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CHN ¶1-001 Country profile

China's population, especially in all major cities, is remarkably homogeneous, both racially and linguistically. The racial minorities there, though over 100 million in number, are concentrated in the border regions of the country and are almost totally unrepresented in the urban workforce of the country. The Eastern Seaboard, comprising the provinces of Guangdong in the south through Fujian, Zhejiang and Jiangsu in the centre of the country, to Shandong in the north, contains the majority of the population and industry.

The vast size of China's population, however, means that there are still distinct population centres outside the Eastern Seaboard, such as the southwest area of Sichuan and Kunming provinces bordering Myanmar (Burma) and Thailand, which contain well over 100 million people and are thus economically very significant.

Despite the overwhelming unity in terms of language, everyday culture (eating habits and entertainment, etc), education systems and the like that the entire country displays, there are still a number of important regional differences of which the regional Human Resources (HR) manager must still be aware. Perhaps most importantly, until very recently regional mobility within China was very limited apart from the political and military worlds. Staff at every level have been reluctant to leave their own locality to be posted to another area of the country.

There are many factors behind the reluctance to relocate. Relationships, or *guanxi*, developed in a locality over many years, remain an undeniably crucial factor in doing business in China. This complex cultural reality, reinforced by a social and legal infrastructure lacking in transparency and levels of mutual trust, discriminates against the effectiveness of newcomers and "outsiders".

This conservative antipathy to relocation, once recognised and acknowledged, can be successfully handled by HR managers in a number of ways, from customised compensation and benefits policies through to building corporate culture values and programs. At the same time, China's rapid development is having an effect on this phenomenon and the reluctance of local staff to