

# *Sustainability of cultural influences on decision-making: a case study of institutional elderly care in China*

Article

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**SUSTAINABILITY OF CULTURAL INFLUENCES ON DECISION-MAKING:  
A CASE STUDY OF INSTITUTIONAL ELDERLY CARE IN CHINA**

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## **ABSTRACT**

The world is facing a situation without precedent: We will have more elderly people than children and more people at extreme old age than ever before. It is not the scope of this paper to address the breadth of the issues brought about by the transforming demographic force of population ageing in the world. This paper focuses on the exploration of attitudinal support for institutional elderly care services in China. China is chosen for the study as it is a developing country with one of the fastest aging society in the world whilst its elderly care infrastructure is still at its infancy in comparison with the developed countries. The perceptions of individuals with different demographic characteristics are studied to understand the influence and stability of Chinese cultural beliefs on decision-making for elderly care services. An online survey was used to collect both quantitative and qualitative data. Data was interpreted in the context of the Chinese traditional practices. Findings revealed majority respondents were not supportive of institutional elderly care due to traditional values, social stigma, superstitions, the tradition of collective decision-making, perception of current institutional care's quality and financial ability. However, the study also revealed certain demographic profile responded positively to institutional care, providing informative inputs to more targeted marketing efforts for investors. Findings also contribute to the knowledge base of cultural understanding for elderly care business models.

## **1. INTRODUCTION**

The elderly care market in China represents a great example of the peril and promise of doing business in China. China's changing demographics offer immense opportunities for elderly care service providers. The elderly care market in Mainland China was estimated at about RMB4 trillion and is expected to surge to RMB13 trillion by 2030 (Research and Market, 2015). More than 5 million jobs are expected to be filled in this industry (Zhang, 2012). This spells an enormous opportunity for business investment. If scalable and profitable business models emerge, the country could quickly become one of the world's most lucrative markets for elderly care service providers.

The megatrend of the elderly services industry in China is the motivation for this research study. The perceived huge demands for elderly care services have attracted keen interests from foreign private investors from all over the world. However, many who have attempted to enter or entered the market are hindered by numerous challenges. Private investors are still searching for a profitable business model (Time Weekly, 2013; People News, 2014). Some investors hesitated to enter the elderly care market due to perceived slow and low return (Pan & Zhou 2014; Wang, 2015). Political parties and state agencies have tremendous influence on business practices in China (Coll, 1988). Various strategic issues pose challenges for new business ventures into the market. In addition to the lack of clarity on government roles, policies and guidelines (Anon, 2011; Jinglao.net, 2014), the other business concerns include complicated and drawn-out licensing process that varies widely across provinces in the country. There is also great concern with the availability of human resources as geriatric care in general is not a well-developed competency in China's medical, nursing, or vocational schools (Nelson, 2012).

In addition to the various strategic issues, another key challenge that foreign elderly care service providers find with exporting their proven approaches to China is perceived value. A successful elderly care model will need to be perceived by both those paying for the care, as well as those receiving it, to meet the cultural expectations of how seniors are to be honored and taken care of in their old age. Previous research findings reveal that outsourced secondary care-giving is not the preferred option in Asia although people are beginning to understand that secondary care may be a pragmatic option if it meets the expectations of cross-generational care (Ishii-Kuntz, 1997; Nelson, 2012; Chang, 2014)

## **2. LITERATURE REVIEW**

### **2.1 The Greying Population Dilemma**

Population ageing is poised to become one of the most significant social transformations of the 21<sup>st</sup> century, with implications for nearly all sectors of society, including labour and financial markets, the demand for goods and services, such as housing, transportation and social protection, as well as family structures and inter-generational ties. United Nations consider a country to be ageing when 7% of its population is aged 65 or over (Zhang, 2012). Various projection studies by the United Nations, Department of Economic and Social Affairs, support the urgent needs to address the ageing population trend (United Nations, 2012).

Population ageing and increasing life expectancy have a number of significant implications. One of the most important being there may be a lower proportion of individuals paying taxes, working and providing care for those who need it. For this reason, growing old in a society which is itself an ageing population, is fundamentally different to growing old in a population where most people are young (Harper, 2016).

The growth in a country's population and changes in its age composition are often also linked to the economic prospects for that country. Preparing for the economic and social shifts associated with an ageing population is essential to ensure progress in development. The principal economic implication of an ageing population is that it potentially reduces the share of the population that is in the prime of its working life. This can significantly slow overall economic growth without a compensating rise in productivity. At the same time, the share of the population that depends on those at work may increase. Many in the dependent population have lost their ability to live independently because of limited mobility, frailty, or other declines in physical or cognitive functioning. Most would require some form of long term care, which include home nursing, community care and assisted living, residential care and long-stay hospitals. The potential burden on the working-age population to provide for the dependent population is expected to increase in most countries in the years ahead as shown in Figure 1 with the transformation felt most strongly in Japan, followed by South Korea and China.

Population ageing is also likely to influence patterns of health care spending in both developed and developing countries in the decades to come. In developed countries, where acute care and institutional long-term care services are widely available, the use of medical care services by adults rises with age. Accordingly, the rising proportion of older people is placing upward pressure on overall health care spending in the developed world, although other factors such as income growth and advances in the technological capabilities of medicine generally play a much

larger role. On the other hand, relatively little is known about ageing health care costs in the developing world. Many developing nations are just recently establishing baseline estimates of the prevalence and incidence of various diseases and conditions. These countries often do not have an established and affordable long-term care infrastructure. The significant costs associated with providing ageing support is often borne by families and society, possibly in the form of other family members withdrawing from employment or school to care for older relatives. As these countries become more developed, residents seek jobs in cities, leaving their older relatives back home with less access to informal family care. Given the increases in life expectancy and the sheer numeric growth of older populations, demographic momentum will likely raise the demand for care – both formal and informal (UN Population Division, 2015).

## **2.2 Aging Trends in China**

Population ageing is a global issue where China makes no exception. Coulmas (2007) distinguishes 3 different types of ageing society basing on the proportion of population 65 years and over: the ‘Ageing society’ (7-14%), ‘Aged society’ (14-21%) and ‘Hyper-aged society’ (21% and above). The projection by United Nations was that 24% of China’s population would be 65 and older in 2050, a significant increase from 8.3% in 2010 (United Nations, 2012).

China is transitioning quickly from an ‘ageing society’ to a ‘hyper-aged society’. Aged population in China is expected to experience a 4-fold increase with median age rising from 35 years to 46 years over the same period (United Nations, 2012). Given China being one of the world most populous country with an estimated population reaching 1.38 billion in 2050, elderly care is a key concern of the graying nation.

In 1979, the Chinese population was at one billion and China was not prepared for the rapid population growth. China introduced the legislation of the One-Child Policy as a temporary means of curbing high population growth. Close to 40 years later, the Chinese are living longer and this time, China is not prepared for the rapid aging population. China is faced with the problem of having not enough children to take care of the elderly parents. Attributing to the ‘one child policy’, the families size decreases and typically is of the “421” structure where a single child needs to take care of two parents and four grandparents without sibling to share responsibilities. All these challenge the sustainability of the traditional family support system. An old Chinese saying is translated as ‘raising children for old age’. Nowadays more and more parents with financial independency do not want to burden their children or may not be willing to live with their children in a city away from their home town. There is also a growing trend where elderly parents are sent to senior living community instead of caring for them at home (Xie, 2013).

An increasing concern has also arisen over the “empty nest” syndrome and the mental health of elderly (Lu & Guo, 2013; Li et al, 2006). According to Liu Zhongyi (2012), a researcher in National Bureau of Statistics of the People of China, 70% elderly lived together with their children in 1990. In the past two decades, “empty nest” families have grown to 40%-50% of the total families in many cities. In some cities, that statistics even reached 70%-80% in 2012. This supports the survey result of eight cities in China, which showed that the proportion of elderly living in absence of children has increased to over 45% in both rural and urban areas in 2010

(Xie, 2013).

In China, elderly care was traditionally attributed to families, in particular females and a small community group. However, the changes in the recent decades have pushed the traditional familial support systems to a breaking point. Following the trend of industrialization and urbanization, China labour market is also seeing high female employment. 71.1% of women between the ages of 18 to 64 were employed in 2011 (Wang, 2011). It becomes difficult for those working and living far apart from their parents to look after the elderly physically due to the long distance, their work obligations and other commitments.

The aforesaid changes lead to a critical social problem for China: how can the society promote the well-being of elderly and at the same time, support the labor market? The current supply of elderly services is far from meeting the growing demand due to the weakening of the traditional familial support. The recent government policies encourage more private investment and operation in elderly services where traditionally, the governments and charity organizations have been the main players. The central government has taken elderly care service development as a priority task and national strategy with several acceleration plans placed under the state council for materialization by 2020. Many preferential policies have been issued to encourage local small and medium enterprises to enter this industry with both funding support and tax allowance. However, very often investors and international managers have seriously overlooked the significance of cultural factors and this lack of cultural awareness has led to blunders in international operations as reported in several studies (Black & Mendenhall, 1990; Wssocki, 1990; Joinson, 1998; Podrug, 2011). Cultural awareness would have enabled them to develop appropriate policies and determine how to plan, organize and control in a specific international organization (Hofstede, 1980; Joinson, 1998; Francesco & Gold, 2005; Khatri, 2009).

### **2.3 An Overview of the Chinese Cultural Values**

The traditional Chinese culture is based on diverse and competing philosophies of Confucianism, Taoism, Buddhism, Legalism, and other less popular traditions (Shenkar & Ronen, 1987a, b). However Confucianism is considered at the heart of Chinese cultural values. One of the principles within this value system is its emphasis on social order where each individual should be conscious of his/her position in the society (Confucius, 1938; Culturgrams, 1998; Eberhard, 1971; The Overseas Chinese Affair Office of the State Council, 2006). In such a society boundaries between self and others are unclear (Metzger, 1977). Therefore, challenge becomes more of a collective effort rather than a personal goal effort (Whyte, 1974). Chinese tradition is opposed to individual glorification and considers anyone who desires personal enhancement as a threat to collectivism (Pye, 1982). Collectivism reflects harmonious, conflict-free group-based system of social relations (Fan & Zigang, 2004; Shenkar & Ronen, 1987a; The Overseas Chinese Affair Office of the State Council, 2006). Collectivism values cooperation, loyalty and reciprocity (Reischauer & Fairbank, 1960).

Another important Chinese cultural value reflecting the Confucianism philosophy is the principal of *guanxi* which means interpersonal relationship or connection (Pearce & Robinson, 2000; Tsang, 1998). Lee and Dawes (2005) define *guanxi* as having two components: instrumental and affectionate. The instrumental part consists of two concepts, face preserving and reciprocal favor,

and the affectionate part consists of only affect. These three concepts are universal; that is, they have similar meanings in different countries, though presentations of these concepts may differ in different cultures. In the Chinese culture, these three components mingle with one another; that is, for Chinese people, both the instrumental and the affect components go together; business mingles with affect. The principal of *guanxi* expects friends and associate to do what they can for each other when they are needed. To violate *guanxi* is to 'lose face' meaning to lose reputation or honor. Maintaining *guanxi* avoids embarrassment, failure, defeat, or contradiction (Culturgram, 1998).

The Chinese cultural norm of filial piety, or *xiao*, has long been considered the major cultural force holding together China's system of familial elder care (Gu & Liang 2000; Ikels 1993; Streib 1987). For more than two millennia, interactions with parents by children were circumscribed by *xiao*, a Confucian concept encompassing respect, obedience, loyalty, material provision, and physical care in old age. Its importance went far beyond that of the biblical commandment 'honor thy mother and they father'. Filial piety was and still a value based on strict principles of hierarchy, obligation and obedience. Confucian emphasis on obligations to patrilineal ancestors and Confucian exaltation of filial piety contributed to a moral order in which families were central to human identity and to a family system organized hierarchically so that men and older generations had considerable power over women and younger generations (Ebrey, 2003).

Chinese tradition views work more important than leisure, and work contributes to family's well-being rather than competing with it (Eberhard, 1971; Metzger, 1977; Shenkar & Ronen, 1987a). Achieving long-term goals is more important than specific current objectives. Long-term orientation is a crucial part in carrying on a successful business deal, and only time can help establish trust in business relationships (Lee & Dawes, 2005). Chinese prefers harmony and do not like to be threatened by uncertainties in life (Chinta & Capar, 2007). They rely more on accumulated wisdom, precedent, and intuition than on reasons and objectivity. "There is more holistic thinking and synthesis than linear thinking and analysis" (Scarborough, 1988, pp.15-24).

Chinese place great value on patience and they take time to make decisions (Pye, 1982; Tsang, 1998). The Chinese are known for their politeness and good manners which entails more than just showing common courtesy. It means a formal and stylized behavior where behavior depends on one's social position and norms (Conte & Novello, 2008; Pye, 1982). In China it is important to be a good listener. One may have to hear about the same stories of the great progress that has been made by their country. Chinese are very proud of their economic progress and want to share the feeling with outsiders (Conlin, 2007; Culturgrams, 1998).

Chinese are passive, superstitious and fatalist by nature, often believing that destiny, luck, and circumstance are more important than personal action (Conte & Novello, 2008; Poorsoltan, 2012; Scarborough, 1988). A superstitious belief is the idea that events are influenced by specific behaviors without having a causal relationship. The purpose of this behavior is to either attract the good luck or prevent the bad luck. Superstitious beliefs sometimes result in positive outcomes, however, at other times they result in negative outcomes. Examples of superstitious beliefs could be in certain actions, events, numbers, days, stars, etc. (Poorsoltan, 2012).



## 2.4 Aging and Cultural Worldview of Time

Caring for the elderly is an issue that goes to the very heart of the Chinese culture. Several studies have appeared in the literature on the influence of culture on decision-making in different countries (Albaum, et al., 2010; Adler, 1991; Hitt, et al., 1990; Fisher, 1980; England, 1978; Podrug, 2011; Rowe & Boulgarides, 1983; Whitely & England, 1980). Aging is a universal experience, but the meaning of late life, and the positions of the elderly, differ dramatically among various cultures. Given the world's extensive history and diverse variety, it is interesting how many common concepts, such as time, are rooted so firmly in a similar manner in very different societies.

Hickson and Pugh (2001) argue that no more common thread binds humanity than the passing of time, yet it is experienced differently and valued differently. Time can be considered from three vantage points – past, present and future – and different cultures espouse different orientations and the values that can be drawn from each worldview. The time orientation worldviews may significantly influence how decisions are made, as well as how process, policy, and procedure is implemented and executed. (Mackey, 2010). Similarly, it is expected that decision-making by stakeholders on elderly care services and support will be impacted by the differently held worldview of time. The following summarizes the contrast of the three worldviews from various studies (Hofstede, 1980, 1994 & 2001; Tayeb, 2003; House et al, 2004; Grove, 2005; Soares et al, 2007; Mackey, 2010; Rutledge, 2011; Eringa et al, 2015).

*Past-orientated cultures* value tradition, ancestors and family roots. Older societies, such as China, have a greater concern with time as it runs back into the historical past that underlies traditional values. These past-orientated cultures have tended to be conservative in management and slow to change those things that are tied to the past. Long-standing customs are still followed. For these cultures, the past is, understandably, very important. Lessons learned from past mistakes are remembered and applied to current situations. In Asia, for example, past events, notable scholars, as well as ancestors are honored and observed in ways other cultures may not fully understand. Historical context is extremely important to some European cultures as well such as in the UK, where nearly every speech, book, or article begins with background material providing historical perspective. The value of the past lies in memory and history. When working with someone with a past orientation, it is extremely useful to frame the situation so as to allow the future to become more credible as it evolves into a new occurrence of the past. Learning from past mistakes helps to ensure one will not let them happen again. Alternatively, thinking back to positive outcomes inspires one to emulate the behaviors that resulted in the positive outcome.

*Present-orientated or immediatist cultures* value instant gratification and are heavily influenced by the ideas of short term benefits. Many such traditional cultures live in an “eternal” present. They see the past as passed and the future as uncertain. For example, many African and Native American cultures do not have verb tenses to indicate past occurrences or future events – everything is referred to in the present tense. The importance of the present is captured in the famous adage, “carpe diem” (seize the day) and in the common belief that the present is where life takes place. The challenge with a solely “in the here and now” mentality is that mistakes of the past can often be overlooked (and thus repeated), while at the same time no clear direction is defined and there is little to strive for if the future is negated.

***Future-orientated cultures*** have a great deal of optimism about the future that things can be changed for the better. They think they understand it and can shape it through their actions. They view management as a matter of planning, doing and controlling. Future orientation is “the degree to which a collectivity encourages and rewards future-orientated behaviors such as planning and delaying gratification” (House et al, 2004, p.282). These cultures invest their efforts and resources in an ephemeral vision - an ever-changing view of what the future may hold. They are, inevitably, more abstract, more imaginative, more creative (having to design multiple scenarios just to survive). They are also more likely to have a youth cult: to prefer the young, the new, the revolutionary and the fresh to the old, the habitual and predictable. They are risk-centered and risk-assuming cultures, placing a high value on new technologies and innovation. The Americans have long been held up as the prime example of future-orientated societies.

## **2.5 China Elderly Care Support Systems**

The elderly care industry in China is at an early stage of development. The *family pension mode* is the most popular system due to the Chinese traditional cultural values. Most elderly people prefer to live with family member, whilst children have the responsibility and obligation to take care of their parents. For example, a survey in Zhuhai concluded that half of the respondents did not want to send their parents to elderly home for various reasons (Zhujiang Evening, 2013). A key reason is China’s filial tradition. Ignoring the parents or simply sending parents off to an elderly home are considered morally questionable (Xie, 2013). Another main reason is the availability of suitable elderly homes options. The available elderly homes were perceived to be either too expensive or too basic (Zhujiang Evening, 2013).

Most current senior living communities are either funded by the government or private companies who mainly focus on low end market providing basic care services. Elderly homes, state-run and private-run, are collectively referred to as ‘*institutional based*’ elderly support, as opposed to the ‘community based’ or ‘home based’ elderly support. These homes are broadly categorized according to ownership type (state-owned and private owned) and operation control (state-run and private-run). The *basic elderly care institutions* provide just basic food and living necessities to elderly with minimal medical and entertainment facilities. Due to the fast ageing population, this care and support service option could not meet actual demand. An investigative study on elderly home in Jiangmen, a third tier city in China confirms the shortages and reluctance (Nddaily, 2010). 70% of the elderly surveyed were not willing to live in these elderly homes. The study also found that most of these homes were not well equipped and the industry lacked standard, accreditation and control. In a study by the Jiangmen government, there were approximately 627,000 people over 60 years old in the city at the end of 2012 (Jiangmen Government Office, 2014). However, there were only 137 elderly homes in Jiangmen providing 9,966 beds in total. This suggests approximately 1000 elderly share 15.9 beds in the city’s elderly homes. Of the 137 homes, 13 of them were privately run providing 2,088 beds. These private homes were mainly small to medium scale. Another report in 2011 revealed that the estimated demand for elderly home beds stood at 8 million whilst there were only 2.7 million beds in all elderly care institutions in China (Wang, 2011).

For the more affluent population, their needs and wants are far beyond satisfaction from these

basic homes. Recent development in China has seen private investments pouring into large-scale chain operation elderly care projects, offering high-end services with comfortable living environment, equipped with modern medical, sports and entertainment facilities. These projects are targeting the top percentile of urban households and are mainly located in first tier cities such as Beijing, Shanghai and Guangzhou.

The middle class families are the key purchasing power population in China today and they are also looking for better values (Hurun Research Institute, 2016). Barton, Chen and Jin (2013) discuss the magnitude of the middle class growth in China transformation with the biggest surge in the upper-middle class from 14% to 54% and 20% to 56% for urban households and urban private consumptions respectively, over the period 2012 to 2022. Some investors have already taken a slightly different market segmentation approach to target the middle class population in second tier cities such as Union Life in Wuhan, whilst still following the theme of large scale chain operations (Yang, 2013). The quality of care services is a key consideration when this population makes decision to send their parents or themselves into elderly living community (Xu & Zhu, 2013).

### **3. RESEARCH OBJECTIVES**

The aim of the research is to explore if and, how Chinese cultural values impact decision-making on the option of institutional care support for elderly parents. The intention is to collect data from a broad scope of respondents to create a demographic profile to understand the stability of the Chinese cultural values with different population characteristics.

The research studied selected demographic characteristics of respondents to examine the relationships between these characteristics and support for institutional care. Six specific characteristics were analyzed: age, gender, ethnicity, education, income level and marital status. The quantitative results was provided meaning by qualitative findings on reasons for respondents' support for institutional care. Cultural interpretations were then drawn from the triangulated findings in the two part of the research.

The study is expected to provide inputs of cultural perspectives significant for strategic decision-making on market entry model into the Chinese elderly care service industry. The population analysis is expected to provide a better understanding of demographic segmentation for more targeted marketing effort. It will also contribute to the knowledge base of elderly care across cultures.

The following research questions were addressed:

1. Are there significant differences with support and acceptance for the option of institutional care for elderly parents in the six selected demographic characteristics?
  - a. Age
  - b. Gender
  - c. Ethnicity
  - d. Education
  - e. Income level

f. Marital status

2. What are key Chinese traditional values for support and lack of support for the option of institutional care for elderly parents?

## 4. METHODOLOGY

### 4.1 Sampling Design and Data Collection Approach

Both quantitative and qualitative data were collected using an online survey instrument. The original survey questionnaire was designed and compiled in English. The contents were then translated to the Chinese language by a native Chinese. Target respondents were residents in China, regardless of country of origin. The links to the online survey were communicated to friends and associates in Mainland China and Hong Kong, who in turn distributed the request for participation via WeChat and other social media groups.

The survey period was for 2 months, from 1 November, 2017 till 30 December, 2017. The survey was anonymous for ethics compliance and also to encourage participation for maximum response rate.

### 4.2 Research Instrument Design

The online survey instrument was composed of 3 parts:

- I. Part I was a short demographic questionnaire which examined the following variables:

<i>Demographic Characteristics</i>	<i>Variables</i>	<i>Classification Rationale</i>
Age*	<ul style="list-style-type: none"> <li>• Under 23 years (Gen Z)</li> <li>• 23 years to 40 years (Gen Y/Millenniums)</li> <li>• 41 years to 51 years (Gen X)</li> <li>• 52 years to 71 years (Boomers)</li> <li>• Over 71 years (The Greatest Generation)</li> </ul>	*The identification and description of the population cohorts are not universally agreed upon by demographers and market researchers. The identification chosen for the study is presented here.
Gender (Sex)*	<ul style="list-style-type: none"> <li>• Male</li> <li>• Female</li> </ul>	Gender identity is a personal internal perception of oneself, and as such, the gender category with which a person identifies may not match the sex they were assigned at birth. In contrast, sex is biologically determined. For the purpose of this study, gender characteristic refers to sex at birth.
Ethnicity	<ul style="list-style-type: none"> <li>• Mainland Chinese (including Hong</li> </ul>	*Overseas Chinese refers to

	Kong residents) <ul style="list-style-type: none"> <li>• Overseas Chinese*</li> <li>• Asian (non-ethnic Chinese)</li> <li>• Others</li> </ul>	people of Chinese birth or descent that live outside Mainland China and Hong Kong.
Education*	<ul style="list-style-type: none"> <li>• Primary</li> <li>• Secondary</li> <li>• Post-secondary</li> <li>• Tertiary (Undergraduate)</li> <li>• Tertiary (Postgraduate)</li> </ul>	*Classifications according to education system in China
Annual Income*	<ul style="list-style-type: none"> <li>• Under RMB60,000 (USD9,000)</li> <li>• RMB60,000 to RMB106,000 (USD9,000 to USD16,000)</li> <li>• RMB106,000 to RMB229,000 (USD16,000 to USD34,000)</li> <li>• Above RMB229,000 (USD34,000)</li> </ul>	*Classifications into poor, mass middle class, upper middle class and affluent, referencing Barton et al (2013)
Marital Status*	<ul style="list-style-type: none"> <li>• Single</li> <li>• Married</li> <li>• Separated/Divorced</li> <li>• Widowed</li> </ul>	*Classifications according to general marital types

II. This part consisted of 2 rank-order questions to explore respondents' support and 'acceptance' of the option of institutional care facilities for elderly parents. These two opinions were purposefully investigated. The differences between support and acceptance were explained in the instrument: Supporting a certain practice is standing behind it, not only agreeing with it, but putting in a valid effort to further its cause. Accepting an ideal, on the other hand, is when one simply acknowledges the cause for what it is, without necessarily agreeing or disagreeing with it.

Respondents first ranked their support for the idea of sending their parents to institutional care facilities on a 5-point Likert Scale from 'strongly oppose' to 'strongly favor'. They were then asked to rank their acceptance on the idea on a 7-points Likert Scale from 'totally unacceptable' to 'perfectly acceptable'.

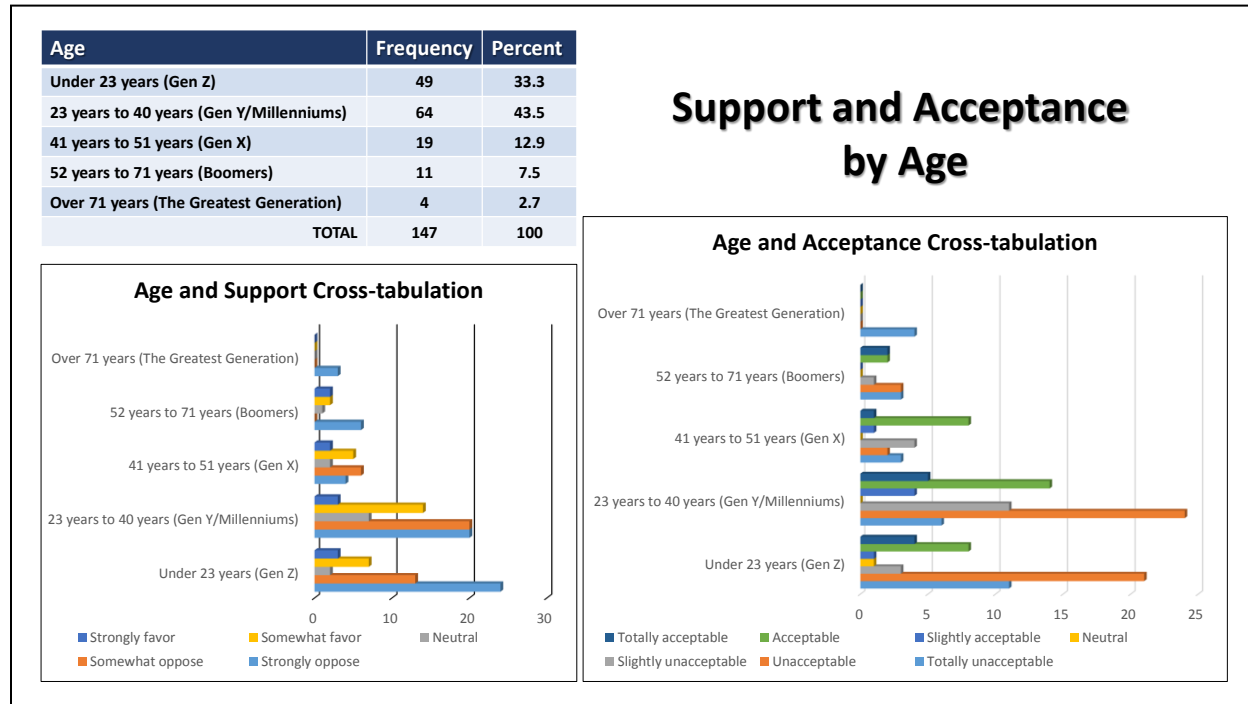
III. This final part was essentially qualitative in which respondents were asked to provide reasons for their answers in Section (II). They were also encouraged to reflect on the answer with their current support and care for parents.

## 5. RESULT

The data received from the online surveys was processed in two main methods: quantitatively-statistically and qualitatively-content analysis. A total of 159 responses were received during the 2-months survey period. 147 of the responses were usable and analyzed.

### 5.1 Quantitative Findings

The purpose of this research was discovery and hence descriptive statistics were used for analysis. Quantitative results are analyzed using SPSS software and presented in tables and charts. Bar charts are used to display cross-tabulation results, showing comparison of support and acceptance for each of the six demographic characteristics.



**Overview of Findings (Age):**

Most of the respondents to the survey were Gen Z and Gen Y. The result revealed that most cohorts except for the Gen X, had shown strong opposition to institutional care for elderly parents. The results for acceptance had less negative responses albeit the idea of institutional care was still unacceptable to majority of Gen Z and Gen Y. Most of the Gen X respondents, on the other hand, considered institutional care acceptable. Simple percentage analysis of positive support and acceptance responses suggested generational marketing could potentially focus on Gen X as the prime target, and then Gen Y and Boomers.

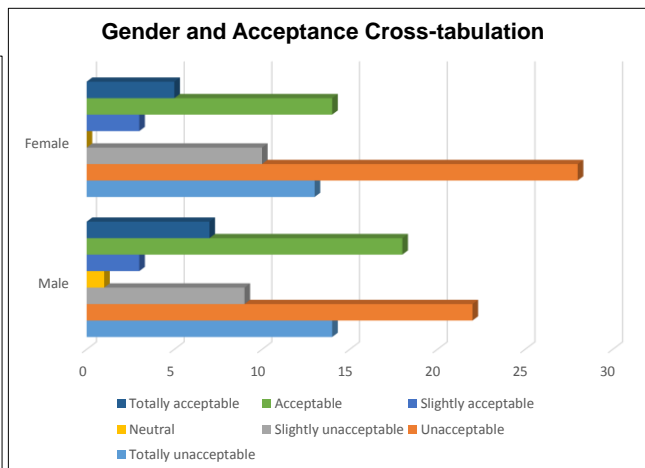
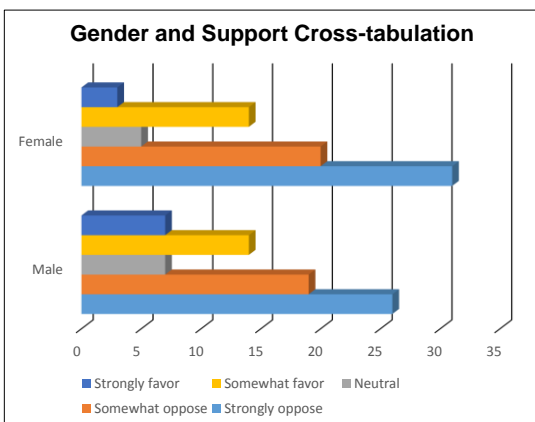
Age & Support	Total Sample Count	Total 'Neutral' (1)	Total 'somewhat favor' (2)	Total 'strongly favor' (3)	Total (1)+(2)+ (3)
Under 23 years (Gen Z)	49	2 (4%)	7 (14%)	3 (6%)	24%
23 years to 40 years (Gen Y/Millenniums)	64	7 (11%)	14 (22%)	3 (5%)	38%
41 years to 51 years (Gen X)	19	2 (11%)	5 (26%)	2 (11%)	48%

<b>52 years to 71 years (Boomers)</b>	11	1 (9%)	2 (18%)	2 (18%)	45%
<b>Over 71 years (The Greatest Generation)</b>	4	0	0	0	0%
<b>TOTAL</b>	147	12	28	10	

<b>Age &amp; Acceptance</b>	<b>Total Sample Count</b>	<b>Total 'Neutral' (1)</b>	<b>Total 'slightly acceptable' (2)</b>	<b>Total 'acceptable' (3)</b>	<b>Total 'Totally acceptable' (4)</b>	<b>Total (1)+(2)+ (3)+ (4)</b>
<b>Under 23 years (Gen Z)</b>	49	1 (2%)	1 (2%)	8 (16%)	4 (8%)	28%
<b>23 years to 40 years (Gen Y/Millenniums)</b>	64	0	4 (6%)	14 (22%)	5 (8%)	36%
<b>41 years to 51 years (Gen X)</b>	19	0	1 (5%)	8 (42%)	1 (5%)	52%
<b>52 years to 71 years (Boomers)</b>	11	0	0	2 (18%)	2 (18%)	36%
<b>Over 71 years (The Greatest Generation)</b>	4	0	0	0	0	0%
<b>TOTAL</b>	147	1	6	32	12	

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
<b>Male</b>	<b>74</b>	<b>50.3</b>
<b>Female</b>	<b>73</b>	<b>49.7</b>
<b>TOTAL</b>	<b>147</b>	<b>100</b>

### Support and Acceptance by Gender

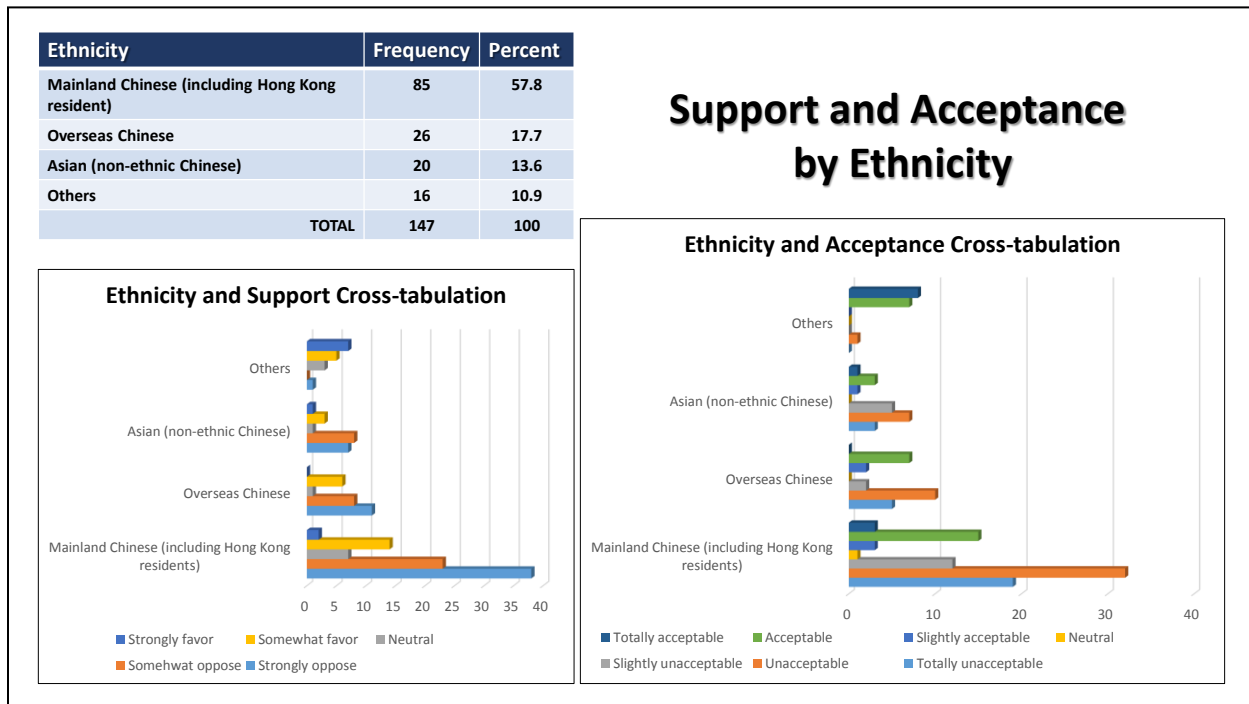


**Overview of Findings (Gender):**

Respondents were equally distributed between male and female. The result revealed that majority of the respondents did not support institutional care with more opposition from female samples. A more detailed study into the samples also suggested the male population was more supportive towards the idea.

Gender & Support	Total Sample Count	Total 'Neutral' (1)	Total 'somewhat favor' (2)	Total 'strongly favor' (3)	Total (1)+(2)+(3)
Male	74	7 (9%)	14 (19%)	7 (9%)	37%
Female	73	5 (7%)	14 (19%)	3 (4%)	30%
<b>TOTAL</b>	<b>147</b>	<b>12</b>	<b>28</b>	<b>10</b>	

Gender & Acceptance	Total Sample Count	Total 'Neutral' (1)	Total 'slightly acceptable' (2)	Total 'acceptable' (3)	Total 'Totally acceptable' (4)	Total (1)+(2)+(3)+(4)
Male	74	1 (1%)	3 (4%)	18 (24%)	7 (9%)	38%
Female	73	0	3 (4%)	14 (19%)	5 (7%)	30%
<b>TOTAL</b>	<b>147</b>	<b>1</b>	<b>6</b>	<b>32</b>	<b>12</b>	



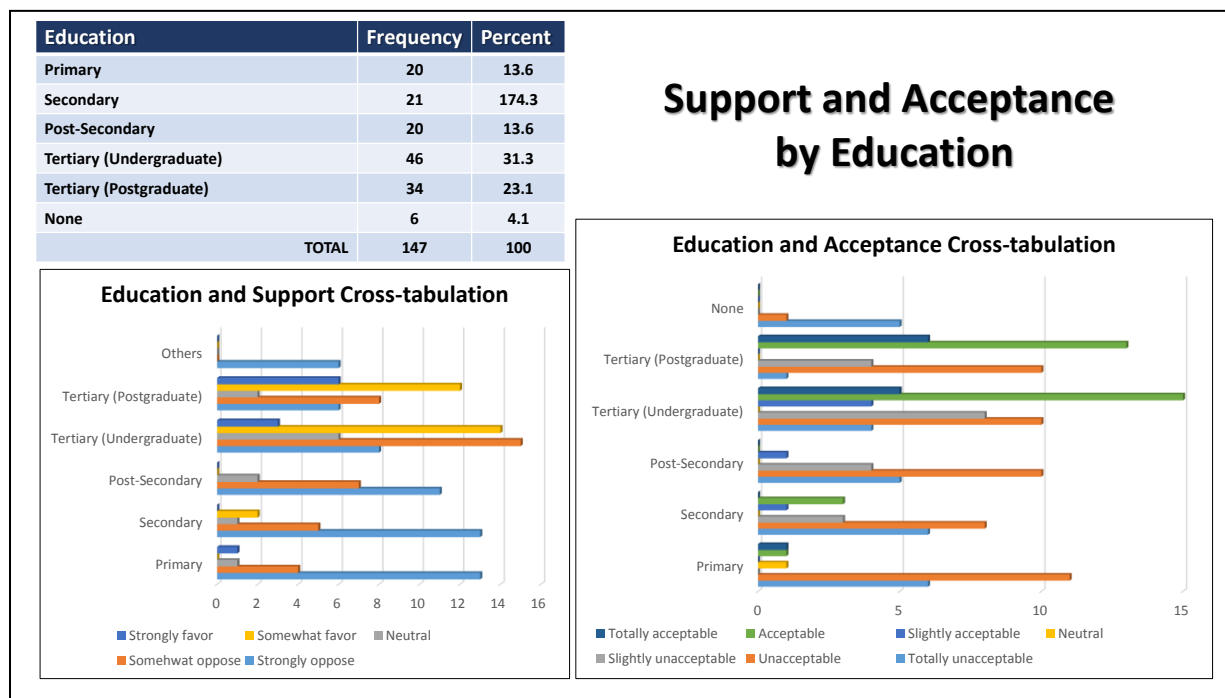


**Overview of Findings (Ethnicity):**

Majority of respondents were from Mainland China and Hong Kong. Ethnic Chinese made up over 75% of the samples. The results revealed strong support and acceptance for institutional care with non-ethnic Chinese and non-Asian. Asian responses were in line with those from the ethnic Chinese, with majority against the idea of sending elderly parents for institutional care. Further analysis revealed only one in four Asian/ethnic Chinese respondents was neutral and in favor of the idea with a higher acceptance by overseas Chinese.

<b>Ethnicity &amp; Support</b>	<b>Total Sample Count</b>	<b>Total 'Neutral' (1)</b>	<b>Total 'somewhat favor' (2)</b>	<b>Total 'strongly favor' (3)</b>	<b>Total (1)+(2)+ (3)</b>
<b>Mainland Chinese</b>	85	7 (8%)	14 (17%)	2 (2%)	27%
<b>Overseas Chinese</b>	26	1 (4%)	6 (23%)	0	27%
<b>Asian</b>	20	1 (5%)	3 (15%)	1 (5%)	25%
<b>Others</b>	16	3 (19%)	5 (31%)	7 (44%)	94%
<b>TOTAL</b>	147	12	28	10	

<b>Ethnicity &amp; Acceptance</b>	<b>Total Sample Count</b>	<b>Total 'Neutral' (1)</b>	<b>Total 'slightly acceptable' (2)</b>	<b>Total 'acceptable' (3)</b>	<b>Total 'Totally acceptable' (4)</b>	<b>Total (1)+(2)+ (3)+ (4)</b>
<b>Mainland Chinese</b>	85	1 (1%)	3 (4%)	15 (18%)	3 (4%)	27%
<b>Overseas Chinese</b>	26	0	2 (8%)	7 (27%)	0	35%
<b>Asian</b>	20	0	1 (5%)	3 (15%)	1 (5%)	25%
<b>Others</b>	16	0	0	7 (44%)	8 (50%)	94%
<b>TOTAL</b>	147	1	6	32	12	

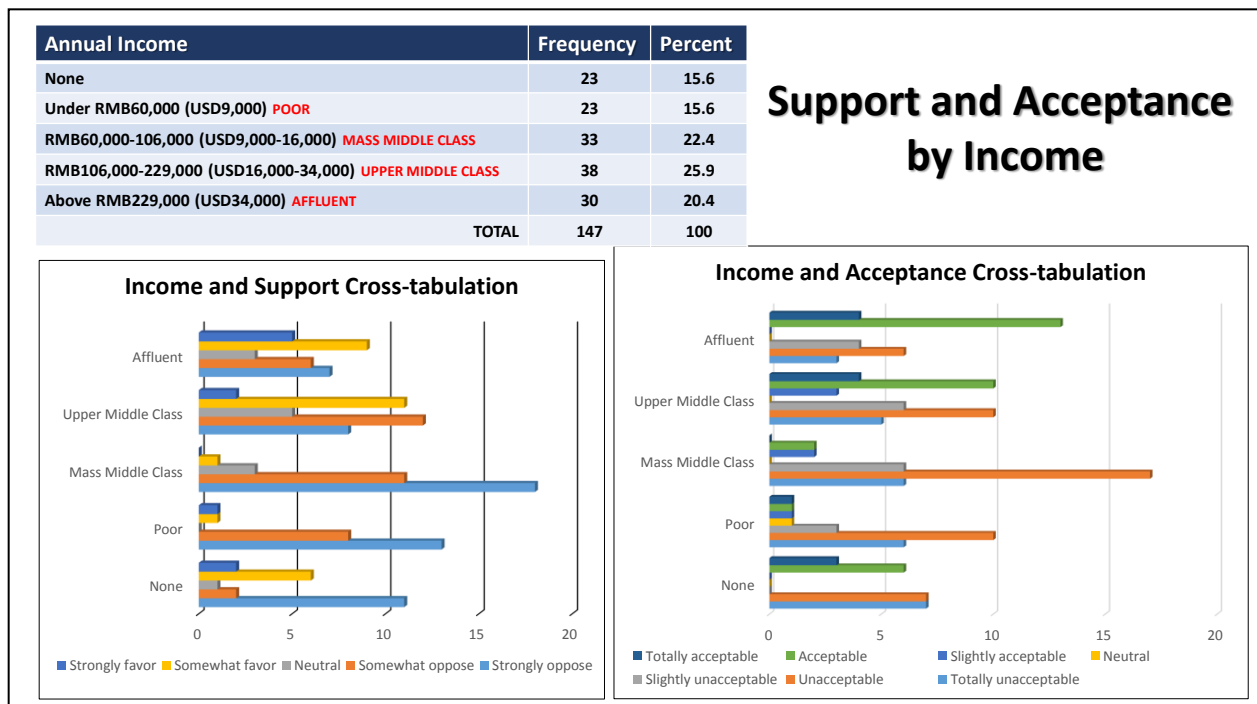


**Overview of Findings (Education):**

Over 54% of respondents were with tertiary education. The results clearly revealed support and acceptance for institutional care with educated respondents. Similarly, less educated samples showed strong opposition against the idea. A closer examination of the response percentages suggested energy should focus on the higher educated market segments.

Education & Support	Total Sample Count	Total 'Neutral' (1)	Total 'somewhat favor' (2)	Total 'strongly favor' (3)	Total (1)+(2)+ (3)
Primary	20	1 (5%)	0	1 (5%)	10%
Secondary	21	1 (5%)	2 (10%)	0	15%
Post-Secondary	20	2 (10%)	0	0	10%
Tertiary (Undergraduate)	46	6 (13%)	14 (30%)	3 (7%)	50%
Tertiary (Postgraduate)	34	2 (6%)	12 (35%)	6 (18%)	59%
None	6	0	0	0	
<b>TOTAL</b>	<b>147</b>	<b>12</b>	<b>28</b>	<b>10</b>	

Education & Acceptance	Total Sample Count	Total 'Neutral' (1)	Total 'slightly acceptable' (2)	Total 'acceptable' (3)	Total 'Totally acceptable' (4)	Total (1)+(2)+(3)+(4)
Primary	20	1 (5%)	0	1 (5%)	1 (5%)	15%
Secondary	21	0	1 (5%)	3 (14%)	0	19%
Post-Secondary	20	0	1 (5%)	0	0	5%
Tertiary (Undergraduate)	46	0	4 (9%)	15 (33%)	5 (11%)	53%
Tertiary (Postgraduate)	34	0	0	13 (38%)	6 (18%)	56%
None	6	0	0	0	0	
<b>TOTAL</b>	<b>147</b>	<b>1</b>	<b>6</b>	<b>32</b>	<b>12</b>	



**Overview of Findings (Income):**

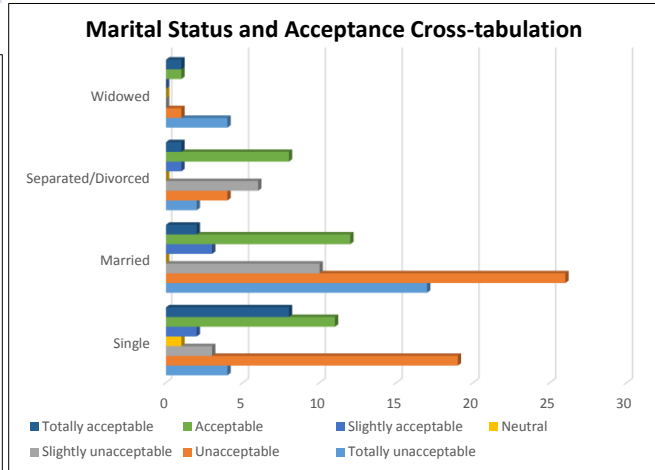
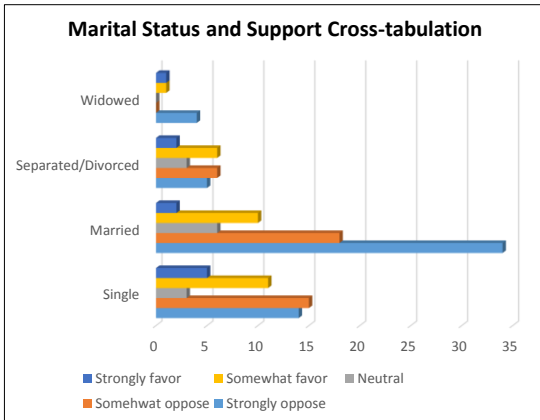
Frequency distribution showed a representative sample for all income groups. The affluent and upper middle class had shown much stronger support and acceptance for institutional care compared to the other groups. Again, the results revealed greater acceptance than support with all sample groups. More in depth analysis revealed samples with no income had a comparatively much higher support and acceptance of the idea than the poor and mass middle class groups.

<b>Income &amp; Support</b>	<b>Total Sample Count</b>	<b>Total 'Neutral' (1)</b>	<b>Total 'somewhat favor' (2)</b>	<b>Total 'strongly favor' (3)</b>	<b>Total (1)+(2)+(3)</b>
<b>None</b>	23	1 (4%)	6 (26%)	2 (9%)	39%
<b>POOR</b> <b>Under RMB60,000 (USD9,000)</b>	23	0	1 (4%)	1 (4%)	8%
<b>MASS MIDDLE CLASS RMB60,000-106,000 (USD9,000-16,000)</b>	33	3 (9%)	1 (3%)	0	12%
<b>UPPER MIDDLE CLASS</b> <b>RMB106,000-229,000 (USD16,000-34,000)</b>	38	5 (13%)	11 (29%)	2 (5%)	47%
<b>AFFLUENT</b> <b>Above RMB229,000 (USD34,000)</b>	30	3 (10%)	9 (30%)	5 (17%)	57%
<b>TOTAL</b>	147	12	28	10	

<b>Income &amp; Acceptance</b>	<b>Total Sample Count</b>	<b>Total 'Neutral' (1)</b>	<b>Total 'slightly acceptable' (2)</b>	<b>Total 'acceptable' (3)</b>	<b>Total 'Totally acceptable' (4)</b>	<b>Total (1)+(2)+(3)+(4)</b>
<b>None</b>	23	0	0	6 (26%)	3 (13%)	39%
<b>POOR</b> <b>Under RMB60,000 (USD9,000)</b>	23	1 (4%)	1 (4%)	1 (4%)	1 (4%)	16%
<b>MASS MIDDLE CLASS RMB60,000-106,000 (USD9,000-16,000)</b>	33	0	2 (6%)	2 (6%)	0	12%
<b>UPPER MIDDLE CLASS</b> <b>RMB106,000-229,000 (USD16,000-34,000)</b>	38	0	3 (8%)	10 (26%)	4 (11%)	45%
<b>AFFLUENT</b> <b>Above RMB229,000 (USD34,000)</b>	30	0	0	13 (43%)	4 (13%)	56%
<b>TOTAL</b>	147	1	6	32	12	

Marital Status	Frequency	Percent
Single	48	32.7
Married	70	47.6
Separated/Divorced	22	15
Widowed	7	4.8
<b>TOTAL</b>	<b>147</b>	<b>100</b>

## Support and Acceptance by Marital Status



### Overview of Findings (Marital Status):

Majority of the respondents were single and married, making up over 80% of the samples. The results revealed a stronger opposition by married samples. Majority of the small samples of widowed opposed strongly and considered the idea of institutional care totally unacceptable. Mixed responses were received from singles and separated/divorced samples. Percentage analysis of responses from these unattached individuals clearly showed they were much more supportive and open to the idea than the other sample groups.

Marital Status & Support	Total Sample Count	Total 'Neutral' (1)	Total 'somewhat favor' (2)	Total 'strongly favor' (3)	Total (1)+(2)+ (3)
Single	48	3 (6%)	11 (23%)	5 (10%)	39%
Married	70	6 (9%)	10 (14%)	2 (3%)	26%
Separated/Divorced	22	3 (14%)	6 (27%)	2 (9%)	50%
Widowed	7	0	1 (14%)	1 (14%)	28%
<b>TOTAL</b>	<b>147</b>	<b>12</b>	<b>28</b>	<b>10</b>	

Marital Status &	Total Sample	Total	Total 'slightly	Total 'acceptable'	Total 'Totally	Total (1)+(2)

Acceptance	Count	'Neutral' (1)	'acceptable' (2)	(3)	'acceptable' (4)	+(3)+ (4)	
Single	48	1 (2%)	2 (4%)	11 (23%)	8 (17%)	46%	
Married	70	0	3 (4%)	12 (17%)	2 (3%)	24%	
Separated/Divorced	22	0	1 (5%)	8 (36%)	1 (5%)	46%	
Widowed	7	0	0	1 (14%)	1 (14%)	28%	
<b>TOTAL</b>	147	1	6	32	12		

## 5.2 Qualitative Findings

Part III of the questionnaire captured reasons on respondents' support and acceptance in Part II, with their reflection on current support and care for their parents. Content analysis was used to interpret meaning from the open-ended responses. The following themes were identified from the analysis with supporting quotes from respondents.

### (a) *Traditional Values*

To be old is to be venerated in China. Tradition dictates that the young should care for the elderly. It was clear that Confucian teaching was rooted in the individuals' decision-making. There was however some pragmatic viewpoints from minority on acceptance of elderly care by professionals.

“Taking care of the elderly – especially parents – is a value deeply engrained in the Chinese mind and heart.”

“Traditional Chinese rarely say ‘love’ in words but our actions show otherwise. It is more than filial piety. It is our love based on commitment and even if it means sacrifices.”

“The Chinese need to realize that institutional care facilities offer the best way to care for old people. Old people and elderly homes are like young children attending kindergartens. It is simply the cycle of life.”

### (b) *Superstition*

China is rapidly ageing with people who do not want to talk about how to care for the elderly. This was still the attitude from the majority. A minority of the respondents on the other hand, has planned for their own retirement in institutional care facilities.

“In China, we do not want to talk about ageing and dying because it can bring bad luck.”

“Did you hear about the hospice in Beijing? The hospice was forced to move locations many times. The locals felt that a building in which so many people dying brought bad luck to the community.”

“The new generation has a tough time at work with the competitive global economy. They need to be mobile. If we love our children, we should plan for our own retirement. We should not burden our children.”

**(c) *Social Stigma***

To die with dignity is to die at home surrounded by the family. Some responses revealed dilemma in balancing work and expectations, with reasoning for institutional care.

“To grow old – to possibly die – somewhere other than your home is seen as being abandoned by your family, and in China there is no bigger social stigma.”

“Filial piety was China’s Medicare, social security and long-term care, all woven into a single family value. As Chinese, we should be proud of that.”

“I am not available most times due to work commitments. My job brings me financial rewards that I can provide excellent professional institutional care to provide the best quality of life for my parents. It is a privilege. It is not an issue of filial piety. It is survival and the best option in the family situation.”

**(d) *Respect and Collective Decision-making***

Shared decision-making is particularly important when dealing with seniors in Chinese culture. It is a sign of respect and honor. There were nevertheless frustrations expressed by some respondents.

“I would only be acting as a supporting role during the decision-making process. I will check the quality and service standard of elderly care institutions to ensure my parents have all information in hand before making final decision. If parents have no interest in that, then they will continue with the home caring.”

“One of the scariest things to people as they age is that they don’t feel in control anymore. As we get older, attempts to hold on to our independence can be at odds with even the most well-intentioned suggestions from our children. We want to be cared *about*, but fear being cared *for*.”

“It is a dilemma when it comes to advocating for the best possible life care for my parents. They need medical attention. How do we continue to respect their wishes to remain at home? When do we know what responsibilities and decisions our parents can still control?”

**(e) *Family structure and Work***

Intense pressures felt with juggling family, personal life and work. The dilemma of the ‘421’ structure was clearly felt.

“I work in Shanghai and have to care for my grandparents and help my father look after my mother, who is ill with cancer. It is tough holding down a job and looking for a boyfriend while you are supporting your entire family”.

“As with many of my friends, I was optimistic about the future after graduating from university in Beijing. It is a different picture when you realize you have to shoulder the responsibility of taking care of grandparents and parents who now depend on you.”

“My parents are now in nursing homes. I know it is not ideal and their preferred living arrangement is to be living with me. However, it is just impossible at this stage of my life to be the prime caregiver when I am working abroad most times.”

**(f) *Current institutional care facilities***

Before 2000, elderly care institutions were mainly funded, operated and managed by the government. The few facilities that existed were social welfare institutions run by the government, serving mentally retarded, deficient adults without families and childless older adults. Majority of the older Chinese population lives in rural areas, there is very little social support and government-sponsored health care facilities available to them. The elderly in these areas still rely heavily on traditional sources of support – family support, savings and income from their children. Furthermore, in a nation that traditionally sees the family as the primary care giver, government-sponsored care homes for the elderly are in their infancy and face a litany of problems in China.

Most respondents were concerned about the government-run facilities. There were however favorable responses for private-run facilities.

“Have you seen who are the people working at the care homes? The home has 260 beds but only 20 nurses. I have seen office staff joining nurses to help elderly residents move and bathe. They even do injections!”

“The staff in the homes is retirees from manual labor and too old to find jobs as nannies. Hence, they work at the homes.”

“I have placed my elderly mother at a private institutional care facility. She enjoys her time there with people of the same generation. The staff is polite and patient. The environment and facilities are modern and safe.”

**(g) *Financial Ability***

Public funding constitutes the major source of long-term care financing in China, but this single source is far from sufficient. A large proportion of costs is still paid out-of-pocket by service users themselves, and unmet needs are high among the disabled elderly. Although services are subsidized by the government, many complain that associated care costs are often still too high. There was a great concern about affordability for institutional care amongst majority of the respondents. For those respondents who could afford private care, the feedback was mainly positive.

“I do not have much pension. I cannot afford institutional care, so I have to rely on my adult children.”



“I have done some researches. Monthly charge ranges from RMB2,000 to RMB6,000 in the cities. We simply cannot afford to send our parents to these homes.”

“I am financially independent, living in urban areas. I shall move into a private-owned elderly care homes when I am not satisfied with the current living environment with my children or when I feel lonely.”

## 6. DISCUSSION

China is going through rapid changes in a social and economic transformation era. The country has an *imperfect health care and pension system*, where the aged population are more dependent on their families compared to that in the Western societies. This paper researched support and acceptance of the option of institutional care for elderly parents in China. The aim was to study the impact and stability of cultural influences and traditional values on elderly care decision-making by individuals with different demographic characteristics. Findings revealed majority of respondents did not support using institutional care due to traditional values, social stigma, honoring elders, superstitions, current institutional care’s quality and financial ability.

However, was the lack of support due to just values and superstitions? Would there be more support and acceptance if the concerns for institutional care’s quality and affordability are addressed? The findings also revealed significantly favorable opinions towards institutional care amongst respondents in certain social context. For business ventures into the Chinese elderly institutional care market, this study suggested some demographic profile for prospective target market segments. *Gen X* had shown the most support for institutional care, followed by *Gen Y* and *Boomer*. The findings appear to support Strauss and Howe generation theory on *Gen X* that *Xers* are characterized by a disaffected attitude and general disdain for everything that came before. They are pragmatic and independent (Strauss & Howe, 1997).

Traditionally, female takes care of family members at home and hence, it was not surprising for this study that the idea of institutional care was more acceptable to the *male* respondents. *Overseas Chinese and others* were found to be the most promising segment, especially with the recent Chinese government policy to offer permanent residency card to overseas Chinese so they could enjoy basic rights, treatments and perks similar to local residents. The findings also suggested that the potential prospects were *highly educated* in the *upper middle class and affluent* income levels. This segment could afford private care and life luxury. These prospects were also most likely unattached individuals - *single, separated and divorced* – living an independent lifestyle.

An important finding from the study is that most respondents had not planned or seriously considered the various options for elderly care. The infancy of the elderly care market could be a reason. The other reason could be the teaching of Confucianism, which holds a flexible attitude towards time. It accentuates ‘the right occasion’ and ‘the right opportunity’ in dealing with affairs. Whatever things they might be, whether they are issues concerning big events of the state or trivial household matters, they should all be performed on a right occasion. It was recorded that the great philosopher was asked by one of his followers about ageing and dying one day. Confucius replied. “We have not finished studying life, so why delve into the question of death?” (Pan & Wen, 2004). This flexible handling of time in Confucianism has exerted a

profound influence on the Chinese way of life. That could explain why China is only beginning to wake up in recent years to the issue of how to care for the country's elderly with the social upheaval being felt across the country. This could be the potential unexplored market for investors.

A common major concern surfaced in the study by the respondents was that China was witnessing the largest migration in history in the past 30 years as the young move to factory towns and cities in search of jobs and fortunes. The pressure of juggling family and work has become more acute because of the one-child policy. Some respondents had called the policy a 'catastrophic mistake'. Many respondents felt they were suffering from cognitive dissonance. An old society as China would follow long-standing customs. However, most respondents appeared to be heavily influenced by their present needs. On the one hand, they wanted a comfortable life and a successful career battling in an intensely competitive global market. On the other hand, they were brought up to venerate Confucian teachings, which advocated good virtues and manners in which *ren* (humanity) and *li* (ritual) were two main concepts. The cultural norm of filial piety has traditionally governed intergenerational relationships in ethnic-Chinese families (Gu & Liang, 2000). 'Subcontracting filial piety' with employing non-family care workers to be filial agents or placing elderly parents in institutional care, was not culturally appropriate or morally acceptable. The cognitive dissonance had caused respondents emotional stress and the feeling of inadequacy to live an engaged and meaningful life with their parents.

For the investors, there is one other important discovery from the study. China has historically maintained a past orientation where tradition is central, accompanied by a belief that no new thing will occur in the present or the future that has not already happened (Kluckhohn & Strodtbeck, 1961). Tradition weaves the fabric of present existence, and these patterns are highly venerated and respected. While a past orientation is central to the life of these people, the Chinese time orientation also demonstrates a past, present and future pattern of linearity (Alverson, 1994). One interesting point stands in seeming opposition to the previous one: the Chinese people are very concerned in the present about the future even though fate is viewed as determining an unpredictable future. This can be explained by the presence of a view of time as a linear progression of events. Even though the past is held in high regard, the Chinese also recognize the past as moving unalterably toward a fate-determined future (Spears et al, 2001). This perhaps explained the findings in this study of higher acceptance of institutional care than support. The respondents might not have supported the option but nevertheless, accepted the 'fate determined' option in view of the social changes in the country. This cultural discovery could be significant for market entry into elderly institutional care services.

## **7. CONCLUSION**

This study has limitations and could benefit from a larger study sample. Future research could investigate other relevant demographic characteristics and situational variables for elderly care support decision-making. Other societies could also be studied for comparison.

However, the findings from the present study are useful inputs for managerial decision-making on market entry to China's elderly care industry. The research has identified a demographic profile of market prospects. The findings have also allowed a better understanding of the roles of cultural values in the decision-making process for institutional care. The findings are consistent

with the results of other research studies on culture and its impact on decision-making in China. The decision-making process reflect the Chinese cultural values deeply rooted in the Confucian philosophy, which emphasizes the importance of social obligations and relations based on harmony, cooperation, loyalty, reciprocity, patience and each individual being conscious of his/her position in the society. This and other studies show the importance of incorporating cultural values that reflect collectivism rather than individualism, what is good for the society as opposed to oneself, in the decision-making process for the Chinese market.

Previous studies have revealed that the *affective and qualitative aspects* of parent care, such as respect, sense of responsibility, concern, affection, have not received due attention. Perhaps the guiding principle from United Nation would pave the path for attitude change by both elderly care provider and consumers towards institutional care services: to ensure the elderly can grow old with security and dignity, and that they can continue to participate in social life as citizens with full rights, meanwhile encouraging ‘reciprocal intergenerational relations’ (United Nations, 2009).

To conclude, caring for the elderly is an issue that goes to the very heart of the Chinese culture. However, it is also a fundamental question about what the country wants to be, what it will stand for in the future and whether it is prepared to compromise on its traditions for continued economic growth. With the Chinese pragmatism and fate reasoning, business strategists can expect the population to work through the complex issue and made sensible decisions in the ‘right occasion’ and given the ‘right opportunity’ as accentuated by Confucianism.

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