



This article is an excerpt of the book “**Financial, Administrative and Trade Management in China: A crash course for executives for a successful and compliant business operation**”, available e.g. on [Amazon Kindle](#), [Google Play](#) and [Apple Books](#).

10.2. Finding, Negotiating a Professional Job in China

It can be a long mission to find a job in China: To identify the kinds of positions and compensation packages that you are happy with can be a time-consuming process.

To give you some idea what is ahead of you, let me outline the key aspects and personal recommendations for professional jobs here. Most of these aspects can still be relevant in other areas, e.g. teaching jobs—but additional topics like office-hours might play a role that I do not consider here.

Are you qualified and will you get a working visa?

While there is a myriad of possible job offers, it is quite probable that you could find some job that would fit to your personal qualifications. A major hurdle are the requirements for a legal working visa, though.

A reputable company will not risk penalties by employing you with the wrong type of visa and it is highly recommended to stay away from any shady businesses that would give you a contract without a valid working visa.

This is also for your own protection.

Visa requirements are constantly changing and can be regionally different—there is no absolute answer if you can get a working visa or not.

At the time of writing, if you fulfill the following criteria it is at least likely that you can obtain a working visa:

- You graduated from university or college
- You have at least 2 years of work experience in a similar area in another country after graduation
- You reach the minimum points according to the foreigner tier classification (“A”, “B” or “C” expat)

If it is highly likely that you will get a working visa, ask the company to clarify this with the local authorities or with an agent that supports the visa applications.

If it is not highly likely, many companies will reject your application even before the interview. You can reduce this risk by clarifying the probability of obtaining a visa yourself by either contacting the local authorities yourself or by asking an agent to give you an estimation—and then addressing their (hopefully positive) answer in your application.

The moment of truth though will be when you receive your passport back from the embassy after your visa application though.

Sources for finding jobs

From my personal experience, professional jobs mostly are found with the following sources:

- Commercial job websites which focus on foreigners, e.g. DirectHR, SinoJobs;
- Job sections of International Chambers, e.g. German Chamber of Commerce (AHK) or European Chamber of Commerce;
- Personal Recommendations in a network. These might be hard to come by if you do not yet have an established network, and
- Headhunters on social networks, e.g. LinkedIn: When being in a professional position already, you might be added and contacted by researches of headhunting firms.

Sometimes they also just directly give you a call on your private or company phone.

Two ways that first-time jobseekers try often but which are definitely not recommend:

- The Company headquarter of a multi-national enterprise in your own country are typically NOT helpful to find a job in the Chinese entity of the same enterprise. Chinese entities usually are highly independent and have their own HR department.
- Being too offensive at networking events. Many first-time jobseekers go to these events and try to advertise/sell themselves to random staff of possible employers or just to everyone. This will surely not leave a good impression.

After the application: Considerations from company perspective

From the company perspective when a new position is created or an employee gets replaced, there is already a budgeted package in place. Applicants who have expectations above this package are often filtered out. Space for negotiation to increase this budgeted package is mostly limited.

Additionally, your future package often heavily depends on your current package—again, room for negotiation is often limited.

While the financial side is mostly fixed, companies are often more willing to employ staff which does not formally fulfill all the requirements of the job description. Even while the competition on the job market gets more intense, perfectly fitting applicants might be hard to come by. If you think a job position might be for you but your experience does not fit the requirements, you can still give it a shot.



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A typical job application process in China

After handing in the application, the waiting time begins. Companies internally handle job applications in very different ways. Sometimes you get a structured feedback on what steps to expect next, but very often you get suddenly a call for pre-filtering and/or a spontaneous invitation to a job interview without long planning time ahead:

- Phone interview: In a short phone interview, the company will try to get a first impression on you, your language skills in English and Chinese and will often ask for your current compensation package.
- Personal interview rounds in the company: You will be invited to the company for a personal introduction—and sometimes more than once. These interview rounds seem to be less structured compared to Germany and the setting might differ heavily. Often you will have interviews with multiple persons one after another, if Chinese skills are required for the job also at least some small-talk in Chinese.

From my personal experience, I had job interviews in which the hiring manager was talking 80% of the time and in another extreme case a round of 5 high managers who interviewed me more than three hours altogether.

One of the last questions will be your expected compensation package (see below).

On a side note: Not all companies pay your travel costs to get to the company. Especially if you have to get a flight or an expensive train ticket to attend the interview, it might be a good idea to clarify this before going there.

- If the company is still interested in you, you will receive an offer letter outlining especially the compensation package and some other important aspects. In this phase it is recommended not to suddenly increase your compensation requirements compared to the one mentioned in the job interview. While there might be some small room for negotiation, in general it is not worth it. You came to this point because your expectations match the budget of the company. If the offer is much lower than you communicated expectation, a negotiation might be required though.
- The working contract will typically be signed shortly before you start working or on your first working day.

As you can see in this process, a considerable amount of time can already be gone until you have the chance to talk about the salary expectations. Even positions with the same title but in different companies can have big differences in remuneration.

Typical parts of a compensation package and other aspects to consider

Typically, the financial part will be discussed as “yearly total package” as the total cost for employment for the company (plus the employer part of the social insurance) including gross salary, bonus, allowances while additional benefits can still be discussed extra. A good source for a general overview about the compensation can be HR consulting companies which yearly create free reports based on functions and can be found by the search engine of your choice.

Since many parts of the compensation package and additional benefits depend heavily on negotiation and/or internal company guidelines, they should be clarified before signing the contract to avoid negative surprises.

Gross salary

It is common to have 12-14 months of salary payments during a year. Keep this in mind for your cash flow and tax planning, that even if you get offered e.g. 120,000 RMB of yearly gross salary, with 13 salaries you might get

$$\frac{120000 \text{ RMB}}{13 \text{ months}} = 9230 \text{ RMB every month}$$

and just in one month

$$2 * 9230 \text{ RMB} = 18460 \text{ RMB}$$

possibly increasing your personal income tax in that month and reducing your cash flow in the others.

Also, companies often have defined rules that new staff cannot get the 13th salary in part or in total, depending on how long they already work for the company.

Bonus

Your yearly bonus can be paid which decreases your tax load. If you have a Bonus of 48,000 RMB, your personal income tax base will be calculated by dividing this Bonus by 12 months:

$$\frac{48000 \text{ RMB}}{12 \text{ months}} = 4000 \text{ RMB}$$

This value is then used as a base to determine the applicable tax rate and quick deduction, probably reducing your personal income tax.



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Allowances

Allowances are typically being paid directly by the company or—in some cases—first get paid by the employee and then reimbursed by the company if a correct Fapiao can be presented. The benefit is that the employee does not have to pay personal income tax for this part of the package.

Allowances typically can include apartment allowance, food allowance, allowance for the school for children, transportation allowance. Nowadays, the apartment allowance seems to be the most common. It is worth a try to negotiate that unused allowances will be added to the gross salary again and then get paid out after deduction of the personal income tax.

Additional benefits

Additional benefits are less common but still existing benefits that the company is willing to give to the employee, especially yearly flights home or international health insurance packages.

These are not extremely common and should be negotiated carefully.

Annual leave

Annual leave is often not directly mentioned in the offer letter or directly negotiated but is regulated in the employee handbook or other guidelines of the company.

Since annual leave, sick leave, personal leave etc. can differ immensely between each company, it is at least recommended to ask for the granted amount of annual leave days.

Since this sometimes is not negotiable and a possible unfavorable impression during negotiations should be avoided, this topic has to be handled carefully.

Working hours

Mostly working contracts are defined as 40 working fixed hours and often are strictly regulated, e.g. 9:00 am to 6:00 pm including one hour of lunch break. They often are controlled with fingerprint readers or other logging measures and failing to meet the requirements can lead to complications e.g. denied bonus payments.

To be sure that you can meet the requirements of the company, make sure to ask for the regulations.

Overtime—while legally required—often does not get compensated for specialist or management staff. So even while the offer letter or working contract might mention the hours, it is recommended to clarify the actual expected workload, overtime and if it is expected that you work during weekends.

Business trips

Possible reimbursements are usually regulated in the travel policy and therefore cannot be negotiated. But it might be important for you to understand if you are allowed to take business class in flights or how high the maximum reimbursement for hotels is.

If this is not an absolutely important criteria for you, I recommend not ask about it.

Also it might be good to find out how often business trips are expected, to where and how long.

Contract runtime and probation

Most of the contracts are time-limited contracts (usually 2 years) that can be extended. After two extension it becomes an unlimited contract by law. Most companies do not want to bear this so be ready that after the second extension of your contract your engagement for this company will probably end. Still, it is recommended to check the total runtime of the contract.

Keep in mind that when the time-limited contract ends, the company should still pay you a severance packet if they did not offer you a renewal of the work contract to the same conditions as before.

For Chinese staff it is common practice to not pay the full salary during probation—this depends on the company. For foreign staff this is much less common but is still a point that should be clarified, also the probation period should be confirmed.

Required documents for obtaining the work visa

For obtaining the work visa, considerable cost can come together. It is recommended if the company can reimburse these costs.

Payment in foreign currency

A few companies can offer payments of salaries at least partly in foreign currency, e.g. Euro, to your bank account at home. Considering the complexity of capital controls to transfer money out of China, if possible, it is recommended to negotiate this if you are planning to go back to your own country at some point. Changes in exchange rates can also be averaged out like this.

After signing the contract & working visa

Working in China is highly regulated and illegal employment with a tourist visa or business visa is definitely not recommended.

Please make sure that the company will support you in obtaining the correct working permit and follow the process of getting a temporary residence permit.



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This process again can be time consuming, as well as to obtain all the required documents (e.g. certificate of good conduct) as well as the application procedure itself to get the visa, followed by the process of changing the visa to a temporary residence permit.

It can easily take a few weeks to several months until this process is completed.

At the same time, companies sometimes declare the offer letter only as valid if a working visa can be obtained legally.

While in the past employers were sometimes not shy to tweak the documents to evade limitations on minimum work experience of employees, this has changed. Most companies will not be willing to support if the formal requirements of the law to employ you cannot be met.

Last but not least: The company will mostly start paying a salary around one month after your employment. In the meantime, especially if you just came to China, lots of expenses can be due before, e.g.:

- Costs for the apartment (3-12 months advance payment of the rent);
- Apartment agency fee (1-2 months of the monthly rent);
- Deposit for the department (1-2 months of the monthly rent);
- Pre-payments or required documents for the working visa, and
- Paying the flight from your home country to China (since your visa can not be changed from a tourist/student visa to a working visa while you are in China), etc.

These high upfront expenses should be considered in your cash flow and the risk is often with the employee, e.g. if he quits early and/or the working visa cannot be obtained there might be no compensation.

Conclusion

Lots of the negotiations and interviews take place personally. If you are planning to apply for a job in China, it is highly recommended to also be here. Since China is big, you should probably focus on one or two big cities and their suburbs or surrounding cities, otherwise travel cost and the invested time for travel might run up quickly.

Since compensation is often discussed relatively late in the process, applying for a job with a good salary can be a numbers game and you should follow up several offers. At the same time, this will be very time-consuming. Especially if you are considering to change your job instead of “just” applying during/after your graduation, you might have to take considerable leave just to attend the interview including the travel time.