

# Pursuing and then Wasting a Cadre Identity: Career Development of a China's SOE Worker Under the Reform

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**Abstract:** This article depicts the career development of China's state-owned enterprise (SOE) workers. Following the life story approach, this article examines the changing meaning of "cadre identity," a political identity recorded in Chinese SOE workers' personnel files, on the career development under the context of China's market reform. It shows that the importance of cadre identity on the SOE worker's career development has gradually weakened, as the reform progresses. It is mainly due to the loss of cadre identity's scarcity caused by the new institutions brought by various reform policies over time. An institutional culture with "guanxi" at its core is revealed through the analysis of a Chinese SOE worker's career experience in Daqing Oilfield. The career development of workers in SOEs highly depends on the institutional culture, which encourages building guanxi network with the leaders in power in the condition that formal and informal institutions are always in unstable states under the reform.

Studying workers' career experience in different cultural societies is a classic theme in anthropology and sociology of work. Since the opening of mainland China to the outside world in the late 1970s, such research in China's context in transition has begun to flourish. Many anthropologists and sociologists have entered the vast fields to research working groups in different industries, from immigrant factory workers in the Pearl River Delta (Lee, 1998) to urban white-collar workers (Duthie, 2005; Liu, 2016). However, a large part of the research focuses on the south and coastal areas with a relatively higher degree of marketization, a transition from the planned economic system to a market-oriented economy, and enterprises that involve private or foreign components. Large state-owned enterprises (SOEs) located in inland areas have received less research attention because of their more remote geographical location and the relative restrictiveness, such as the low mobility of personnel, that continues from the old planned economic system. In this research, I entered the field, an oilfield SOE system located in

Northeast China, to study an SOE worker's career development experience.

Research on individuals' career development began in the early twentieth century, which focused on providing vocational guidance for individuals at the practical level (Gothard, 2001; Herr, 2001). With the participation of scholars from different disciplines, career development has been theorized from many different perspectives, exploring the physical, psychological, and social factors that shape individual career behaviour over the life span (Sears, 1982). Some scholars, mainly from psychology, focus on studying the impact of subjective factors, such as the compatibility between personality and work (Holland, 1985), or on guiding career development (Super & Hall, 1978). According to McMahan and Patton (2018), there are two main problems with this type of research: the lack of diverse perspectives (social minorities and non-Western cultures) and insufficient attention to context. Some sociologists focus on studying the impact of environmental factors such as institutional and cultural

environments and they suppose that the external environment has a more significant effect on careers than individual choices. The opportunity structure theory developed from the structural-functionalism paradigm was applied by Roberts (1977) to career development. He believes that personal preference is a misleading concept, and the opportunities people can obtain in any given society or institution are determined by the broader structure. However, the research emphasizing environmental factors has also been criticized as being flawed when exploring the context; that is, their explanation of social facts is relatively static and lacks a reasonable basis for social changes. These theories with neo-positivist overtones tend to have a narrow understanding of the concept, environment, interpreting it as being a natural entity that is external to the subject (Collin & Young, 1986).

To provide a relatively comprehensive explanation of individual career development, more and more scholars advocate away from the neo-positivist stance and turn to the paradigm of social constructivism or contextualism (Patton, 2008; Savickas, 2000; Young & Collin, 2004). Due to the dynamic nature of social facts, which is always incomplete, researchers cannot divide them into discrete units for inspection. It cannot only rely on individual subjective factors to explain career development, nor can it only consider the influence of environmental factors (Super, 1992). Researchers need to combine these two aspects to consider a more sophisticated analysis, considering the internal factors of individuals such as family, education, social class, and the organizational institutions and the culture behind them.

Following the thread, this paper applied the life story approach to conducting an in-depth case study to study the career development of a worker in a Chinese SOE, with consideration towards the unstable nature of the institution as consisting of both the legacies of the planned system and the new elements of market

economy under the reform. The aim is to see how the worker's career development is influenced by the changing institution of China's SOE system and the institutional culture under the context of reform.

### Career Development and Cadre Identity in China's SOEs

Four decades of market reform have brought a dramatic change in China's economic structure. Unlike Eastern European countries, China's market reform remains the central pillar of SOEs, manifesting in SOEs' monopoly positions in many industries, such as banking, telecommunications, resource extraction, et cetera. The literature in career development research demonstrates a lack of diversity in research on China's SOE workers' career development. Most studies on this topic have long been concentrated on the senior leadership groups of SOEs, especially in management studies (Leung Alicia, 2002; Leutert, 2018; Lin, 2013, 2017; Wong & Slater, 2002). This proclivity of elitism presupposes, to a certain extent, the central position of the manager group in the study on China's SOEs. It ignores the lay workers' conditions under the unstable economic reform process, which was gradually carried out from the late 1970s, and has left the working group in China's SOEs speechless in the field. This study focuses on career development in China's SOE from the workers' perspective and makes a preliminary attempt to explore the field.

While the ordinary workers engaged in labor, administrative and technical staff constitute a cadre group responsible for SOE management in the form of bureaucracy in China's SOEs. An insurmountable symbolic threshold, cadre identity (*ganbu shenfen* in Mandarin) is a sort of political identity recorded in one's *Dang an* (a kind of personnel file managed by the party organizations), standing between the worker and cadre group. It is a concept inherited from the old communist institution and continues to exist in

today's Chinese political organs, especially prevalent in the party organizations. The acquisition of the cadre identity usually means someone is committed as a cadre by the public sector's personnel system. Becoming a cadre in an SOE usually means entering the management class to eliminate manual labor and obtain better welfare guarantees. Thus, the pursuit of cadre identity was considered an essential goal of SOE workers' career development. However, according to my observation, as the economic reform progresses, the career development of some workers after they have obtained cadre identity seems to have stalled, and their career condition, whether material income or power status, does not seem to be much different from that of ordinary workers. It is worth considering if the cadre identity, as a symbol inherited from the old formal institution, still plays a notable role in the career development of workers under reform. This article discusses the impression of the changing institutions of China's SOE and the institutional culture under the reform on workers' career development with the acquisition and utility of cadre identity through the career development experience of a core participant.

### Field and Method

This article draws on fieldwork conducted in a city named Daqing (or Daqing Oilfield) established during China's oil industry development. Travelling about 150 kilometers northwest from Harbin, the capital of the Heilongjiang province, pump jacks spread over the vast wetland will be seen on the edge of traditional Mongolian nomadic grasslands. After crude oil was discovered underground in this area in 1959, the Communist regime launched an industrial construction campaign called "The great battle for oil" (*shiyou dahuiizhan* in Chinese), mobilizing tens of thousands of workers, soldiers, and college students from all over China to develop a petroleum industry while also building a city.

The city is named Daqing (which means "big celebration" in English) because it was the 10th anniversary of the Communist Party's rule in China when the workers, college students, and soldiers from all over mainland China built the city. After the Oilfield's construction, its vast crude oil output stabilized the national economy that was stranded during the socialist era, which made the Daqing progressive oil workers group officially established as a model of the national economic building at that time. Mao launched the "In industry, learn from Daqing" (*gongye xue daqing* in Chinese) campaign in the 1960s, which called on industries across China to learn from the experiences of Daqing's oil industry construction. Since then, oilmen have become a collective identity that involves honor given by the regime and has achieved particular advantages over others, reflected in individual career development's various social inequalities. At the beginning of market-oriented reforms in the late 1970s, SOE workers' relative advantages under the planned economic system declined rapidly in some small-scale SOEs with poor operating conditions. Nevertheless, in the Daqing Oilfield, a large-scale SOE system that focuses on the lucrative oil industry, which has a relatively strong path dependency makes this recession process extremely slow. For example, the welfare policy of specific recruitment of internal workers' offspring by enterprises remained until 2014, and then was gradually abolished.

The life story approach is mainly used to study the life experience of a female worker developing a career in the SOE system and the meanings concerning cadre identity behind the participant's narrative. The life story approach is widely used in fields of anthropology, education, psychology, sociology, and gender studies, and is often referred to as autobiography, biography, autoethnography, life history, and oral history, etc, and is centred on exploring the life experiences of the subject

in their discursive narratives and re-presenting them in social contexts (Given, 2008). Bertaux and Kohli (1984, p. 217) define life story approach as “based on narratives about one’s life or relevant parts thereof.” By locating the subject’s narratives about his or her everyday life in the context in which they occur, the researcher is able to restore how individuals are constructed in social and historical contexts. In this study, through the collation and analysis of Fang’s career development, her personal experience is connected to social change in order to reveal the impact of the market transformation of China’s SOEs on workers’ personal career development.

My main research participant, Fang, is a lady about 50 years old. She was born in an oilman family in the early 1970s. As a female worker who has lived within the Oilfield for her whole life, she has never left the SOE system in her professional career. She was invited to participate in eight formal and informal interviews on her life and career experience. During interviews, Fang was asked to tell her life and career, starting from her childhood to her current career in chronological order. Interviews were conducted primarily in Mandarin and recorded under the participant’s permission. After each interview, a transcript was provided to the participant for her review to avoid potential ethical problems and misunderstandings. After the confirmation of the participant, transcripts were transferred into English for further analysis. To ensure the security of my participant’s personal information, I anonymized the names of all the people and institutions involved in the interview.

### **Prologue: The Descendant of Oilman**

Fang is a Chinese oilman’s daughter, born in the early 1970s in Daqing Oilfield. Fang’s father was assigned to the Oilfield as an oil worker at the end of 1959, shortly after the Oilfield was discovered. Her father’s generation built the city from scratch on the

wasteland. The generation that Fang belongs to is the first generation born in this nascent oil city. They are called *you er dai* (literally means the second generation of oil). *You er dai*, who mostly were born in the age of the planned economy, were regarded as their parents’ successors from their early ages. They grew up and were educated in the SOE system, and then were assigned to work in various SOEs within the Oilfield. In their career development path, people with excellent academic performance in their education could be admitted to the colleges and obtain cadre identities after their graduation. Others could only return to SOEs as workers and try to find other ways to obtain cadre identities in the SOE system to achieve career development, although the chances were extremely limited for ordinary workers (Walder, 1986).

### **Pursuing Cadre Identity: The Successor of Cadre Family**

#### **Education: Dual Inequalities (1985-1990)**

Education was a decisive stage for the descendants of oilmen to obtain cadre identity. To ensure a stable supply of workers, the Daqing Oilfield had established a succession system, in which the descendants of oilmen would be recruited back to the Oilfield after completing school education since the socialist era. In the years when Fang was growing up (the 1970s-1990s), as long as the descendants of oilmen graduated from colleges, they could be assigned back to the Oilfield, and then obtain cadre identities after a two-year internship. They then would be engaged in cadre works in management organs, such as production management, accounting, or personnel management, et cetera. Descendants who were not able to enter colleges could only be recruited as workers to perform manual labor such as oil extraction and transportation.

Fang’s education reflected the advantages of the oilmen group identity on two levels. The first was the inequality between SOE and non-

SOE households. The regime's reward for the contribution of the oilmen to the country's economy had enabled them, and their descendants, institutional advantages over outsiders. The State freely provided living facilities such as schools, hospitals, and kindergartens in the SOE residential area to workers and excluded the outsiders from the welfare system. Fang mentioned that children from non-SOE families needed to pay a relatively expensive entrance fee (*Jie du fei*, literally means the fee for borrowing resources to study) in the 1980s, which was equivalent to the salary of an ordinary worker for nearly a year, to attend a school in the SOE system, while children of oilmen could attend for free.

“(SOE) was not responsible for them (the education of children of non-SOE families), and (in general) they could not go to these schools. They have to pay (if they go to our school). They need to pay the *jie du fei*. I have a classmate who came from outside. He lived with his relatives. ... I know he has to pay *jie du fei* for studying in my school, about thousands of RMB every year. ... At that time, thousands of RMB were costly.”

The second was the inequality between cadre families and worker families. Compared with the apparent differential treatment between SOE and non-SOE households, the inequality in education between cadres and workers' families was implicit. Compared with ordinary worker families, the cultural capital of cadre families was higher. Cadre parents often had higher career expectations for their children. They were not willing to see their children become mundane workers after they started work.

Three main types of educational institutions existed in oilfield high school education in the 1980s. The first type was *pugao* (or *pu tong gao zhong*, means ordinary high school) that focuses on academic education; the second type was *Jixiao* (or *ji gong xue xiao*, means technical worker school)

that focuses on vocational education; and the third type was *zhigao* (or *zhi ye gao zhong*, means vocational high school) that focuses on vocational education while supplementing primary academic education. Students from the first and third types could take the *gaokao* (college entrance examination) after graduation, while students from the second type were directly assigned as workers to various SOE within the Oilfield. Besides, *pugao* was the foremost supply institution for college students because of its high teacher standards and student quality. Admission to a good *pugao* was a crucial prerequisite for entering colleges and further obtaining cadre identity after graduation. It requires fierce competition to enter the *pugao*. When Fang was in junior high school, there were thirteen classes in her level, and each class had more than thirty students. However, when she was in *pugao*, there were only four classes left, with around 40 students in each class. Which means nearly two-thirds of the students did not go to *pugao*. One reason was that the quota of *pugao* was limited. Only a small number of students had the chance of entering *pugao* based on academic performance. And many ordinary worker families tended to let their children enter *jixiao* where the competition was relatively small, and their children could start work earlier in SOE due to *jixiao*'s policy of assigning jobs after graduation.

“Only a small part of my classmates (in junior high school) go to *pugao* .... those who go to *pugao* are better at studying. Students who go to *jixiao* are not as good as *pugao* in school, but they are okay because you also need to take an exam for entering *jixiao*. The students who go to *zhigao* are those who cannot pass any exams. Most ordinary worker families may let their children to *jixiao* or *zhigao*. When I was in *pugao*, most of the children in my class were from cadre families like me.”

The children of cadres were clearly in a dominant position in the competition to enter *pugao*. During Fang's time in high school, her father, who had worked as an oil worker for 30 years, was promoted to become a cadre for his outstanding performance and capacity in ideological propaganda, first to a political instructor of an oil production crew, and further to a party secretary of an oil production plant. As a child from a cadre family in the oilfield system, Fang occupied dominant positions in both levels of inequality and eventually entered *pugao* with excellent results to continue her education. Usually, this would lay a good foundation for her future career development. However, it was only the beginning of her career flow as one of the descendants of oilmen. What greeted her was a more tortuous pursuit of cadre identity.

As long as Fang kept studying hard during her high school period and further entered the university through passing the *gaokao* (the National Higher Education Entrance Examination), she would be able to get a cadre identity after graduation and be assigned a cadre job by the state to go back to Oilfield. However, her grades in the last year of high school declined due to the conflict between her mother's strict discipline caused by high expectations and her rebellious emotions, and she failed to pass the *gaokao*. After losing her chance to go to college, Fang went to take the entrance exam for *jixiao* and was admitted. At the end of 1988, Fang, who had just studied at *Jixiao* for a few months, was given a college opportunity. A college in Harbin began to enroll self-financed college students for the first time. It gave hope to Fang's parents who worried their little daughter would not obtain the cadre identity by graduating from *jixiao*. They got a place through their network and risked giving up the opportunity to get a promised SOE job after graduating and let Fang drop out of her study at *jixiao*.

In 1988, Fang became a college student majoring in accounting. As a self-financed

student, compared with the free tuition of regular college students at that time, she had to pay more than 2,000 RMB a year in tuition fees, which is equivalent to a worker's full-year salary at that time. Despite the expensive tuition fees, at the end of the first school year, the school suddenly notified self-financed students to take *zikao* (self-taught higher education examinations) and would not certify their undergraduate degree. They could only get adult education degrees (an unconvincing degree that is not recognized by most organizations in China) after passing the exam.

"At the end of my first year at college, the school suddenly said that we must participate in *zikao*, and do not recognize our university diploma. We could only pass *zikao* to complete adult education. I panicked. My family pays so much tuition every year.... it feels like being deceived."

Although the exam was eventually passed, the treatment of self-financed students like Fang changed significantly in the school. The school's new arrangement disrupted the regular teaching plan and strengthened the separation with regular undergraduate students in studies and daily life, such as to forbid self-financed students to go to the student canteen. It made Fang later regret that she had not experienced a normal and real college life.

"At the beginning, the school allowed us to go to the same cafeteria with normal students. However, after the incident, we were not allowed so. The vouchers for the cafeteria were no longer given to us. They let us eat in another place and received another treatment. I did not learn much in those two years. Among those majors at my own expense, the accounting major I studied was a little better, I was able to get a Certified Practicing Accountant (CPA) certificate. Other majors like chemical engineering, environmental protection, and so on, their teaching plans are particularly chaotic, and they all rely on

self-study. Some courses have teachers coming, while some courses have no teachers show up at all. We were also not in the same building as normal undergraduates. It was completely different from them.”

Eventually, the self-financed students like Fang, who graduated from college after two years, only obtained an adult higher education degree, which made her unable to get a cadre identity like regular college graduates. Fang's attempts to obtain cadre identity through competition in the education system failed.

Fang experienced the college entrance examination's failure and was admitted to *jixiao* during her education. It was a career choice that followed the existing formal system at that time. After failing to enter the university through the formal system, she switched to *jixiao* to ensure that she could at least get a job as an SOE worker after graduation. Then her family's cadre network provided another opportunity. She dropped out of *jixiao* and entered college as a self-financed student. In the unstable institutional changes under the background of reform, the cadre group was adept at using the information advantages from the robust network to seize the opportunities brought by new institutions in the reform to promote their children's career development. However, the twists and turns of Fang's experience also show the consequences of the new institutions' instability. Beginning in the 1980s, due to the massive shortage of professionals, the Chinese government began to promote the programs of correspondence higher education in higher education institutions nationwide. Fang's self-financed program is one of the products of this policy. The chaotic management at the beginning of the policy implementation led to many students like Fang entering college without examination. Subsequently, in 1988, the State Council enacted the regulation through the institution of *zikao* and integrated these self-financed programs into a system named Adult Higher

Education to integrate it into the national official education system. Fang coincided with this institution reform and became the first batch of graduates with an adult higher education degree. Nevertheless, the work distribution institution did not incorporate it, which prevented students like Fang from obtaining cadre identity.

### **Early Professional Career: Guanxi Network (1990-1992)**

*Guanxi* was a concept that inevitably appeared when Fang talked about her career development. *Guanxi* is an important cultural concept involved in the analysis of Chinese society (King, 1991), which literally means “connections” or “relations” (Chang, 2011). It is generally not recommended to directly translate it into “network” or other English words because of its complex and rich meaning (Gold, 1985; King, 1991). As a kind of interpersonal network construction, it involves implicit local social norms, including “*xinyong* (trustworthiness), *mianzi* (face), *renqing* (norms of interpersonal behaviour), reciprocity, and obligation” (Qi, 2013, p. 310).

*Guanxi* played a salient role in Fang's career, especially in the process of her acquisition of cadre identity. As I wrote before, Fang's father's cadre identity provided her more robust network resources than most of her peers from worker families. In 1990, Fang was recruited back to Daqing Oilfield and became an oil extraction worker. In the 1990s, the descendants of oilmen with no college degree were assigned to work in the Oilfield in two main ways. The first was the *zhaogong* (literally means worker recruitment) policy, which was the way Fang followed. It allowed SOEs to recruit workers from the descendants of oilmen after they graduated from educational institutions and was mainly for the group that did not enter college. The second is the *jieban* (literally means succession) policy, that is, after the parents retire from their worker's job, the children could replace them to become an

oilman. Although these two policies were abolished officially by national reform policies issued in 1986, the actual situation in Daqing Oilfield is that the system of recruiting descendants of oilman has been retained until recent years. Within China's SOEs, especially those with robust political connections, reform policies are often implemented selectively.

Life as an oil extraction worker was not easy for Fang. She was assigned to the Y oil production plant located in the most southern part of the Oilfield. Because the workplace is far away from home, she could only live in the staff dormitory and began to live a daily life responsible for collecting crude oil samples from pumpjacks in the wilderness. The working environment in the remote wilderness scared Fang. Her parents were also not satisfied with her job as an oil extraction worker. They used their *guanxi* network to move Fang out of the worker's position, seconded to Plant Y's administrative organ to engage in accounting work consistent with her college major.

"My mother asked me to apply for sick leave and told me to tell the leader that she was in poor health and needed me to take care of her. I listened to my mother and gave the secretary of the oil production crew some gifts, like tea and cigarettes. Then I took several months of sick leave. My father had a good personal relationship with Secretary Li of Plant Y. Through this *guanxi*, I was *jiediao* (seconded) to the Finance Section in the administrative organ of Plant Y."

Fang got out of the manual labor in the wild. She had taken a substantial step towards being a cadre and obtained the opportunity to work as a white-collar worker in the office rather than as a blue-collar worker in the wild. Despite this, in the SOE system, the type of job was not the same as the type of identity in *Dang an*. Fang's identity in her *Dang an* was still worker.

To get Fang back to the Plant X where her parents worked and to obtain cadre identity, in the second year after she started to work in the

Oilfield, her parents again used the family's *guanxi* network to find related vacancies for her at Plant X.

"My family lived in the staff residential area of Plant X at that time. The neighbor upstairs was the cadre in charge of the personnel department of Plant X. The man said that the finance departments of our plant are full, but there are vacancies in the bank that have business connections with our plant. So, I was transferred to a branch of a state-owned bank near Plant X. At that time, the staff of the personnel department of Plant Y called me and asked me to take my *Dang an* to the personnel department of Plant X. After I got my *Dang an*, I was not allowed to open it. The file was sealed by embossing seals in advance. The content about my identity should be revised to cadre identity by the staff after I handed it out to the personnel department of Plant X."

Fang successfully obtained the cadre identity and transferred back to the Plant X where she grew up, seconded to a state-owned bank, and became a bank employee. After entering the bank, she found that almost half of the staff in her bank were seconded from Plant X by personal *guanxi* like her.

After experiencing the failure of competition in her education, Fang, who returned to the Oilfield as a worker, finally got a cadre identity relying on the family's network. When she summed up her experience, the college entrance examination's failure was considered the biggest regret. She believes that the failure caused her to lose her chances of getting a regular college education and even controlling her future career, and she can only rely on the family's *guanxi* network to keep her foothold in the SOE system ultimately.

"My experience was too bumpy, failed the college entrance examination, went to a *jixiao*, and spent money to go to college, but didn't study normally, and

then returned to the Oilfield as a worker. If I graduated from college, I would be assigned a job as a cadre .... I took a detour. In the end, I could only rely on the *guanxi* (network) of my parents.”

Fang eventually accomplished what most SOE workers could not achieve in their lifetimes although she considered her experience of getting cadre identity as a “bumpy” one. The descendants of other ordinary oil workers are relatively less lucky than Fang. For most ordinary workers who were recruited back to SOE, the lack of a reliable *guanxi* network makes it almost impossible for them to acquire a cadre identity further.

The informal institution of *jiediao* (secondment) played a notable role in obtaining a cadre identity for Fang. Her first *jiediao* transferred her from an oil worker position to an accounting job in the office. The second transferred her from Plant Y to the state-owned bank whose business relies heavily on Plant X. As an informal institution in the Chinese public sector, *jiediao* refers to one public sector's practice of borrowing temporary personnel from others. It has never existed as a formal institution, but a common practice among the public sectors. It often occurs due to a temporary surge of work in the public sector, which urgently needs to draw relevant personnel from subordinate units to help complete the work; or the existing staff reserve cannot complete the established tasks or lack specific professional talents. In Fang's case, this informal institution became a significant channel for cadre and their family to use *guanxi* networks to arrange cronyism, operating to give their offspring better work positions, and even obtain cadre identity.

### **Wasting Cadre Identity: The Loss of Guanxi Network**

Fang got a cadre identity and was seconded to work at a branch of a state-owned bank near her home in 1992 and officially transferred to

the bank in 1997. Her better academic background and working ability, compared to that of her colleagues, were recognized by the then manager, which made her enter the office responsible for the bank's internal financial management less than a year from starting at the front desk teller position. It seemed that Fang's career was about to enter a period of rapid development. But, after that, she never received a substantial promotion successfully. Over time, Fang became dissatisfied with the bank's work rhythm and reward mechanism.

“My job in the bank is particularly boring, and the salary is very meagre. Working busy from 8 am to 5 pm every day. When I finished one job, the manager would add another to me.... one after another, and there was no substantial reward. I repeated these tasks every day and got no return. The rule there was not that the more work I did, the higher I earned, but the more I did, the more work they would give me.”

The monotonous and discouraging work pattern made Fang lose hope for her future career in the bank. At the turn of the century, then-Prime Minister Zhu Rongji promoted SOEs' most extensive layoffs since market reforms. In the Daqing Oilfield, SOEs generally introduced a policy called *Maiduan* (literally means buying out) to promote layoffs. This policy, which violated the Labour Law but was widely implemented in SOEs, was to pay a one-time compensation based on the employee's working years to terminate the contract between the employee and the SOE. A large number of compensations (according to the number of working years, the amount may reach one hundred thousand RMB) gave Fang the idea of resigning in the summer of 2000. Fang submitted the *Maiduan* application to the manager without consulting with her family in advance. This move subsequently caused a great storm in her family.

“I submitted the Maidu application on my own. The next day was a weekend, and I thought I had to talk to my family. When all the family members were at home, then I announced the news. My mother was furious and threatened me to commit suicide if I resigned. I didn't expect the situation would turn out like that, and it scared me at that time.... I had to succumb.”

Under pressures from her family, Fang had to ask the manager to return her application form on the following working day. Later, her mother explained to her why she strongly opposed her resignation.

“She (Fang's mother) said she was afraid that I would go the wrong way. She has suffered from such things before. Before marrying my father, she worked as an accountant in a state-owned store. Later, she was engaged to my father. According to the regulations, it should be that the personnel department of that store issued an official document to transfer her job to Daqing. But she did not follow this, she threw away her work and came to Daqing to marry my father. As a result, she lost her official identity and the proof of her previous working experience in Dang an. It costs her much for losing many benefits. Therefore, she strongly opposed my resignation and gave up my hard-earned cadre identity and stable SOE job.”

During the planning economy era, the redistribution system played a substantial role in state operation. The regime controlled most of the necessary resources for individual life, and a cadre identity within SOEs meant comparatively stable and superior income and welfare benefits. The importance of cadre identity is deeply imprinted in the cognition of Fang's mother. However, as market reforms advanced, this situation had gradually changed.

Fang hardly feels any advantages with her cadre identity in her career. In terms of salary,

the difference between the workers is not apparent. Although Fang's job belongs to the branch's management office, her salary is almost the same as that of the front desk staff. Only the branch's top management layer, the manager and deputy managers, have advantages in wages. Interviews with other workers working in oil companies found that cadre identity often symbolizes the opportunity to break away from manual labor and get better income and extra benefits. However, the salary system of the bank did not value cadre identity much. In the 1990s, the salary level was mainly determined by the number of years of work and vocational qualification certificates. After reforms in 2008, vocational qualification certificates were no longer useful, and a new assessment mechanism had mainly determined the salary.

Nevertheless, cadre identity does have a significant impact on pensions. In the branch where Fang is located, the pensions of retired employees with cadre identity are more than 1,000 RMB per month higher than the worker identity (the retired employees with worker identity are over 3,000 RMB per month). For the career development of workers, having a cadre identity is almost not helpful for promotion. Fang's only experience of relative advantage in salary during her career was her passing the national-level vocational qualification examination in 2002. She received a salary increase in the next year after she received the certificate. However, the 2008 reform that excluded vocational qualification certificates invalidated her salary increase.

Throughout Fang's career in the bank, there has always been a tension between workability and personal *guanxi* network. An institutional culture accompanies the organizational institution in SOE with *guanxi* as the core. Actions in work scenes are inevitably affected by the *guanxi* between individuals. In the interaction between the explicit organizational norms and the implicit institutional culture, *guanxi* is a core element influencing

the development of individual careers. Fang's narrative depicts this point.

"If you want to get promoted, your workability is one side, but you must have *guanxi* (with leaders). *Guanxi* is the most important. For example, one of my colleagues, his brother was the manager of our superior branch. Although he did not have any working ability... could not write documents and could not speak well; he was promoted to be the director of the management office only because he had *guanxi*. There was another colleague who had good *guanxi* with our manager. They used to be good friends in childhood. After that manager was *transferred* to our bank, that colleague got promoted."

Although Fang gained the cadre identity after entering the bank, she lost the shield of her family's *guanxi* network.

"After I went to the bank, I could not rely on my parent's *guanxi*. Because the bank was not under the direct management of Plant X. Afterwards, it was all on my own. All the people close to my family are in the oilfield system, and only I am in the bank. It is sort of incredible. My family has no *guanxi* at all within the bank."

The examples of Fang's colleagues demonstrate the inherent advantage of *guanxi* based on kinship. In *guanxi* culture, kinship is defined as the most reliable form of relationship "*which can be further fine graded according to closeness or distance, such as whether the ties are to family, close relatives, or more distant kin*" (Peng, 2004, p. 1049). Nevertheless, this kinship-based model is not the only form of *guanxi* construction. For those who do not have innate *guanxi*, *gao guanxi* is especially essential. *Gao guanxi* literally means making *guanxi*, *gao* as a verb often involves a shallow negative meaning. For example, *gao shiqing* could mean make waves, but *shiqing* is a neutral noun that does not involve any emotion when used alone, meaning

a thing. Therefore, *gao guanxi* has a hint of producing *guanxi* by improper means. Staff without innate *guanxi* must find ways to *gao guanxi* with the actors in dominant positions of power to gain an advantage in the *guanxi* network.

"I am capable of working, but I am not good at *gao guanxi* with leaders. Sometimes I was particularly stubborn and would not agree with things that I disliked. For example, once, one of my leaders was drunk and ordered me to boil a pot of water for him. At that time, I was particularly angry. I thought that I was working for you, but not a servant. Then I made an excuse and left .... Sometimes the personnel department of the superior branch came to our branch to check our works, and I needed to accompany them to the restaurant as a sort of convention, but I never liked to toast them or praise them what they loved to hear. I just do not like such things in my heart. So, the leaders will never like me."

Fang was not good at *gao guanxi* apparently. Employees who are good at *gao guanxi* can get substantial benefits, such as getting better results in the annual assessment. As mentioned earlier, the salary system reform in 2008 changed the standards that measure salary levels to performance assessment. Each staff's assessment rating was discussed and decided by the managers each year, and the grading system was divided into three levels: qualified, good, and excellent. The three levels represented 1 point, 1.5 points, and 2 points respectively. While 3 points are accumulated, the monthly salary will be automatically promoted one level the next year. As the employee with the most considerable workload in her office, Fang could only get qualified results in the annual assessments, while others who had closer *guanxi* with the managers could get good or even excellent results. The unsuccessful adaptation to the SOE's institutional *guanxi* culture has prevented her

from getting the rewards she expects from working hard.

## Discussion and Conclusion

### The Meaning of Cadre Identity Under the Reform

As a salient concept of the Chinese personnel system in the planning economy context, cadre identity has gradually weakened its importance for the worker's career development after the reform. It's reflected in the ongoing trend of separation between cadre identity and work positions. In the early post-reform period (the 1980s and 1990s), workers with cadre identity were relatively scarce. Workers can be employed as cadre positions in the absence of staff in the office, as shown in Fang's secondment experience. With the progress of the reform, the scarcity of cadre identity is getting weaker. In the late 2000s, it even appeared that new staff with cadre identity need to be employed as workers through interviews with the participant. Since the enrollment expansion of Chinese universities after 1997, many descendants of oilmen returned to work in the Oilfield after graduating from colleges, yet the vacant cadre positions are not enough to cope with it. It led to the phenomenon that college graduates with cadre identities in their *Dang an* had to be assigned to worker positions for manual work. The new institutions that the reform policies brought profoundly altered the meaning of cadre identity on workers' career development.

The meaning of cadre identity for career development also differs according to different types of SOEs. The primary positions of the state-owned bank belong to white-collar types working in the office. Most of Fang's colleagues who started their careers simultaneously have the same identity as her. However, primary positions in state-owned oilfield enterprises, such as Plant X and Y, where Fang worked before, are blue-collar jobs that conduct manual works outdoors. The ratio of cadre identity owner in these plants are

relatively small, compared to the bank, making cadre identity more meaningful to workers' career development. In general, although the concept of cadre identity has become more and more neglected as the reform of SOEs processes, it has not been abolished and has continued to exist as part of the SOE personnel system, which combined part of the old planned economic system and the new market-oriented reform elements.

### Institutional Culture and Career Development

The institutions that affect workers' career development in the context of reform are mainly inherited from the old planned economic system. For example, *gaokao*, which was restored after the reform, inherited the national college entrance examination system established in 1952 and was interrupted by the Cultural Revolution in 1966. These institutions have undergone constant adjustments from the state and the public sector to adapt to the new realities emerging in marketization during the reform process. Various reform policies continuously adjusted the college admission institution in the decades after restoration, such as the *Zikao* reform experienced by Fang and the expansion of university enrollment in the late 1990s. It forces these formal and informal institutions into an unstable state in the context of reform. Chang (2011) proposed that the higher the system's uncertainty, the more likely it is that actors will adopt *guanxi* as a strategy to reduce the uncertainty. Compared with relying only on the frequently changed institutions, it seems more reliable to construct *guanxi* networks with actors in power. Fang's two secondment experiences during her cadre identity acquisition process after returning to the Oilfield depended on her father's strong *guanxi* network as a high-level cadre. The stagnation of her career in the bank is primarily due to her inability to adapt to the institutional *guanxi* culture after losing the shield of her family's *guanxi* network and building a *guanxi* network by herself with the superiors. Some

institutionalist scholars predicted that as China's reforms proceed, *guanxi* should gradually become less important. Due to greater market competition and the development of a more developed legal system, both public and private actors are under increasing pressure to reduce their dependence on *guanxi* (Guthrie, 1998). However, from my case, this has not happened. Like other public sectors in China, the uneven distribution of resources caused by the bureaucracy under the unified leadership of party organizations and the blurred administrative regulations in the SOE system makes it difficult for workers to share the dividends brought about by market reforms. To achieve their career development, workers like Fang have to integrate into the institutional *guanxi* culture. Workers who conform to this institutional culture have more opportunities for further career development, such as some of Fang's colleagues, while those outside of this are struggling, as Fang experienced in the latter part of her career.

### Limitation and Implication

Based on the life story of one typical case, this study offers a glimpse into the career trajectory of contemporary Chinese SOE workers. This analysis shows that, on the one hand, the importance of cadre status as a legacy of the planned economy seems to have diminished to a certain extent in contemporary times; on the other hand, the institutionalized culture of connections still appears to strongly influence the career development of individual workers in contemporary Chinese SOEs. Based on these, career advancement for contemporary SOEs employees may require an essential college degree through institutionalized examinations, which is a prerequisite for acquiring cadre identity and learning to strategically construct networks of relationships. The limitations of this study are apparent. Firstly, the life story of one individual case cannot represent the entire group of China's SOE workers, and therefore the conclusions of this study cannot be applied to

the SOE worker population without discrimination. Secondly, the biases and problems of oral histories may impact the findings of the analysis. Life storytelling is mostly a very personal kind of storytelling - a unique narrative of events, not as they happened, but as the teller remembers and invents them (Harrison, 2009). Therefore, at the end of each interview, I fact-checked Fang's account of events as much as possible and followed up with questions in the next interview if discrepancies were found. Nonetheless, this study cannot and does not attempt to guarantee absolute objectivity in the narrative, especially as it does not employ a positivist epistemology. In the absence of absolute objectivity, the interviewee's memories and inventions of her experience are also an essential part of her experience and cannot be eliminated.

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