data from the above three sources. The context within which the case is found was also recorded, including high level information on the historical, economic and social factors that relate to the case. According to Leedy & Ormrod (2001) the context not only assisted in interpretation, but also enabled others who read the research to draw conclusions on the extent to which the findings might be generalisable to

other situations. The case study database therefore have the following sections:

- 1) interview notes;
- 2) observations;
- 3) related documentation; and
- 4) notes on the context of the case.

The case study database therefore have the following sections:

- 1) interview notes;
- 2) observations;
- 3) related documentation; and
- 4) notes on the context of the case.

#### ***3.4.4 Triangulation***

Triangulation arises from the need to confirm the validity of the research process (Stake, 1995). It allows for the use of data from multiple sources, each of which may possess different types of errors or weaknesses, to ensure that a more objective understanding of the data can be obtained across the different sources and therefore to assist in data convergence (Yin, 1994). Rowley (2002) argues that one of the great strengths of case studies (when compared to other research methods) is that it allows for evidence to be collected from multiple sources. Data source triangulation – a phrase used by Denzin (1984) – was employed in this case, where data that conflicts across the various data sources needed to be further examined before forming part of the data analysis phase. Therefore, the interview process were followed by a process where the additional information was gathered from additional company documents and relevant newspaper articles about the Chinese overtime culture, to lead towards triangulation.

### **3.5 Data Analysis and Interpretation**

Data analysis and interpretation forms a crucial part of the research process (Eisenhardt, 1989). Since qualitative data was collected, considerable use were made of inductive reasoning during data analysis and interpretation.

#### **3.5.1 Data Analysis**

The nature of the data does not enable easy, simple analysis (Rowley, 2002) and relies heavily on the integrative power of the researcher (Benbasat *et al*, 1987). In addition, data analysis in this research method does not follow the typically linear phases where analysis only starts once data collection has been completed: because of the nature of the research (case study in the interpretive paradigm) data analysis and interpretation tend to take place to a certain extent during data collection already (Miles & Huberman, 1994 and Leedy & Ormrod, 2001), although care were taken not to confuse observations with interpretations.

The three research propositions that had shaped the data collection process was also used as the framework for data analysis. Answers to the research questions were sought through relevant evidence from the case study database (see Section 3.5.3 on data interpretation). Rowley (2002) suggests that, although there are no recipes for the analysis of case study results, good case study analyses adhere to certain principles. These principles were adhered to in this research, in that the data analysis used all relevant data; consider all major rival interpretations (as obtained through literature, as well as during interviews and the reading of additional documents); address the most significant aspect of the case study (the application of Chinese overtime culture in a Chinese enterprise in South Africa); and draw on the researcher's prior knowledge of the subject obtained during the literature review, but in an objective manner.

The collected data stored in the case study database were subjected to a selection of various analyses (Miles & Huberman, 1994; Stake, 1995 and Creswell, 1998). Note that, due to the emergent nature of this type of research, all or only some of these analyses might be used and can only be selected once data collection is underway. Content analysis (related to the above) distinguishes among data elements that relate to the various aspects of the theoretical model. Note that content analysis in the true sense of the word were not performed although the data were coded: the focus were on how many people have raised a specific issue, not how many times the issue has been raised. This is to prevent a potential situation where one person might have been very vocal about a specific issue, without that issue being raised by anybody else and thus not accurately reflecting the appropriate weighting across all data sources.

A “chain of evidence” (Rowley, 2002:23) was maintained during data analysis to ensure that the appropriate sections of the case study database are referenced when referring to specific interviews or documents during the various analyses. Miles & Huberman (1994) view data reduction as an important component of data analysis. Therefore, although data analysis initially takes all collected data into account, part of the analysis phase was to extract, simplify and condense relevant parts of the data. Data reduction also played an integral part in data display.

### ***3.5.2 Data Display***

According to Miles & Huberman (1994:11), data display is an “organized, compressed assembly of information that permits conclusion drawing” and forms part of the data analysis phase.

The analysis of the data was displayed mostly in network format, depicting the relationships between various elements and issues that were

uncovered during data collection. According to Bliss, Monk & Ogborn (1983) networks can hold a great deal of information that is readily analysable. The networks mainly consist of cognitive mappings and logical chains of evidence. Cognitive mappings show people's representation of concepts about a specific issue, indicating the relationships among the concepts and using descriptive text to explain the various concepts (Miles & Huberman, 1994).

Although networks were used as the main display format, matrices were used to add an additional dimension where required, specifically in areas where a summary of issues or quotes is required (Miles & Huberman, 1994). These detailed networks and matrices were also stored in the case study database and were made available on request. Summaries of the networks and matrices were displayed and discussed in the research report, based on the data interpretation that were conducted.

### ***3.5.3 Data Interpretation***

Leedy & Ormrod (2001:290) states that "to display data is certainly important, but... the interpretation of the data is the essence of research". Since the research is conducted in the interpretive paradigm, some of the interpretations occurred during the data collection phase, while many of the interpretations occurred during the data analysis phase. Lofland & Lofland (1984:142) states that "you do not truly begin to think until you attempt to lay out your ideas and information into successive sentences....when you actually start writing you begin to get new ideas". The various phases were therefore very much interlinked, but as a rule, the various data analyses formed the foundation for interpretation based on the collected facts, identified patterns in the data, individual reflections of the researcher and potential connections to the 'bigger picture'.

### **3.6 Validity and Reliability**

Validity is concerned with whether the instrument (in this case interviews) “measures what it is supposed to measure” (Leedy & Ormrod, 2001:31) and whether it would lead to valid conclusions about applicability of Chinese overtime culture in Chinese enterprise based in South Africa. Since qualitative research in the interpretative paradigm is conducted, there are some obvious validity concerns. These concerns are addressed below in the discussion on the various types of validity.

#### ***3.6.1 External Validity***

External validity refers to generalisability, i.e. the implications of this research for other companies in other settings and at other times. Limited generalizations can be made in this research, as the purpose of case study research is to add to theory-building rather than to generalize to a population. There are two views (that are not totally dissimilar) with regard to case studies, which can be followed in this regard. Yin (1994) suggests that external validity might be established for even only a small domain to which the findings can be generalized.

Rowley (2002) suggests that generalization can be performed if the case study design has been informed by theory and is therefore seen to add to theory-building. She also suggests that case study protocol assisted in ensuring external validity. The second view were used as the main way of countering potential problems with external validity. Case study protocol in this case entailed free access to and the use of multiple sources of data (as delineated in Section 3.4) and the explicit statement of research propositions.

#### ***3.6.2 Internal Validity***

Internal validity refers to the extent to which the instrument allows inferences about the causal relationships between data elements (Leedy & Ormrod, 2001). Therefore, internal validity is more relevant in studies that try to establish a causal relationship and not as relevant in most observational or descriptive studies, such as the case research method (Rowley, 2002).

There are various types of internal validity: construct validity, content validity, face validity and criterion-related validity (Leedy & Ormrod, 2001). Only construct validity is relevant and therefore discussed here.

### ***3.6.3 Construct Validity***

Rowley (2002) explains construct validity as reducing subjectivity by linking the questions posed during data collection (Section 3.4) to the original research propositions (Sections 2.4 and 2.10).

Yin (1994) suggests a design test for construct validity as the establishment of correct operational measures. Examples of such measures would be the establishment of chains of evidence and by using multiple sources of data during data collection (i.e. triangulation). These issues were adhered to in the research process (as discussed in various sections of this document) and for that reason construct validity was achieved as far as possible within this research approach.

### ***3.6.4 Reliability***

Reliability is defined as the extent to which similar research conducted in future will result in similar outcomes (Leedy & Ormrod, 2001). Since a semi-structured interview guide was used and a comprehensive database (Section 3.4.3) was compiled, reliability was ensured where possible. However, given that the research is conducted in the interpretive

paradigm, the role and interpretations of the researcher played a significant part in the final interpretations and even the initial observations. Similar research by another researcher might therefore not lead to exactly the same results. Although this might be seen as a drawback, it could also be seen as adding to the richness of the theory-building exercise.

## **Chapter 4**

### **CASE STUDY**

*This chapter provides case study about overtime practice in Huawei Technologies Co. Ltd. In this chapter, first of all background information about Huawei Technologies Co. Ltd is presented. Then different cultures and different attitudes of employees on overtime and factors that might be preventing the Chinese overtime culture are discussed. At the end, South African labour law and Basic Conditions of Employment Act were presented.*

#### **4.1 Huawei Technologies Co. Ltd**

Huawei Technologies Co. Ltd is one of China's top telecommunications companies which located in Shenzhen, Guangdong Province. Huawei Technologies SA (Pty) Ltd is a 100% subsidiary company of Huawei China and most of employee came from China. it is valuable to identify the applicability of Chinese overtime culture in the Huawei Technologies SA (Pty) Ltd. Huawei Technologies SA (Pty) Ltd was therefore be used as the case site.

This company is famous for its “mattress culture” in China, in which every newcomer receives a mattress, which is put under the desk. Employees sleep on it during lunch break or whenever they work late and can't or don't want to return home (People Daily, 2006). The company's overtime culture serves the company's success. Huawei's drive has helped it prevail in international competition.

#### ***4.1.1 Global Operations***

After years of hard efforts, Huawei is becoming more and more internationalized. Its products and solutions are deployed in over 100 countries and serve over one billion users worldwide. In 2007, 72% of its contract sales was from the international market, and it has set up more than 100 branch offices in order to provide quick services to its customers.

Also, it has established 12 R&D centers around the world such as in the Silicon Valley and Dallas of the United States, Bangalore in India, Stockholm in Sweden and Moscow in Russia to ensure global R&D with outstanding people.

In addition, it has 31 training centres worldwide to help the customers and local people to study advanced management, technologies and so on. It firmly believes in localizing its global operations, and make it a point to hire local employees. This not only enhances its understanding of the local market, but also contributes to the local economy by increasing employment, especially in less developed regions.

#### ***4.3.2 Huawei Technologies SA (Pty) Ltd***

Huawei Technologies SA (Pty) Ltd was established in 1999 and at that time there is just less than 5 persons here. At that time, Huawei SA is also the headquarter for all Huawei business in whole Africa. During the first 3 years until 2002, there is no big breakthrough by the volume of business in the whole Africa. It was after 2002 that Huawei had got a breakthrough in the area of business in the Africa including South Africa.

In 2005, to comply with the government regulation on BEE law, Huawei established a new BEE company called Huawei Africa in which the local Black shareholder accounted almost 41 percent of company share. The

other 59 percent of company share are held by Huawei holding company in HK, which is Huawei investment Co. Ltd.

By the end of 2007, the sales revenues of Huawei Africa is more than 1 billion USD and the sales revenue in Huawei SA&Africa is almost 100 million USD. Until today, huawei's equipments have entered into all 5 telecommunication operators in South Africa including Vodacom, MTN, Telkom, Cell C and Neotel. The number of staff in Huawei SA and Africa has increased from less than 10 to more than 100 now. About 40% of employees in Huawei SA are local employees and the rest of employees came from China.

#### ***4.3.3 Three Kinds of Employees in Huawei Technologies SA (Pty) Ltd***

Since Huawei Technologies SA (Pty) Ltd is a Chinese company based in South Africa, there are three kinds of employees in the company. These are

- (1) Chinese employees who are brought from China by the Huawei Technologies to be employed in the Huawei Technologies SA (Pty)
- (2) Chinese employees who are native of South Africa, and currently working in the Huawei Technologies SA (Pty)
- (3) South African nationalities working in Huawei Technologies SA (Pty)

These three kinds of employees have different views and attitudes in working overtime. Chinese employees who are brought from China are always willing to work overtime, whilst South African nationalities including Chinese employees who grown up in South Africa do not want to do overtime; it is not their culture to do overtime particularly when it is a family gathering time.

#### ***4.3.4 Different Culture of Employees in Huawei SA***

South Africa is a rainbow nation with vast diversities. It composes with different culture, different traditions, different nationalities, different attitudes, different languages and different believe system. Moreover there are various civil societies. These dissimilarity make China and South Africa huge different. While some difference can be reconciled, some are almost impossible to make compatible. The most difficult one is cultural difference.

### **4.2 Overtime**

Overtime is the amount of time someone works beyond normal working hours. Normal hours may be determined in several ways:

- by custom (what is considered healthy or reasonable by society),
- by practices of a given trade or profession,
- by legislation,
- by agreement between employers and workers or their representatives.

Most nations have overtime laws designed to dissuade or prevent employers from forcing their employees to work excessively long hours. These laws may take into account other considerations than the humanitarian, such as increasing the overall level of employment in the economy. One common approach to regulating overtime is to require employers to pay workers at a higher hourly rate for overtime work.

Overtime pay rates can cause workers to work longer hours than they would at a flat hourly rate. Overtime laws, attitudes toward overtime and hours of work vary greatly from country to country and between different economic sectors.

### **4.3 South Africa's Labour Law**

Law enforcement in South Africa is strong and credible, and also labour market policy is quite rigid. It states clearly about overtime and payment for it. Moreover, trade union and workers unions are powerful and always stand up for workers.

#### **4.3.1 Overtime**

All overtime is voluntary and may only be worked by agreement between employer and employee. Maximum permissible overtime is 3 hours on anyone day or 10 hours in any 1 week. Remuneration must be at 1, 5 times the normal wage rate except for Sunday work and work on public holidays, which must be remunerated at twice the normal wage rate (The South African Department of Labour, 2004a).

Time off, calculated on the same formula, may be granted instead of payment, but only by agreement with the employee (The South African Department of Labour, 2004a).

Employees who earn in excess of the present threshold amount are not subject to the provisions of section 10 (overtime) of The Basic Conditions of Employment Act. This means that such employees cannot demand to be paid for overtime worked, nor can they demand to be granted paid time off in view of payment (The South African Department of Labour, 2004a).

However, contrary to popular belief, the employer also cannot force such employees to work overtime and cannot demand that they work overtime without compensation (The South African Department of Labour, 2004a).

**Forced labour:** All forced labour is prohibited in terms of section 48 of the BCEA, and should the employer require such employees to work overtime

then the hours to be worked and the basis of compensation must be negotiated with the employee (The South African Department of Labour, 2004a).

Should the employer refuse to compensate for overtime worked in the case of an "over the threshold" employee, then the employee is entitled to refuse to work the overtime (The South African Department of Labour, 2004a).

#### ***4.3.1 What is "Overtime Work"?***

All hours worked in excess of the employee's normal hours of work will be regarded as overtime hours. Therefore, if your employee is contracted to work 45 hours per week normal time, then any hours in excess of that is overtime worked. Similarly, if your employee is contracted to work 40 hours per week normal time, then any hours in excess of the 40 hours is overtime worked (The South African Department of Labour, 2004a).

#### ***4.3.1 Overtime Hours***

Based on Legislation in Section 10, of the Basic Conditions of Employment Act, workers may not work –

- overtime, unless by agreement
- more than 10 hours' overtime a week (collective agreement may increase this to 15 hours per week for up to 2 months a year)
- more than 12 hours on any day (The South African Department of Labour, 2004a).

#### ***4.3.1 Overtime on Short Notice***

Overtime is not compulsory, and employees can refuse to work overtime on short notice. However, an employee cannot refuse to work overtime if

the work which is required to be done must be done without delay owing to circumstances for which the employer could not reasonably have been expected to make provision, such as the sudden breakdown of equipment, and which cannot be performed by employees during the ordinary hours of work (Section 6 (2) BCEA) (The South African Department of Labour, 2004a).

#### ***4.3.1 Pay for Overtime***

Based on Legislation in Section 10, of the Basic Conditions of Employment Act, Employers must pay workers overtime at 1.5 times the normal hourly wage. Alternatively, a worker may agree to receive paid time off or a combination of pay and time off (The South African Department of Labour, 2004a).

#### ***4.3.1 Remuneration for Sunday and public holiday work***

Should any employee work on a Sunday, he must be remunerated at double his normal wage rate for each hour worked, unless he ordinarily works on a Sunday, in which case he must be remunerated at 1, 5 times his normal wage rate for each hour worked (The South African Department of Labour, 2004a).

Should any employee work on a public holiday, it must be noted that no employer may require any employee to work on a public holiday except in accordance with an agreement with the employee to do so (The South African Department of Labour, 2004a).

If the public holiday falls on a day on which the employee would normally work, the employee is entitled to that day off on full pay, or if he does not work on that day then he is entitled to be paid his ordinary daily wage

plus the amount earned by him for the work performed on that day (The South African Department of Labour, 2004a).

Should the public holiday fall on a day on which the employee would ordinarily work then if he works on that public holiday he is entitled to be paid at least double his normal wage rate for the day, or if he does not work, he is entitled to have the day off and be paid his normal wage rate for the day (The South African Department of Labour, 2004a).

#### ***4.3.1 Hours of Works and Overtime***

Chapter 2 of the BCEA regulates working Time, including all hours and overtime (The South African Department of Labour, 2004a).

##### For employees earning less than the determined threshold

The maximum normal working time allowed (section 9 BCEA) is 45 hours weekly. This is 9 hours per day (excluding lunch break) if the employee works a five-day week, and 8 hours per day (excluding lunch break) if the employee works more than 5 days per week. This does not mean that the employee must work 45 hours per week normal time (The South African Department of Labour, 2004a).

The amount of normal time worked is a matter of contractual agreement between employer and employee. Some employers work a 40 hour week, and so on (The South African Department of Labour, 2004a).

The statutory limitation of 45 hours per week means that the employee may not work more than 45 hours per week normal time (The South African Department of Labour, 2004a).

Lunch break is unpaid time and is the employee's own time - he/she and read a book, go shopping, etc because they are not paid for lunch breaks. Therefore an employee who works a 5 day week and who receives a lunch break of one hour daily will actually be at the workplace for 50 hours weekly (45 hours normal working time plus 5 hours daily lunch breaks.) (The South African Department of Labour, 2004a).

The lunch break is to be provided after five hours continuous working time. Tea breaks do not qualify as a break in working time. The statutory lunch break is 1 hour, but by agreement between the employee and employer this may be reduced to 30 minutes (The South African Department of Labour, 2004a).

#### For employees who earn above the determined threshold

Employees who earn above the determined threshold amount must negotiate the normal amount of working hours per day or per week with the employer. The employee is under no obligation to work more than 45 hours per week (The South African Department of Labour, 2004a).

#### **4.4 Conclusion**

Twenty four Employees whom the study conducted interviews pronounced several issues about overtime. As mentioned above, there are three different kinds of employees in Huawei SA. Therefore their concerns and views are varied due to their different culture and background.

There are at least five structural differences between Chinese and South Africa. These differences involve culture background; social constitution, political structure, infrastructural formation and life style predisposition.

Instilling the Chinese overtime culture in South African work place will be great challenge because some of these differences cannot be easily compromised.

Moreover, since the Huawei SA is based in South Africa, the company have to abide the South African laws. Although it has long established tradition of practising the Chinese overtime culture successfully in China, it cannot expect that it is also possible to practice the same culture in South Africa, due to the different laws, different employess who have very different tradition and cultures, and different social structure. However, it has still potential to establish successful Chinese overtime culture if the company takes time and can adapt the overtime practice to the situation of South Africa and the culture of South African employees.

## **Chapter 5**

### **ANALYSIS AND FINDING**

*This chapter presents firstly the summarised version of the responses of the interviewees. Then, the results of the study and their interpretation are discussed. The interpretation of results occurs in conjunction with the main research question of this study.*

The specific questions to this study, as outlined in chapter one were:

1. Can Chinese overtime culture be implemented in the Chinese enterprise overseas?
2. What factors might be preventing the Chinese overtime culture from being effectively implemented by Chinese enterprises overseas?

In order to get the answers to the above questions, this study conducted the interviews with twenty four employees in Huawei Technologies SA.

#### **5.1 Statistics on the Respondent's Biographical Information**

This study interviewed three kinds of staffs in Huawei Technologies SA. The first one is Chinese employees who are brought by the company from China to work in South Africa; another one is Chinese employees who are South African nationalities and South African nationalities working in the Huawei Technologies SA.

**Table 5.1 Answers from Interviewees**

| No | Questions                                                       | Yes | No | No Answer | Total |
|----|-----------------------------------------------------------------|-----|----|-----------|-------|
| 1  | Clear job description                                           | 11  | 13 | 0         | 24    |
| 2  | Job skill training                                              | 13  | 11 | 0         | 24    |
| 3  | Understanding of Chinese overtime work culture                  | 18  | 6  | 0         | 24    |
| 4  | Company reputation and prospect                                 | 14  | 10 | 0         | 24    |
| 5  | Recognition on work                                             | 18  | 6  | 0         | 24    |
| 6  | Commitment / Dedication to job                                  | 4   | 20 | 0         | 24    |
| 7  | Difference between the goal and personal performance commitment | 20  | 4  | 0         | 24    |
| 8  | Colleague collaboration and Team work                           | 7   | 16 | 1         | 24    |
| 9  | Management pressure                                             | 17  | 7  | 0         | 24    |
| 10 | Competitive basic salary                                        | 12  | 12 | 0         | 24    |
| 11 | Salary increase based on personal performance                   | 11  | 11 | 2         | 24    |
| 12 | Good benefit plan for employee                                  | 12  | 9  | 3         | 24    |
| 13 | Reasonable promotion system                                     | 18  | 4  | 2         | 24    |
| 14 | Overtime pay                                                    | 9   | 10 | 5         | 24    |
| 15 | Clear job description                                           | 9   | 15 | 0         | 24    |

Source: Interview Transcripts

## 5.2 Respondents' Answers

Main Question of the interview is: What factors might be preventing the Chinese overtime culture from being effectively implemented in Huawei Technologies SA? According to the respondents, the following sixteen factors were recorded.

- (1) Lack of clear job description
- (2) Lack of job skills training

- (3) Lack of understanding of Chinese overtime culture in South Africa
- (4) Lack of recognition on work performance
- (5) Weak commitment and low dedication to job
- (6) Difference between goal and personal performance commitment
- (7) Weak collaboration and team spirit in work place
- (8) Lack of competitive basic salary
- (9) Low performance-based salary increment
- (10) Lack of good benefit plan for employees
- (11) Lack of reasonable promotion system
- (12) Low or lack of overtime pay
- (13) Strict labour law and powerful unions influence in South Africa
- (14) Weak and limited public transportation system
- (15) Weak work ethic of South African employees
- (16) Taking priority over family, rather than work

In the following section the answers of the research questions will be presented.

### **5.3 Factors undermining the success of Chinese overtime culture**

The first research question of this study is “What factors undermine the applicability of the Chinese overtime culture in a Chinese enterprise based in South Africa?”

This study found that from the sixteen factors that undermine the applicability of the Chinese overtime culture in a Chinese enterprise based in South Africa, the following fifteen factors are the most important factors.

- (1) Weak and limited public transportation system
- (2) Taking priority over family, rather than work
- (3) Weak Management in the company
- (4) Cultural differences (not like working overtime)
- (5) Weak work ethic of South African employees

- (6) Communication difficulty (due to language, and lack of internal communication system)
- (7) Different views on overtime between Chinese staffs and local employees
- (8) Depend on nature of jobs
- (9) Paid for overtime
- (10) Advance notification
- (11) Good reasons provided by company for overtime
- (12) Agreement between company and employees about overtime
- (13) Contract that clearly mentioned about overtime
- (14) Priority of family
- (15) Strict labour law and powerful unions influence in South Africa

#### **5.4 Factors that encourage working overtime**

The second research question of this study is “Which factors encourage working overtime in a Chinese enterprise based in South Africa?”

This study found that the following sixteen factors encourage the employees to work overtime.

- (1) Payment for overtime
- (2) Providing transportation by the company
- (3) Strong commitment and high dedication to job
- (4) High team spirit in work place
- (5) Declining job security and competitive pressure in South Africa
- (6) Clear job description
- (7) Understanding of Chinese overtime culture
- (8) Company reputation and prospect for future development of employees
- (9) Having recognition on work performance of employees
- (10) Harmonious between company goal and personal performance commitment of the employees
- (11) Management pressure

- (12) Good rewarding and promotion system
- (13) Having performance-based salary increment
- (14) Having good benefit plan for employees
- (15) Providing regular job training
- (16) Having reasonable promotion system

**Table 5.2 Factors that affect applicability of overtime culture**

| No | Factors                                                                | Time Mentioned | Total |
|----|------------------------------------------------------------------------|----------------|-------|
| 1  | Transportation                                                         |                | 14    |
| 2  | Family gathering                                                       |                | 10    |
| 3  | Management (Style, Quality, Appreciation, Cultural understanding)      |                | 9     |
| 4  | Culture (differences, not like working overtime)                       |                | 6     |
| 5  | Work ethic (motivation, demotivation, efficiency)                      |                | 6     |
| 6  | Communication (language, internal)                                     |                | 5     |
| 7  | Different views on overtime between Chinese staffs and local employees |                | 5     |
| 8  | Depends on the jobs                                                    |                | 4     |
| 9  | Paid for overtime                                                      |                | 3     |
| 10 | Advance notification                                                   |                | 2     |
| 11 | Good reasons provided by company for overtime                          |                | 1     |
| 12 | Agreement between company and employees about overtime                 |                | 1     |
| 13 | Contract, clearly mentioned about overtime                             |                | 1     |
| 14 | Priority (work vs family)                                              |                | 1     |
| 15 | Labour law and regulation in South Africa                              |                | 1     |

Source: Interview Transcripts

## 5.5 Can Chinese overtime culture be implemented?

The third research question of this study is “Can Chinese overtime culture be implemented in the Chinese enterprise overseas?”

Out of 24 interviewees, three kinds of different answers received for this question. Only four persons said that Chinese overtime culture can be implemented in Chinese enterprise based in South Africa; other four persons said that it cannot be implemented; and two persons said it is possible to implement Chinese overtime culture but it is difficult. The rest (i.e., 14 persons) did not make any comments on this question. All of these persons have their own reasons for their answers.

Two persons who said that although it is possible to implement Chinese overtime culture in the Chinese enterprise based in South Africa, it is difficult and it will take too long for it. They gave reasons for being difficult as follow:

- (1) Most of the local employees do not understand Huawei SA working culture,
- (2) Local employees give priority over family matters than work,
- (3) Lack of proper public transportation in South Africa, that makes employees difficult to go home even if they want to work overtime,
- (4) Lack of understanding and communication among company, Chinese employees and local employees.

Four persons who said that Chinese overtime culture cannot be implemented in Chinese enterprise based in South Africa gave the following reasons for their answers;

- (1) Lack of overtime payment: local employees do not want to work overtime for free,
- (2) Most local employees do not rally like working overtime
- (3) Family matter is most important for most local employees
- (4) Lack of public transportation: most local employees depend on public transportation. Public transportation in South Africa does not

- run all the time; they have their timetable and if the employees missed the bus, there will be no bus for them to go home,
- (5) Lack of appreciation for performance, that makes local employees demotivated to work hard,
  - (6) Lack of performance-based salary increment and benefits for employees. It also weaken worker's dedication to work,
  - (7) Strict and rigid labour law and great influence of worker unions in South Africa also make difficult for the company to ask worker to work overtime,

Persons who believe that it is possible to implement the Chinese overtime culture recommended the following suggestions:

- (1) Clear statement in contract about necessity of working overtime
- (2) Clear payment plan for overtime
- (3) Improved overtime payment
- (4) Creating mutual cultural exchange programme
- (5) Creating friendly and consolidated relationship between employees and company
- (6) Advance notification for overtime
- (7) Providing transportation
- (8) Performance-based salary increment
- (9) Providing job skills training
- (10) Improving smooth and clear internal communication system

Table 5.3 Answers by the interviewees

|             | Q1                    | Q2                  | Q3                                        | Q4                            | Q5                  | Q6                                            | Q7                          | Q8                                             | Q9                                  | Q10                 | Q11                      | Q12                                | Q13               | Q14                         | Q15          |
|-------------|-----------------------|---------------------|-------------------------------------------|-------------------------------|---------------------|-----------------------------------------------|-----------------------------|------------------------------------------------|-------------------------------------|---------------------|--------------------------|------------------------------------|-------------------|-----------------------------|--------------|
| Respondents | Clear Job Description | Job Skills Training | Understanding of Chinese Overtime Culture | Company Reputation & Prospect | Recognition on Work | Declining Job Security / Competitive Pressure | Jon Commitment / Dedication | Difference between Goal & Personal Performance | Colleague Collaboration & Team Work | Management Pressure | Competitive Basic Salary | Performance-based Salary Increment | Good Benefit Plan | Reasonable Promotion System | Overtime Pay |
| 1           | -1                    | -1                  | -1                                        | -1                            | 1                   | -1                                            | 1                           | 1                                              | -1                                  | 1                   | -1                       | -1                                 | 1                 | -1                          | 1            |
| 2           | 1                     | 1                   | 1                                         | 1                             | 1                   | 1                                             | -1                          | -1                                             | -1                                  | 1                   | 0                        | 0                                  | 0                 | 0                           | 1            |
| 3           | -1                    | 1                   | 1                                         | 1                             | 1                   | -1                                            | 1                           | 1                                              | 1                                   | -1                  | -1                       | -1                                 | 1                 | 1                           | 1            |
| 4           | -1                    | -1                  | -1                                        | 1                             | 1                   | -1                                            | 1                           | 1                                              | 1                                   | -1                  | -1                       | -1                                 | 1                 | -1                          | -1           |
| 5           | -1                    | -1                  | -1                                        | 1                             | 1                   | -1                                            | 1                           | 1                                              | 1                                   | -1                  | -1                       | -1                                 | -1                | 0                           | -1           |
| 6           | 1                     | -1                  | -1                                        | 1                             | 1                   | -1                                            | 1                           | -1                                             | 1                                   | -1                  | 1                        | -1                                 | 1                 | -1                          | 1            |
| 7           | -1                    | -1                  | -1                                        | -1                            | 1                   | -1                                            | 1                           | -1                                             | 1                                   | -1                  | -1                       | -1                                 | 1                 | -1                          | -1           |
| 8           | 1                     | 1                   | 1                                         | 1                             | 1                   | 1                                             | -1                          | 1                                              | 1                                   | 1                   | 0                        | 0                                  | 0                 | 0                           | 1            |
| 9           | -1                    | -1                  | 1                                         | -1                            | 1                   | -1                                            | 1                           | 1                                              | 1                                   | -1                  | -1                       | 1                                  | 1                 | -1                          | 1            |
| 10          | 1                     | 1                   | 1                                         | 1                             | -1                  | -1                                            | 1                           | 1                                              | 1                                   | 1                   | 1                        | 1                                  | 1                 | 1                           | -1           |
| 11          | 1                     | 1                   | 1                                         | 1                             | 1                   | -1                                            | 1                           | -1                                             | 1                                   | -1                  | -1                       | 1                                  | 1                 | -1                          | 1            |
| 12          | 1                     | 1                   | -1                                        | -1                            | -1                  | -1                                            | 1                           | 0                                              | 1                                   | -1                  | 1                        | 1                                  | 1                 | -1                          | -1           |
| 13          | 1                     | 1                   | 1                                         | -1                            | 1                   | -1                                            | -1                          | 1                                              | 1                                   | 1                   | 1                        | -1                                 | 1                 | -1                          | -1           |
| 14          | 1                     | -1                  | 1                                         | 1                             | 1                   | -1                                            | -1                          | 1                                              | -1                                  | -1                  | -1                       | 1                                  | 1                 | -1                          | 1            |
| 15          | 1                     | -1                  | 1                                         | 1                             | 1                   | -1                                            | 1                           | -1                                             | 1                                   | -1                  | 1                        | 1                                  | 1                 | 1                           | 1            |

|             | Q1                    | Q2                  | Q3                                        | Q4                            | Q5                  | Q6                                            | Q7                          | Q8                                             | Q9                                  | Q10                 | Q11                      | Q12                                | Q13               | Q14                         | Q15          |
|-------------|-----------------------|---------------------|-------------------------------------------|-------------------------------|---------------------|-----------------------------------------------|-----------------------------|------------------------------------------------|-------------------------------------|---------------------|--------------------------|------------------------------------|-------------------|-----------------------------|--------------|
| Respondents | Clear Job Description | Job Skills Training | Understanding of Chinese Overtime Culture | Company Reputation & Prospect | Recognition on Work | Declining Job Security / Competitive Pressure | Jon Commitment / Dedication | Difference between Goal & Personal Performance | Colleague Collaboration & Team Work | Management Pressure | Competitive Basic Salary | Performance-based Salary Increment | Good Benefit Plan | Reasonable Promotion System | Overtime Pay |
| 16          | 1                     | 1                   | 1                                         | -1                            | -1                  | -1                                            | 1                           | 1                                              | -1                                  | 1                   | -1                       | -1                                 | 1                 | -1                          | -1           |
| 17          | 1                     | -1                  | 1                                         | 1                             | 1                   | 1                                             | 1                           | -1                                             | 1                                   | -1                  | 1                        | 1                                  | 1                 | 1                           | -1           |
| 18          | -1                    | 1                   | 1                                         | 1                             | -1                  | -1                                            | 1                           | 1                                              | 1                                   | 1                   | 1                        | 1                                  | 1                 | 1                           | -1           |
| 19          | -1                    | 1                   | 1                                         | -1                            | 1                   | -1                                            | 1                           | -1                                             | 1                                   | 1                   | 1                        | 1                                  | -1                | 1                           | -1           |
| 20          | -1                    | 1                   | 1                                         | -1                            | 1                   | -1                                            | 1                           | 1                                              | 1                                   | 1                   | 1                        | 1                                  | -1                | 0                           | -1           |
| 21          | -1                    | -1                  | 1                                         | -1                            | -1                  | -1                                            | 1                           | 1                                              | -1                                  | 1                   | 1                        | -1                                 | -1                | 1                           | -1           |
| 22          | -1                    | 1                   | 1                                         | -1                            | -1                  | -1                                            | 1                           | -1                                             | 1                                   | -1                  | -1                       | 1                                  | 1                 | 1                           | -1           |
| 23          | -1                    | 1                   | 1                                         | 1                             | 1                   | 1                                             | 1                           | 1                                              | -1                                  | 1                   | -1                       | 0                                  | 1                 | 0                           | -1           |
| 24          | -1                    | -1                  | 1                                         | 1                             | 1                   | -1                                            | 1                           | -1                                             | -1                                  | 1                   | 1                        | 1                                  | 1                 | 1                           | -1           |
| Total       | -2                    | 2                   | 12                                        | 4                             | 12                  | -16                                           | 16                          | 5                                              | 10                                  | 0                   | 0                        | 3                                  | 14                | -1                          | -6           |
| Yes %       | 45.8                  | 54.2                | 75                                        | 58.3                          | 75                  | 16.7                                          | 83.3                        | 58.3                                           | 70.8                                | 50                  | 45.8                     | 50                                 | 75                | 37.5                        | 37.5         |
| No %        | 54.2                  | 45.8                | 25                                        | 41.7                          | 25                  | 83.3                                          | 16.7                        | 37.5                                           | 29.2                                | 50                  | 45.8                     | 37.5                               | 16.7              | 41.7                        | 62.5         |
| No Answer % | 0                     | 0                   | 0                                         | 0                             | 0                   | 0                                             | 0                           | 4.17                                           | 0                                   | 0                   | 8.3                      | 12.5                               | 8.3               | 20.8                        | 0            |

Note: Yes = 1; No = -1; No Answer = 0

## **5.6 Reasons for working overtime**

The interviewees stated their reasons for working overtime. They mentioned that working overtime depends on the nature of jobs. Some works are not always necessary to work overtime while some kinds of job do not need to do it. However some work need overtime to finish in time. Employees have to work overtime occasionally because of the following reasons:

- (1) Too much work: It may be due to too much work and unable to complete it within the normal time schedule, so have to work overtime.
- (2) Intense competition:
- (3) Great pressure from performance appraisal and end-elimination principle
- (4) Pressure of comparison (between colleagues within the department or beyond department)
- (5) Willing to give boss better impression (employee would like to give boss better impression and thus stay and work overtime at office)
- (6) Chinese Traditional value on diligence and hard work (first taught by Confucius thousands of years ago)

## **5.7 Issues concerning overtime**

The fifteen issues were arisen during the interviews with twenty four employees (Table 5.4). These issues are

- (1) Clear Job description
- (2) Job skill training
- (3) Understanding of Chinese overtime culture
- (4) Company reputation and future prospect for worker
- (5) Recognition on work

- (6) Declining job security and competitive pressure in work place
- (7) Worker's commitment and dedication to job
- (8) The difference between the goal of the company and personal performance commitment
- (9) Colleague collaboration and team work
- (10) Competitive basic salary
- (11) Management pressure
- (12) Good rewarding and promotion system in work
- (13) Performance based salary increment
- (14) Good benefit plan for employee
- (15) Reasonable promotion system
- (16) Overtime pay

Although there are fifteen different issues revealed by the interviewees, some issues can be categorised into one item. Competitive basic salary, recognition on work, good rewarding and promotion system in work, performance based salary increment, good benefit plan for employees and reasonable promotion system are can be collectively name as a "performance appraisal and rewards".

In a similar vein, clear job description, job skill training, difference between the goal of the company and personal performance commitment can be put all together under a title of "working structure of the company".

Colleague collaboration and team work, management pressure, and worker's commitment and dedication to job, understanding of Chinese overtime culture, should be under a title of "team work and work morale".

Declining job security and competitive pressure in work place is a particular entity. It is a threat to or a concern of worker that they cannot control.

Therefore there will be only five main issues left to be discussed in details. These are (1) Overtime payment, (2) performance appraisal and rewards, (3) working structure of the company, (4) team work and work morale, and (5) declining job security and competitive pressure (Table 5.4). In the following section these four issues will be discussed in details as mentioned by the interviewees.

**Table 5.4 Issues Concerning Overtime**

| No | Issues                                                                                                                                                                                                                                                                                                                                  |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Overtime Payment                                                                                                                                                                                                                                                                                                                        |
| 2  | Performance Appraisal and Rewards <ul style="list-style-type: none"> <li>▪ Competitive basic salary</li> <li>▪ Recognition on work,</li> <li>▪ good rewarding and promotion system in work,</li> <li>▪ performance based salary increment,</li> <li>▪ good benefit plan for employees</li> <li>▪ reasonable promotion system</li> </ul> |
| 3  | Working Structure of the Company <ul style="list-style-type: none"> <li>▪ clear job description,</li> <li>▪ job skill training,</li> <li>▪ difference between the goal of the company and personal performance commitment</li> </ul>                                                                                                    |
| 4  | Team Work and Work Morale <ul style="list-style-type: none"> <li>▪ Colleague collaboration and team work,</li> <li>▪ management pressure,</li> <li>▪ worker's commitment and dedication to job</li> </ul>                                                                                                                               |
| 5  | Declining Job Security and Competitive Pressure                                                                                                                                                                                                                                                                                         |

### **5.3.1 Overtime Payment**

The company's overtime payment system is not clear among the employees. Some get paid for overtime whilst some do not. Even if overtime payment is paid, workers do not want to work overtime because

they feel payment is too low and they prefer to stay with family rather than working overtime.

Out of twenty four employees, 37.5 percent answered that they were paid for their overtime work, 62.5 percent said they did not received payment for their overtime. Most of the employees that the study interviews clearly mentioned that it is not clear about payment for overtime in the company. The company does not make it clear in their payment system.

In South African “Basic Condition of Employment Act (1997)” states that overtime work must be paid or remunerated. Overtime work without paid is a kind of forced labour. Therefore overtime payment is quite serious issue in South Africa and the nation legislation and workers and trade union will not tolerate on the violation of overtime payment law and act.

Although the overtime payment issue was mentioned in the interviews only three times (Table 5.3), it is a top issue to be addressed. Overtime issue is multi-factor case, however payment will definitely ease many other issues that hindered the successful implementation of overtime culture in South Africa.

### ***5.3.2 Performance Appraisal and rewards***

Every body want recognition and acknowledgement for their performance. Every company should therefore have a programme that monitors the performance of employees and rewards and punishments according to their performance. Unless such kind of programme is in place in the company, employees would not be motivated to work hard and they will think it is useless to work very hard because there is no performance monitoring and rewards and punishment system in the work place.

Interviewees discussed six issues on the performance appraisal and rewards topic. These issues are (1) competitive basic salary, (2) recognition on work, (3) good rewarding and promotion system in work, (4) performance based salary increment, (5) good benefit plan for employees, and (6) reasonable promotion system.

**Competitive Basic Salary:** Half of the interviewees said the salary is competitive whilst other half said the salary is not competitive. The answers of them are based on their background working experiences. People who came from low salary think that their current salary are fair, but persons who have many working experiences and used to have good salary and good benefit plans do not think the salary they receive in this company is not good enough and not competitive. Basic salary plays a great role in the case of working overtime. If a person gets good salary, he or she will be very happy and be always ready to work overtime. However an employees who think his or her salary is good enough for them will not normally want to work overtime.

**Recognition on work:** 75 percent of respondents said they want recognition for their work performance and it is important for them. These 75 percent of interviewees said they will be more happy and ready to work overtime if they get proper recognition for their performance. Only 25 percent said they do not care about recognition and they are fine as long as they get their salary for their work.

**Good rewarding and promotion system in work:** Working at the company there is no prospect of promotion is like a living there is no future. In the interview, 37.5 percent said there are good rewarding and promotion system in the company whilst 52.6 percent said there is no such system. One employer said there is impossible to be promoted for employees in the administration department. She also added that it is so difficulty for persons in the administration department to move to other

department. Lack of good rewarding and promotion system can cause demotivation for the employees and their willingness to work for overtime.

***Performance based salary increment:*** 50 percent of respondent said they think the company's salary increment is fair and they got promoted according to their performance. However the 37.5 percent said they do not think the salary increment system of the company is fair and square. They also stated that the company salary increment system is not clear. All of the interviewees recommended that the performance based salary increment should be clearly stated in company constitution and such kind of salary increment will definitely motivate the employees and will increase the willingness of them to work overtime.

***Good benefit plan for employees:*** 75 percent of the respondents said they are happy with current company's benefit plan for their services. 16.7percent said they are not happy the benefit plan offered by the company. They said the existing benefit plans are not good enough for them. All of them answered that good benefit plan will have good impact on the willingness of the employees to work overtime.

### ***5.3.3 Working Structure of Company***

In this issue, three discussions were made by the interviewees. These discussions are (1) clear job description, (2) job skill training, (3) difference between the goal of the company and personal performance commitment. This kind of working structure is important for any companies that want their employees to be motivated, committed to their works and possess higher productivity.

***Clear job description:*** Lack of clear job description makes worker bewilderment for their jobs. They do not know exactly what they are going to do. 45.8 percent of the interviewees stated that their job descriptions

are not clear and it has a negative impact on their motivation to work. But 54.2 percent said their job descriptions are clear and they know their responsibility and what works have to be done. For them, if they could not finish their work and responsibility, they are ready and happy to work overtime.

***Job skills training:*** Job skills training empowers employees and enhance the productivity of each workers. Through job skills training, workers become friendly among themselves, also their team-spirit and work morale would be higher. It also makes workers more skilful in their assigned jobs. Out of twenty four interviewees, 54.2 percent of respondents said they received job skills training whilst 45.8 percent said they do not have any job skills training since they started working in the company. Persons who said they received skills training said the training they got was not sufficient for their tasks and they wish to have more training. Most of the employees said they have to study by themselves in their own arrangement, in their own time. Some of them said the company provide the training but the company does not allow conducting training section in normal working hours, there the workers have to attend the trainings in weekends or after normal working hours.

***Difference between company's goal and employee's task:*** Another small conflict is the overall goal of the company is sometime different from the task of worker. Out of twenty four interviewees, one person did not answer the question, 14 persons (58.3 percent of the respondents) said there is gap between the task and the company goal, however, six persons of them (26.1 percent of the respondents) said this gap is not a problem for them. Nine persons (37.5 percent of the respondents) said there is no gap for them. Interviewee stated that such kind of difference is a result of no internal relation in the company and among the workers. This kind of difference create misunderstanding between employees and the company, moreover it also create unnecessary overtime works.

#### **5.3.4 Team Work and Work Morale**

Team work and work morale always play a great role in any work place. Human beings are social animals. So there should be harmony and understanding among team members and fellow workers. Condition of team spirit and work morale are close related. These two issues are interdependent. On this issue, the interviewees made four discussions: (1) colleague collaboration and team work, (2) management pressure, (3) worker's commitment and dedication to job, and (4) understanding of Chinese overtime culture.

**Colleague collaboration and team work:** No work can be done by alone; in some ways or another, there must be co-workers who perform the tasks together. Out of 24 interviewees, 70.8 percent said colleague collaboration and team work are very important in their works. 29.2 percent of respondents said there is not collaboration among colleague and the team spirit is very low. All of them state that most of the overtime is a result of lack of colleague collaboration and team work. They mentioned that there are lots of fighting and chaos: everyone is fighting for the position of supervisor. It is not a good news really for a company.

**Management pressure:** Half of the interviewees states that there are management pressure in their work to do overtime, while the other half said they do not have such kind of pressure. It might be because of different nature of jobs they are responsible for.

**Worker's commitment and dedication to job:** Productivity is playing a leading role in global work places. Productivity is a product of worker's commitment, his or her dedication to their job and continuous improvement of him or herself by themselves or by the aids and programmes of company. It is also a result of company rewarding system for performance.

If there are no recognition and proper rewards for working hard, and no employees will not be motivated nor inspired to work hard again.

Fortunately 88.3 percent of the responds agreed that commitment and dedication of job are important factor that can make workers to be ready and willing to work overtime and they asserted that they are fully committed and dedicated to their jobs. Only 16.7 percent said they are not committed and are not dedicated to their jobs, as they are working for salary. All of those people said they can work overtime as long as there are proper recognition and proper payment for their overtime works.

***Understanding of Chinese overtime culture:*** since the Huawei Technologies SA (Pty) is trying to instil the Chinese overtime culture in the company, it is indispensable for every employee to understand the Chinese overtime culture. Without knowing what the Chinese overtime culture, how can the employee compliant with that culture?

According to the interview, 75 percent of the respondents said they understand the Chinese overtime culture whilst 25 percent reported that they do not understand it. If the company can make all employees understand the Chinese overtime culture, the process of instilling the overtime culture in the company would be more easier.

#### ***5.3.5 Declining Job Security and Competitive Pressure***

Declining job security and competitive pressure from competitive companies make employees a powerful threat. Employees have to worry for their stability of having a job for themselves and for their family's livelihood. Fortunately only 16.7 percent of the responds said they worried about declining job security and competitive pressure from competitive companies. Therefore they are willing to work overtime whenever the company asks them to do it. The rest 83.3 percent said they have no fear

about this kind of threat, and they never work overtime because of declining job security and pressure from competitive companies.

#### **5.4 Conclusion**

From this study, it was noted that establishing overtime culture is quite complicated process because there are many factors that determine the success of the process.

In this section, the research questions are answered by analysing the responses from the interviewees and also from literature review. This study analysed the factors that affect the applicability of Chinese overtime culture in Chinese enterprise in South Africa.

The study disclosed sixteen factors that make implementation of Chinese overtime culture in South Africa difficult. It also found that there are another fifteen factors that can make possible to implement Chinese overtime culture in South Africa. The interviewees made ten recommendations for successful establishment of Chinese overtime culture in Huawei Technologies SA. The respondents also discussed five main issues concerning the overtime.

#### **Proposition Testing**

In summary, literature suggests that implementation of Chinese overtime culture in Chinese enterprise overseas is possible if:

Proposition 1: There is guidance for local employee in terms of work attitude and work plan

Proposition 2: The goal for local employee can be set properly and full communication is provided.

Proposition 3: There is reasonable rewarding and promotion system based on performance.

**Table 5.5 Testing Propositions**

| Propositions and Questions                                              |             | NA          | Yes          | No          | TA        | NA (%)      | Yes (%)      | No (%)       |
|-------------------------------------------------------------------------|-------------|-------------|--------------|-------------|-----------|-------------|--------------|--------------|
| <b>Proposition 1:</b><br>Guidance on Work plan and attitude             | <b>Q 1</b>  | 0           | 11           | 13          | 24        | 0           | 45.8         | 54.2         |
|                                                                         | <b>Q 2</b>  | 0           | 13           | 11          | 24        | 0           | 54.2         | 45.8         |
|                                                                         | <b>Q 3</b>  | 0           | 18           | 6           | 24        | 0           | 75           | 25           |
|                                                                         | <b>Q 4</b>  | 0           | 14           | 10          | 24        | 0           | 58.3         | 41.7         |
|                                                                         | <b>Q 5</b>  | 0           | 18           | 6           | 24        | 0           | 75           | 25           |
|                                                                         | <b>Q 6</b>  | 0           | 4            | 20          | 24        | 0           | 16.7         | 83.3         |
|                                                                         | <b>Q 7</b>  | 0           | 20           | 4           | 24        | 0           | 83.3         | 16.7         |
|                                                                         | <b>P 1</b>  | <b>0</b>    | <b>14</b>    | <b>10</b>   | <b>24</b> | <b>0</b>    | <b>58.33</b> | <b>41.67</b> |
| <b>Proposition 2:</b><br>Goal setting and communication issue?          | <b>Q 8</b>  | 1           | 14           | 9           | 24        | 4.17        | 60.9         | 39.1         |
|                                                                         | <b>Q 9</b>  | 0           | 17           | 7           | 24        | 0           | 70.8         | 29.2         |
|                                                                         | <b>Q 10</b> | 0           | 12           | 12          | 24        | 0           | 50           | 50           |
|                                                                         | <b>P 1</b>  | <b>0.33</b> | <b>14.33</b> | <b>9.33</b> | <b>24</b> | <b>1.33</b> | <b>59.72</b> | <b>38.89</b> |
| <b>Proposition 3:</b><br>Good rewarding and promotion system internally | <b>Q 11</b> | 2           | 11           | 11          | 24        | 8.33        | 50           | 50           |
|                                                                         | <b>Q 12</b> | 3           | 12           | 9           | 24        | 12.5        | 57           | 42.9         |
|                                                                         | <b>Q 13</b> | 2           | 18           | 4           | 24        | 8.33        | 81.8         | 18.2         |
|                                                                         | <b>Q 14</b> | 5           | 9            | 10          | 24        | 20.83       | 47.4         | 52.6         |
|                                                                         | <b>Q 15</b> | 0           | 9            | 15          | 24        | 0           | 37.5         | 62.5         |
|                                                                         | <b>P 1</b>  | <b>2.4</b>  | <b>11.8</b>  | <b>9.8</b>  | <b>24</b> | <b>10</b>   | <b>49.17</b> | <b>40.83</b> |

Note: P = Proposition; NA = No Answer; TA = Total Respondents

For the Proposition 1: There is guidance for local employee in terms of work attitude and work plan, 58.33% of the respondents agreed, while 41.67% rejected.

For the Proposition 2: The goal for local employee can be set properly and full communication is provided, 59.72 % of the respondents agreed, while 38.89% rejected and 1.33% did not answer.

For Proposition 3: There is reasonable rewarding and promotion system based on performance, 49.17 % of the respondents agreed, while 40.83% rejected and 10 did not answer.

Therefore, the study discovered that none propositions are not supported or rejected. Nearly half of all respondents agreed these propositions while about other half of the respondents disagreed them (Table 5.5).

In the following section the recommendation for the successful establishment of Chinese overtime culture in Huawei Technologies SA and suggestions for future research are going to be discussed.

## **Chapter 6**

### **RECOMMENDATIONS AND CONCLUSION**

#### **6.1 Introduction**

This study has explored some of the key factors that affect the applicability of Chinese overtime culture in a Chinese enterprise based in South Africa. As mentioned in the introduction (chapter one), the basic objective of this study is to know what factors might be preventing the Chinese overtime culture from being effectively implemented by Chinese enterprise overseas.

The study disclosed sixteen factors that make implementation of Chinese overtime culture in South Africa difficult. It also found that there are another fifteen factors that can make possible to implement Chinese overtime culture in South Africa. The interviewees made ten recommendations for successful establishment of Chinese overtime culture in Huawei Technologies SA. The respondents also discussed five main issues concerning the overtime.

In this chapter, recommendations will be presented in order to do successful implementation of Chinese overtime culture in Chinese enterprise based in South Africa. After that, suggestions for further research will be discussed.

#### **6.2 Recommendations**

This study noted ten recommendations that were recommended by the interviewees and mentioned in the literature on the Chinese overtime culture practising in overseas Chinese enterprise. These recommendations are (1) to mention clearly about overtime in job

contracts; (2) to discuss about necessity of working overtime when employees are appointed; (3) to have clear overtime policy in place in company constitution; (4) to build team spirit in work place; (5) to provide sufficient job skills training to employees; (6) provide transportation for employees who work overtime; (7) to mobilise employees to understand overtime practice in the world; (8) to have a mutual cultural exchange programme that will enhance the understanding among employees who have different culture and different nationalities; (9) to have performance-based salary increment and benefit plans for employees; (10) to have smooth and quick internal communication system among workplace.

### **6.3 Suggestions for Further Research**

Naturally this research cannot be regarded as the definitive research in this area. As a result of the research findings, potential areas for further research can be identified as follows:

- Since the culture and attitude of employees are different based on their culture and their regions, it is quite difficult to generalise the attitude and views on working overtime among different employee groups. So it is recommendable to do separate studies on each different employee group.
- The study cannot investigate the condition by surveying the other enterprise in South Africa that practising overtime culture.
- Most of the interviewees whom this study interviewed are not accustomed with labour law and framework of legal enforcement on the practice of working overtime. The study should interview as many stakeholders possible to understand what overall concerns and difficulties they encountered in the practice of Chinese overtime culture in their workplaces.

## 6.4 Conclusion

Most Chinese people and Chinese company seem to have great admiration to become rich and have great fun in working too hard. But not every person is the same. Rich might be some persons' greatest desires but it cannot be desire of each and every human. Rich and wealth are not only desirable aim in the world: there are many other pleasing purposes and beautiful reasons in our life. Life is not for just working, nor just to be rich. Life is much greater than to aim just to become rich.

Overtime culture is good for people who like working and aims to be financially strong. However, it could not be an aim for people who are more interested in other standards like family value, slow and peaceful life style.

When we think about overtime, there is a point that should be kept in our minds is that whenever employee work overtime, the benefit or result of his or her overtime work is divided between the employee and the company. Unfortunately, the dividend is not always the equal share: the company take more than half of the share and the employee always get less than what he or she should be paid. It would be no problem in a country that favour the company by the expense of workers; but it would not be let it happens in every country where rights are more important than financial gain of the companies.

This study clearly reveals that South African employees are not like Chinese people and the South African government are not Chinese one. South African people love family value, more social interaction and more meaningful living styles. Also South African government as well as worker

unions and trade unions take great care about employees and workers than about the companies. Moreover labour law in South Africa does not allow the economic exploitation on workers and labourers.

Therefore even if it is still possible, it would be very difficult to establish overtime culture in South Africa where government, various institution and diverse social society are always standing up for workers, and people enjoy many other pleasures rather than to have financial gain. Moreover, social, political, and cultural setting in South Africa are not favourable for overtime culture, at least for these days. Thus the overall finding of this study is that it is still possible to establish Chinese overtime culture in the Huawei Technologies SA (Pty) Ltd, but there are several steps and adjustment that the company should take. However, the company can never expect to get the exact system of Chinese overtime scheme in South Africa.

■

## Chapter 7

### REFERENCES

- Barboza, D. (2006), "Made in China labels don't tell whole story", *International Herald Tribune*, .9 February
- Benbasat, I, Goldstein, D.K. & Mead, M. (1987): The case research strategy in studies of information systems, *MIS Quarterly*, 11(3):369-386.
- Basic Conditions of Employment Act. 1997, South Africa
- Blair-Loy, M. & Jacobs J. A. (2003). Globalization, work hours, and the care deficit among stockbrokers. *Gender & Society*, 17:230-49.
- Bliss, J., Monk, M. & Ogborn, J. (1983): *Qualitative data analysis for educational research: a guide to uses of systemic networks*, London: Croom Helm.
- Blossfeld, H., & Hakim, C. (1997). Introduction: A comparative perspective on part-time work. In H. Blossfeld & C. Hakim (Eds.), *Between equalization and marginalization* . Oxford, UK: Oxford University Press:1-21.
- Burrell, G. & Morgan, G. (1979): *Sociological paradigms and organizational analysis*, Portsmouth: Heinemann.
- China Economics Reviews (2006): *Corporate Overtime culture*, available at: [[http: news.xinhuanet.com/legal/2006-07/06/content\\_4799511.htm](http://news.xinhuanet.com/legal/2006-07/06/content_4799511.htm)], (Accessed on 19<sup>th</sup>, November, 2006).
- Chinaview (2005): Working overtime prevails in China, available at: [<http://news.xinhuanet.com/english/2005-05/16/content2963042.htm>], (Accessed on 28<sup>th</sup>, December, 2006).
- ChinaHR (2006): *Whether does the working overtime culture rise for the enterprisespirit*, available at: [[http://content.chinahhr.com/CMS/CMSTopics/Article\(44748\)ArticleInfo.view](http://content.chinahhr.com/CMS/CMSTopics/Article(44748)ArticleInfo.view)], (Accessed on 20<sup>th</sup> November, 2006).

- Clarkberg, M., & Moen, P. (2001). Understanding the time-squeeze: Married couples' preferred and actual work-hour strategies. *American Behavioral Scientist*, 44:115-136.
- Chris Ortiz,(2005), "say no to overtime" Industrial Management, sep/oct 2005; Abi/Informal Global.
- Creswell, J. W. (1994): *Research Design: Qualitative & Quantitative Approaches*, London: SAGE Publications.
- Denzin, H. (1984): *The Research Act*, Englewood Cliffs: Prentice-Hall.
- Eisenhardt, K.M. (1989): Building theories from case study research, *Academy of Management Review*, 14(4): 532-555.
- Fried, M. (1998). *Taking time: Parental leave policy and corporate culture*. Philadelphia: Temple University Press.
- Frenkel, S. J.,Korczynski, M., Shire, K. A.,&Tam, M. (1999). *On the front line: Organization of work in the information economy*. Ithaca, NY: ILR Press.
- Gornick, J., Meyers, M., & Ross, K. E. (1998). Public policies and the employment of mothers: A cross-national study. *Social Science Quarterly*, 79, 35-44.
- Graham Brown & Wei Xin(2006): *Can annual bonus replace overtime pay?* China Staff. Hong Kong: Feb 2006.Vol.1,Iss.2 ,35.
- Guardian(2006): Come the revolution, available at: [http://www.guardian.co.hk/china/story/0,1804659,00.htm/#article\\_continue](http://www.guardian.co.hk/china/story/0,1804659,00.htm/#article_continue)],(Accessed on 28<sup>th</sup>,December, 2006).
- Haas, L. L.,Hwang, P.,&Russell, G. (2000). Introduction. In L. L. Haas, Heyman, J., Earle, A., & Hanchate, A. (2004). Bringing a global perspective to community, work, and family: An examination of extended work hours in families in four countries. *Community, Work & Family* 7, 2.
- H.Seifert & R. Trinczek (1962): New approaches to working time policy , Germany.
- Huawei People(2006): *Harmony in Diversity*, [<http://>

- huawei.com/publications/view.do?id=885&cid=822&pid=127], (Accessed on 17<sup>th</sup>, November,2006).
- ILO (1999) ILO Labour Law and Labour Relations Branch (1999), Changes in Trading Patterns, [www.ilo.org/public/english/dialogue/govlab/legrel/tc/epz/changes.htm](http://www.ilo.org/public/english/dialogue/govlab/legrel/tc/epz/changes.htm), ILO, Geneva.
- Jerry, Laws (2003): *The upside of overtime* Occupational Health & Safety. Waco: Sep 2003.Vol.72,Iss.9;4.
- Jehangir.S(2006): On the back of China's workers: <http://www.sfgate.com/cgi-bin/article.cgi?file=/chronicle/archive/2006/10/15/INKG7LNDJ41.DTL>, ( Accessed 20<sup>th</sup> , January, 2007).
- Jacobs, J. A., & Gerson, K. (1997). *The endless day or the flexible office? Working hours,work-family conflict, and gender equity in the modern workplace*. Unpublished report submitted to the Alfred P. Sloan Foundation.
- Kanter, R. M. (1977). *Men and women of the corporation*. New York:
- Klein, H.K. & Myers, M.D. (1999): A set of principles for conducting and evaluating interpretive field studies in information systems (n1), *MIS Quarterly*, 23(1), 67-93.
- Klein, M. (Ed.). (1997). *Part-time work in Europe: Gender, jobs, and opportunities*. Frankfurt,Germany: Campus Verlag.
- Kris Maher.(2006): *Unions Urge China Sanctions Over Worker Rights* [Wall Street Journal](#) (Eastern edition). New York, N.Y.: [Jun 9](#), 89-96.
- Kynge, James(2002): *Doing overtime in the workshop of the world: Special Series Part One Migrant Workers Power A Vibrant Economy* ,[Financial Times](#).London (UK): [Oct 29](#), 99-121.
- Leedy, P.D. & Ormrod, J.E. (2001): *Practical Research: Planning and Design*, Seventh Edition, Upper Saddle River: Merrill Prentice Hall.
- Lewis, S., Izraeli, D. N., & Hootsmans, H. (Eds.). (1992). *Dual-earner families: International perspectives*. London: Sage.
- Lofland, J. & Lofland, L.H. (1984): *Analyzing social settings: A guide to qualitative observation and analysis*, Second edition, Belmont: Wadsworth.

- Lonnie Golden(2006): To your happiness? Extra hours of labor supply and worker well-being, *Barbara Wiens-Tuers. [Journal of Socio – Economics](#)*. Greenwich: [Apr 2006](#).Vol.35, Iss. 2; pg. 382.
- Luo, C.Y&Tian Z(2006), More Chinese working overtime without bonus , xinhua newspaper, 7<sup>th</sup> March, 2006.
- McDowell, L. (1997). *Capital culture: Gender at work in the city*. Malden, MA: Blackwell.
- Miles, M.B. & Huberman, A.M. (1994): *Qualitative Data Analysis*, Second edition, Thousand Oaks: Sage.
- Morioka, Rika. “Karoshi, death from overwork: Construction of social problem and civil activism against ‘corporate-centered society.’ Unpublished paper, Department of Sociology, University of California, San Diego.
- Morton-Williams, J. (1985): Making Qualitative Research Work: Aspects of Administration, in *Applied Qualitative Research*, R. Walker (ed.), England: Gower Publishing Company Limited, 27-55.
- O’Reilly, J., & Fagan, C. (Eds.). (1998). *Part-time prospects: An international comparison of part-time work in Europe, North America and the Pacific Rim*. London: Routledge.
- People Daily(2004): A survey on China’s overseas investment, [[http://209.85.135.104/search?q=cache:F9Fvc0Lu614J:english.people.com.cn/200402/26/eng20040226\\_135898.shtml+China+overseas+investment&hl=zh-CN&ct=clnk&cd=5](http://209.85.135.104/search?q=cache:F9Fvc0Lu614J:english.people.com.cn/200402/26/eng20040226_135898.shtml+China+overseas+investment&hl=zh-CN&ct=clnk&cd=5)], (Accessed 25 November 2006).
- People Daily (2006) Working overtime taking toll on professionals, [[http://english.people.com.cn/200607/05/eng20060705\\_280123.html](http://english.people.com.cn/200607/05/eng20060705_280123.html)],(Accessed 25 November ,2006).
- Parcel, T. (1999).Work and family in the 21st century: It’s about time. *Work and Occupations*, 26, 264-274.
- Parcel, T., & Cornfield, D. B. (2000). *Work and family: Research informing policy*. Thousand Oaks, CA: Sage.

- Perlow, L. A. (2001). Time to coordinate: Toward an understanding of work-time standards and norms in a multicountry study of software engineers. *Work and Occupations*, 28, 91-111.
- People(2006): Oversupply of labor: Unspoken rule for overtime, [<http://it.people.com.cn/GB/42891/42895/4447117.html>], Accessed on 20th, November, 2006).
- Perry, C. (2001): Case research in marketing, *The Marketing Review*, 1(3), 303-323.
- P.hwang,&G. Russell (Eds.), *Organizational change and gender equity*, Thousand Oaks, CA: Sage.
- [Richard L. Holman](#) (1994): World Wire. [Wall Street Journal](#). (Eastern edition). New York, N.Y.: May 11, 1.
- Rowley, J. (2002): Using case studies in research, *Management Research News*, 25(1), 16-27.
- Schor, J. B. (1991). *The overworked American: The unexpected decline of leisure*. New York:
- Stake, R. (1995): *The Art of Case Study Research*, Thousand Oaks: Sage.
- Tan. W (2005): Culture Conflicts in Sino-Foreign Ventures, *Beijing Review*, 49(1), 6-25.
- The South African Department of Labour (2004a) Basic Guide to Overtime. Retrieved May 5, 2008, from [http://www.labour.gov.za/basic\\_guides/bgguide\\_display.jsp?id=5789&programme\\_id=2664](http://www.labour.gov.za/basic_guides/bgguide_display.jsp?id=5789&programme_id=2664)
- The South African Department of Labour (2004b) Basic Conditions of Employment Act (1997). Retrieved June 20, 2008, from <http://www.labourguide.co.za/sun.htm>
- Togni, L. (1996). *Sociology for Africa: an afrocentric tutorial reader*. Pretoria: Kagiso Publishers.
- University Washington office of labour relations (2005): Research Technologist Supervisor Contract Article 8 Hours of Work and Overtime. <http://www.washington.edu/admin/hr/laborrel/contracts/925rtsup/contract/a08.html> (Accessed on 23 December, 2006).

- Wu Q & Bai Y(2005): two big difficult problems for Cross cultural integration, Chinese entrepreneurs, supplement.
- Xinhua(2005): Working overtime prevails in China, [[http://news.xinhuanet.com/english/2005-05/16/content\\_2963042.htm](http://news.xinhuanet.com/english/2005-05/16/content_2963042.htm) ] (Accessed on 25,Nov, 2006).
- Xinhua(2005): "For the continued development of China's agriculture", [www.usc.cuhk.edu.hk/wk\\_wzdetails.asp?id=1314](http://www.usc.cuhk.edu.hk/wk_wzdetails.asp?id=1314) - 69k ] (Accessed on 25th,November, 2006).
- Xinhua(2006): How do work people face the working overtime culture, [[http://news.xinhuanet.com/employment/2006-06/09/content\\_4669753.htm](http://news.xinhuanet.com/employment/2006-06/09/content_4669753.htm)](Accessed on 18th, Novemer, 2006).
- Yin, R.K. (1994): Case Study Research – Design and Methods, Applied Social Research Methods Series Volume 5, Second edition, Newbury Park: Sage.

## **APPENDIX A**

### **Interview Schedule**

#### **Opening Statement to Respondent**

The research departs from the assumption that it is possible for Chinese overtime culture to be implemented in Chinese enterprise overseas (Huawei Technologies South Africa/Africa Pty (Ltd)). Research shows that there are 3 broad sources which may lead to the successful implementation of Chinese overtime culture overseas as a key competitiveness.

- Guidance for local employee in terms of work attitude and work plan is provided.
- Proper goal needs to be set up and Full communication is provided.
- Reasonable rewarding and promotion system based on performance is provided.

In our discussion we will be tackling these sources 1 by 1. If appropriate, additional sources which may lead to the successful implementation of Chinese overtime culture will be addressed later in the interview.

#### **Key research questions**

##### **Research question 1**

Essentially the literature suggests that Chinese overtime culture is a key competitive advantage for Chinese enterprise to achieve success and improve their competitiveness overseas. This purpose of this research is to investigate if such overtime culture can be implemented in the Chinese enterprise overseas.

What I am really looking to know, however, is what factors might be preventing the Chinese overtime culture from being effectively implemented by Chinese enterprises overseas. From your expertise, what prevents Chinese overtime culture from being effectively implemented in Huawei Technologies SA?

Probe

##### **• Guidance on Work plan and attitude?**

Prompt:

- Clear job description
- Job skill training
- Understanding of Chinese overtime work culture

- Company Reputation and prospects
- Recognition on work
- Declining job security/Competitive pressure
- Commitment/Dedication to Job

• **Goal setting and communication issue?**

Prompt:

- The different between the goal and Personal performance commitment.
- Colleague Collaboration and Team work
- Management pressure

• **Good rewarding and promotion system internally?**

Prompt:

- Competitive basic salary
- Salary increase based on personal performance
- Good benefit plan for employee
- Reasonable promotion system
- Overtime pay

Research question 2

Having covered what we have, do you believe there are any source/factors outstanding which have not been mentioned?

**Closing statement to respondent**

Thank you very much for your time and for contributing to the research. The information gleaned from you today has been very valuable. All information gathered from the interview will only be used for my graduate research report. Please note that your contributions will be anonymous. Your name will be not linked to any statements or comments made. Once again, thank you for your effort for this research.