

*Research on Factors Influencing Job Satisfaction in Labor Relations of
New Generation of Migrant Workers in China
— Sample from Tianjin Binhai Development Zone of China*

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Abstract

New generation of migrant workers (NGMW) refers to the ones who were born in the countryside from 1980s to 1990s, adults become the labor force in manufacturing or services. NGMW with their individual characteristics is an important component of labor market in China. This paper serves as an exploratory effort to discover the influencing factors of labor relations by taking the NGMW from Tianjin Binhai Development Zone of China as a sample. By the way of literature reviews and interviews, the rating scale of job satisfaction in labor relations is defined, which includes six dimensions and their associated factors. According to the rating scale, questionnaire is designed. 450 questionnaires were issued and 432 were withdrawn, in which 418 were valid. Applying the statistics software of SPSS19.0, reliability, validity and relativity are analyzed, and factors influencing job satisfaction in labor relations of NGMW are discriminated and ranked according to the significance. At the end of the paper, the policies to improve the job satisfaction in labor relations of NGMW are discussed. The paper possibly contributes to ease the traditional adversary relationships between the rural migrant workers and management, and as signifying a “harmonious labor relations”.

Keywords: New Generation of Migrant Workers, Job Satisfaction in Labor Relations, Factors, Policy.

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Introduction

New Generation of migrant workers (NGMW) refers to the rural-urban labor population who were born from 1980s to 1990s. Since the reform and open policy in 1970s, the surplus labor population in countryside have moved to the cities as workers or severs, and become the crucial parts in urban labor market in China. Nowadays, as an important force in national economic development, the quality of NGMW would directly affect the national economic growth, and job satisfaction of migrant workers will significantly influence the harmony of China's labor relations and society. It was shown in the 2014 Investigation Report of National Migrant Workers (National Bureau of Statistics, 2014) that the number of rural-urban migrant workers reached 273,950,000 in 2014, which increased by 1.9% compared with that in 2013, and in which NGMW accounted for more than 45%.

Labor relations can make a potential effect on the labor's attitude to the society and the company s' performance as well. It is discovered that, in the process of urbanization, if the government could not find the solution to the problems caused by rural migrant workers, China might catch the "Latin American Disease" characterized by a polarized urban society with great differences in wealth and social resources (Xu, 2004). However, NGMW's demand for harmonious labor relations is growing daily. Since the grievance of labor relations among NGMW have always evolved into collective protests recently, it is imperative to do the research on the job satisfaction in labor relations of NGMW, which has not arisen the scholars' adequate attention yet. Most of the previous researches focus on the characteristics of NGMW, and their migrant purpose and willing of going home town compared with elder generations as well, but seldom study the mechanism and influencing factors of building harmonious labor relations of NGMW.

This paper is organized into three major sections. Firstly, we review the existing researches on the evaluation system of job satisfaction in labor relations. Secondly, based on the six dimensions of harmonious labor relations through literature reviews, we do the empirical study on the factors influencing the satisfaction with labor relation of NGMW by the way of interviews and questionnaires. Finally, we discuss how to improve the labor relations of NGMW.

Literature Reviews

New Generation of Migrant Workers (NGMW)

Wang (2001) firstly put forward the concept of New Generation Rural Floating Population, which evolved into the notion of New Generation of Migrant Workers (NGMW). He pointed out that such new group of migrant workers is inexperienced in agriculture. They moved to the cities immediately after graduation in order to achieve opportunities for future development, rather than just to make a living as former

migrant workers. The new generation desired to get rid of the name of “farmer”, and enjoy the modern civilization as normal city people. *Several View Points on Boosting the Coordinative Development between Rural and Urban, and Consolidating the Basis of Agricultural and Rural Development*, the No.1 document of the central government issued by the State Council, is the first document that mentioned the NGMW, which means that Chinese leaders have begun to pay attention to such special group of labor population.

NGMW refers to the rural migrant worker population, who were born from 1980s to 1990s. With rural residence status, they attempt to move to the cities to seek employment opportunities. This group includes the youth working in the cities who grew up in countryside, and the workers who grew up in metropolis but born in villages. Compared with predecessors, NGMW have their own unique thoughts and ideas. Firstly, regarding the social identity, NGMW prefer the urban status much more to the rural one, and thus reject the name of “rural migrant workers”. (Tang & Liang, 2012) Secondly, they have a higher expectation of work and life. With better education background than the elder generation, NGMW tend to choose the job with higher social position and salary, and desire to achieve a good career development by staff training. (Zhang & Li, 2012) Thirdly, NGMW have a strong will to be in harmony with city life. Zhang (2013) discovered that more than 50% of NGMW hope to stay in the metropolises through their whole lives.

Harmonious Labor Relations

In western countries, labor relations are also known as “Industrial Relations”. Dunlop (1958), an American labor scholar, defined labor relations as a system that consists of three interacted agents – organizations, workers and government agencies. Mills (1978) suggested that labor relations refer to the interaction between employees and their organizations that setting up the conditions of employment at working place or society. In *Dictionary of Western Economics* (Hu, 2000), industrial relations are a series of activities that dealing with the interaction between employees and employers at different levels, i.e. national level, industrial level and firm level. Cheng (2011a) argued that labor relations indicate the economic social relationship between the skilled staff and companies in the labor processes.

“Harmonious (*he xie*) labor relations”, in China, is a concept closed related with harmonious society. “*He*” means peaceful, calm and gentle; “*xie*” indicates tacit cooperation. Therefore, harmonious labor relations is a kind of perfect labor-capital relationship that both two parties strive together in a relaxed, friendly and happy condition, and reach agreement on sharing the profits (Shi, 2013).

Evaluation and Regulation of Harmonious Labor Relations

Evaluation System

In western countries, researches on labor relations started very early and various kinds of evaluation systems developed. This relationship, in early stage, has been described by the factors of complaint rate, valid period and quantity of contracts, disciplinary action rate, absenteeism rate, trade union and evaluations of industrial relation by management (Katz, Koehan & Gobeille, 1983). The indicators of the decentralization of decision making, employee participation, proportion of supervisors to workers, disposal of disputes and pay structure have also been used to assess the labor relations (Arthur, 1993). However, it has been found that the relation factors of conflict and workplace are more significant in performance than the structural factors of unionization, shared governance and pay level (Gittel, Nordenflycht & Koehan, 2004). In manufacturing, extra work hours, overtime pay rate and unionization and some other factors have been used to establish the labor relations evaluation system especially for such industry (Maganani & Prentice, 2006). From a conflict perspective, some indicators are discovered for assessing the relations between employees and employers, such as attitudes toward conflict, conflict avoidance, conflict resolution and conflict style – relation-based or task-based (Bendersky, 2007).

From the reviews above, it is the collective-based labor relations that most western researchers focus their attentions on, and thus labor unions, negotiations and strikes are taken as the main factors when evaluate the labor relations. As yet, however, labor relations are still individual-based in China, and the consultation mechanism among the three parties – government, companies and employees, is not perfect, which results in the lack of collective negotiations. Obviously, it is unwise to copy the evaluation system for labor relations from western countries, which is not applicable for Chinese companies. Therefore, in this study, when determine the influencing factors of labor relations performance, we paid more attention to the personal feeling on job satisfaction, and the measures were evaluated from a subjective view.

In China, two kinds of criteria are commonly used for evaluating labor relations. One is *The Activity of Establishing Enterprises with Harmonious Labor Relations*, a document raised by All-China Federation of Trade Union (2006). In this paper, standards for harmonious labor relations include: legal contracts, collective bargaining and group contract system, employee benefits, democratic management, effective resolution of disputes, protection of female and under-age workers, and union representation. The other is the Chinese scholars' research result, which are provided in Table 2.1.

Table 2.1 Reviews of evaluation criteria for Harmonious labor relations

Scholars	Evaluation Criteria for Harmonious Labor relations
He (2005)	Contract administration, training, salary, working conditions, work hours, social security, unionization, grievance rate, economic benefits and culture, etc.
Zhan (2006)	Income, management, union, job evaluation, contract administration, democratic participation.
Jiang (2006)	Labor contract system, collective contract system, labor standard system, labor discipline and rules, democratic management system, grievance handling system.
Qing (2009)	Labor contract – Content and form of contract, signing and implementation of contract, grievance handling; Employee benefits – Salary, bonus, welfare and social security; Democratic management – Trade union, workers’ conference, Party and Youth League organizations and collective contracts; Working environment and workload – Working conditions, rest and vacations, and occupational disease prevention.
Zhang X. (2012)	Salary satisfaction, labor conditions and security, grievance handling, contract administration, democratic participation and staff confidence.
Zhang C. (2012)	Labor employment, labor contract, social security, salary, training, working conditions, rights safeguarding and tripartite mechanism, and business reputation.
Yuan & Xu (2012)	Training and working environment, salary system, contract administration, unionization and grievance handling, and social security.
He & Cheng (2012)	Physical fitness, human-centered system and atmosphere, and pooling of interest.
He (2013)	Working place – Labor environment, labor disputes, democratic participation, enterprise management and performance. Employee demand – Employee benefits and development.
Guo & Chen (2015)	Labor rights and interests protection, Government regulation of labor relations, labor dispute, Labor relationship satisfaction

Regulation and Control

Scientific regulation and control mechanism is very important to harmonious labor relations, since harmonious labor relation in organization is dynamic and relative that could be promoted by effective regulation.

Since harmonious labor relations should be a kind of relative harmonious relationship (Qu & Yu, 2014), which indicates that the target of regulation is to achieve the relative harmony between employees and employers. Cheng (2011b) suggested that government legislation adjustment, collective negotiation between labor and management, and prompt and fair dispute resolving system should be taken as important mechanisms to build and develop harmonious labor relations and protect labors' rights and interests. Therefore, coordinating company-employee benefit relations is a dominating and effective way to regulate harmonious labor relations (Wang, 2013). As the rights claims switching to the benefits ones with the collectivization of labor relations, employees' vital interests should be taken into consideration when building the scale of harmonious labor relations. (Chang, 2013)

Method

Rating scale

By studying the previous index system for assessing the labor relations performance in last section, we find that most of them focus on the contract, working condition, salary, pension, union and disposal of labor disputes, but merely involve work time, occupation training, democratic participation, economic benefit, culture, and so on.

Six interrelated dimensions of labor relations are analyzed in this paper, which not only include the indicators adopted by most researchers, but also takes into consideration the social security law, labor economics and welfare economics. Therefore, these 6 dimensions and their associated factors are: (1) contract administration and negotiation, measured by the contract terms and its valid period; (2) employees' workload, measured by working hours, the intensity of overtime work, and the company's shift system; (3) reward management, measured by salary, pay for the overtime, pay structure (i.e. the choice of hour wage, piece rate, incentive pay, performance pay or commission), and the payment of salary that whether the firm pays in time or deduct the wages irrationally; (4) working condition, measured by the safety of the job and workplace, and the influence of job on the employees' health; (5) union and grievance, measured by the voice effect of the union and the performance of grievance handling; (6) social security and welfare, measured by coverage of social security, the categories of employee benefits, and staff training for the skills and career development. In this analysis, these influencing factors of labor relations are viewed as interrelated, and thus a simple cause-effect relationship is established.

Through the interviews with the new generation, we find that most of them talked about the training. This topic indicates that NGMW work in the cities not only for the money; they also have their own career plans and desires to achieve the career objectives by effort. But training is merely mentioned in previous study, which originally included in our index for estimating the harmonious labor relations. The following Table 3.1 presents the scale.

Table 3.1 The Measures For Evaluating the NGMW's Job Satisfaction.

Dimension	Factor
Contract	Contract terms
	Valid period
Workload	Working hours
	Overtime
	Shifts system
Reward management	Salary
	Overtime pay
	Pay structure
	Payoff
Working condition	Safety
	Health
Union and grievance	Grievance handling
	Voice effects of union
Social security and welfare	Social security
	Employee benefits
	Training

Questionnaire and Sample

Based on the six dimensions and the factors presented in Table 3.1, we design the questionnaire including 27 closed-questions and 3 opened-questions, which inquire associated NGMW's subjective feeling for each factors in their recent labor relations. Here, a five-point Likert scale is used to measure the personal response:

- 1-Strongly dissatisfied
- 2-Dissatisfied
- 3-Neither satisfied nor dissatisfied
- 4-Satisfied
- 5-Strongly satisfied

Samples for the current analysis were collected from the NGMW employed in Tianjin Binhai Development Zone, which cover pharmacy, electronics, aircraft, IT, estate, and other industries. A total of 450 questionnaires were distributed randomly to the migrant workers; 432 of them were returned and 418 were valid, which yield a

response rate of 96% and a valid rate of 93%.

The structure of sample is presented in the following Table 3.2:

Table 3.2 Sample Structure (n=418)

		Sample	Percentage
Gender	Male	289	69%
	Female	129	31%
Age	18-25 years' old	266	63%
	25-35 years' old	155	37%
Marriage	Married	172	41%
	Unmarried	246	59%
Education	Middle school and below	160	38%
	High school	197	47%
	Vocational school	61	15%

Reliability and Validity Test

Reliability refers to the stability and consistency of scale. In this paper, we use the Cronbach's α (alpha) to test the reliability of scale. The common accepted rule of thumb for describing reliability is as follows:

Table 3.3 Cronbach's α

Cronbach's alpha	Reliability
$\alpha \geq 0.7$	Good
$0.7 > \alpha \geq 0.35$	Acceptable
$0.35 > \alpha$	Unacceptable

SPSS19.0 is used in this study for data analysis. The reliability test result $\alpha=0.826$, which indicates that the questionnaire is highly reliable.

In this case, factor analysis is applied to test the validity of variables. For each measure, the fitted value should be:

- (1) Chi-square/degree of freedom (χ^2/df) – This measure should vary between 1 and 3.
- (2) Normal fit index (NFI) – For this measure, a value of 0.9 is an acceptable minimum.
- (3) Incremental fit index (IFI) – The value of IFI should be more than 0.9.
- (4) Comparative fit index (CFI) – It is accepted that the value of CFI should be more than 0.9.
- (5) Root mean square error approximation (RMSEA) – A value of 0.05 is a suggested maximum of RMSEA.

Theoretically, the closer NFI, IFI, CFI are to 1, the more valid the variables are. The results of factor analysis are as following Table 3.3, which indicate that each of dimensions reaches an acceptable level.

Table 3.3 Results of Factor Analysis

Index	χ^2/df	NFI	IFI	CFI	RMSEA
Contract	2.119	0.901	0.962	0.913	0.037
Workload	2.136	0.961	0.958	0.921	0.039
Reward management	2.261	0.917	0.919	0.918	0.042
Working condition	2.476	0.909	0.951	0.917	0.039
Union and grievance	2.457	0.939	0.969	0.931	0.043
Social security and welfare	2.192	0.918	0.921	0.929	0.037

Results

Finally, according to the answers of the multiple-choice question, we simplify the scale with top 10 factors in approval ratio. The statistical analysis of these factors is presented in the following Table 4.1.

Table 4.1 Approval Ratios of Influencing Factors

Factors	Approval ratio
Salary	95.12%
Employee benefits	27.13%
Social security	76.65%
Workload	56.52%
Safety	23.95%
Health	21.45%
Training	68.75%
Pay structure	27.13%
Contract terms	10.05%
Grievance handling	65.74%

Note: Approval ratio is calculated by results of the multiple-choice question “Which are the most important factors that influence the job satisfaction?”

As presented in Table 4.2, correlation coefficient r illustrates the interrelations between various factors and job satisfaction. According to the data in Table 4.2, factors of salary, social security and training are significantly correlated with job satisfaction positively; and factors of contract terms, employee benefits and salary structure are moderately correlated with the job satisfaction positively.

Table 4.2 Descriptive Statistics and Estimates of Relations Between Variables

	Ave.	Std. Error	r										
			SL	EB	SS	WL	SF	HL	TR	PS	CT	GH	
Salary (SL)	2.981	0.1143											
Employee benefits (EB)	2.093	0.1025	0.465										
Social security (SS)	2.223	0.1352	0.241	0.521									
Workload (WL)	2.007	0.0985	0.543	0.436	0.498								
Safety (SF)	1.453	0.0969	0.432	0.329	0.275	0.477							
Health (HL)	1.367	0.1033	0.543	0.496	0.384	0.273	0.519						
Training (TR)	2.680	0.1104	0.497	0.398	0.468	0.317	0.513	0.491					
Pay structure (PS)	2.147	0.0979	0.398	0.448	0.516	0.513	0.382	0.157	0.459				
Contract terms (CT)	2.049	0.1001	0.379	0.385	0.624	0.528	0.471	0.398	0.513	0.242			
Grievance handling (GH)	1.239	0.1142	0.487	0.267	0.414	0.318	0.268	0.491	0.467	0.513	0.308		
Job satisfaction	3.109	0.1013	0.719	0.671	0.707	0.389	0.272	0.287	0.701	0.623	0.686	0.332	

From the analysis above, we come to the conclusion that salary is the most significant factor that influence the NGMW's satisfaction in labor relations, and the other factors in a descending order are as follows: social security, training, salary structure, employee benefit, contract terms, workload, security, safety and grievance handling. Factors of salary, social security and training have great influence over the NGMW's satisfaction in labor relations, with the values of r 0.719, 0.707, and 0.701 respectively. From the data presented in Table 4.1, salary, social security and training are the biggest concerns of NGMW, with approval ratio of 95%, 76%, and 69%. It means that the efficient way to make the NGMW satisfied for their job is to increase the payment, improve the coverage of social issuance and establish the training system.

Discussions

From the data analysis above, factors that affecting NGMW's job satisfaction are recognized and ranked by the significance (Table 5.1). According to Table 5.1, the top 3 notable factors are salary, social security and training, which lead us to the effective policy for improving the NGMW's job satisfaction, i.e. increasing the migrant worker's income, enlarging the coverage of social issuance and perfecting the training system.

Table 5.1 Rank of Influencing Factors by Significan

Factor	Correlation Coefficient r	Rank
Salary	0.719	1
Social security	0.707	2
Training	0.701	3
Contract terms	0.686	4
Employee benefits	0.671	5
Pay structure	0.623	6
Workload	0.389	7
Grievance handling	0.332	8
Health	0.287	9
Safety	0.272	10

As NGMW's wages have been on a reasonable increase, the companies should match the migrant workers' payments with their workload well. In reward management, it is important for the managers to focus their attention on holding the principle of fair play and design reasonable compensation & benefits policy, especially on the problem that rural migrant workers and urban ones should enjoy equal pay for equal work.

Expanding the coverage of social security could enhance the migrant workers' loyalty and sense of belonging, and partly reduce the staff's outflow, which would help relieve the crisis of recruitment and effectively improve NGMW's job satisfaction.

Most of NGMW care about the personal career development. As a result, in human resources management, a complete series of training would fuel NGMW's upgrade in skill and fulfill the objective of their personal career planning.

Future Study

As one of the most essential work force in China, NGMW have been playing an important role in boosting the national economy. Research on the factors influencing the NGMW's job satisfaction for labor relation is a precursor to the improvement of their performance. However, this article provides a foundation for further application and researches on the NGMW's job satisfaction. Given the skills required by various industries vary differently, in future study, we should take into consideration the characteristics of diverse industries and compare the different industrial factors that influencing the NGMW's job satisfaction.

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