

Unemployment Rate and Gender Discrimination in the Chinese Real Estate Market During the Covid Pandemic

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Abstract. In the past several decades, the Chinese real estate market played an important role in economic activities, which drove nearly one-third of the financial activities in China. In addition, based on the data from Statista, real estate companies in China recruited nearly 3 million employees in 2021. Although Chinese real estate companies offer many job opportunities yearly, the unemployment rate increased during the pandemic in Chinese real estate markets. One factor that may cause the unemployment rate to increase is gender discrimination. The overall goal of this work was to study the relationship between the unemployment rate and gender preferences in the Chinese real estate market during the covid pandemic and does the pandemic reduce gender discrimination in the real estate markets. The paper uses a primary source, interviewing, to find the data for recruitment and layoffs in Chinese real estate companies during the covid pandemic. The paper finds that the unemployment rate in the Chinese real estate market is based on gender preferences in different departments, and Covid-19 did not reduce gender bias and stereotypes in Chinese real estate companies.

Keywords: Gender discrimination; Unemployment rate; Covid-19.

1. Introduction

It is common that occupations have their gender preferences. Some jobs are female-dominated professions, and some positions are male-dominated professions. For example, managers normally prefer hiring female kindergarten teachers and childcare workers rather than males. When people understand more about market gender segmentation, they're more likely to get a job more quickly. Additionally, incoming college students can choose their major and interests based on their perspectives on market gender segmentation.

The real estate market plays an important role in China's economy. China's property market has been a critical driver for their economy since the country opened its market in the 1980s. Today, the property market is still a major contributor to the economy, with estimates ranging from 17 to 29 percent of GDP, depending on the scope of industries. (Resource: China Briefing) People generally assume that real estate markets are focused on buying, selling, and managing the properties of houses or buildings. However, real estate markets in China are more complicated than people previously thought. A real estate company in China generally includes different departments, including sales and marketing, customer relationship management (CRM), purchasing and cost management, financial, human resources, research and development (R&D) department, and so on. As people know more about the gender segmentation in those divisions, they increase their chances of getting a job.

Moreover, gender discrimination seems to be a common problem in the workplace. It is commonly known that firms are hesitant to hire women in the current society because companies usually pay more costs hiring women during pregnancy, childbirth, and breastfeeding periods. Due to COVID-19, it is shown that females do not plan to have babies due to economic uncertainty. On 25 May 2021, the BBC News, "China: The men who are single and the women who don't want kids", indicates that China's census, released earlier this month, showed that around 12 million babies were born last year - a significant decrease from the 18 million in 2016, and the lowest number of births recorded since the 1960s(Resource: BBC).

2. Theoretical background and hypothesis

The covid pandemic affected the relationship between the unemployment rate and gender discrimination differently. Several lines of evidence suggest that the covid pandemic negatively affects female workers rather than males. One recent research indicates that U.S. women are highly susceptible to losing their job during the pandemic because female workers are concentrated in heavily affected jobs such as restaurant servers, and there is an increase in the demand for family care and other responsibilities [1-3]. Moreover, another research has shown that the most economically harmed are U.S. women working in the tertiary sector. In contrast, knowledge-based and technical-based women workers worked remotely and had less negative affection during the covid pandemic[4]. Additionally, a recent study found that women in the US are 24% more likely than men to experience permanent job loss[5]. The research, *Does the coronavirus pandemic level the gender inequality curve? (It doesn't)*, indicates that the economic collapse caused by the coronavirus has had a severe impact on gender equality in Israel, with women's employment and income have been hit harder than men's[6]. The research focused on Southern Africa has shown that women are disproportionately affected by higher unemployment than men due to lower educational standards among female employees in Southern Africa[7]. Different theories exist in the literature regarding gender that does not seem to play a significant role in the Swedish context, likely due to institutional factors and labor market structure, as well as policy measures such as not closing schools and daycare facilities[8]. The research focused on Central Europe claims that the Covid pandemic causes a high unemployment rate. Still, only the Czech Republic and Slovakia have confirmed a gender gap in unemployment[9]. Some researchers claim that compared to White males, White female workers, Dark male workers, and Hispanic male workers are not likelier to be unemployed in businesses with a high degree of teleworking occupations. However, Dark and Hispanic female workers still face a higher risk of losing their jobs than White men, even if they are employed in industries with highly teleworking jobs[10]. The unemployment rate in different countries is different during the covid pandemic. No research focused on studying the relationship between the unemployment rate and gender discrimination in China, especially in the real estate markets.

Based on the above research background, this research aims to analyze whether there's a relationship between the unemployment rate and gender discrimination in Chinese real estate markets and how they mobilize human resources during the covid pandemic. The first hypothesis is that the unemployment rate in the real estate market is based on department gender preferences. Males working in a female-dominated sector are more likely to face unemployment stress and job loss than females. Females working in a male-dominated industry are more likely to face unemployment stress and job loss than males. Furthermore, Covid-19 brings lots of uncertainty. Many Chinese firms have changed their old hiring characteristics to accommodate the current economic situation.

Additionally, since most women abandon having a baby, they lose their pregnancy, childbirth, and breastfeeding periods. Therefore, they can continue contributing to their companies. The second hypothesis is covid-19 reduces gender discrimination in Chinese real estate companies.

3. Method

The method that the author gathered information from will include primary sources. My analyses are based on the data from the dominant real estate companies in Linyi, a prefecture-level city in Shandong, China. This research will be collecting the data for the gender distribution within each compartment for each company by interviewing the owner. The interview focuses on these major questions:

Q1: How many divisions do you have in your company, and what are they?

Q2: How many employees do you have in different departments?

Q3: Does each department have its gender preference, and if yes, how is gender distributed in different divisions?

Q4: Do you prefer to hire more females or males? And why?

Q5: Do you prefer to hire more females or males before the Covid pandemic? And why?

Q6: Are there any changes in the requirement for employment during the COVID-19 pandemic?

Q7: How many males and females did you hire during the Corona pandemic?

The author interviewed three owners of real estate companies in Linyi. They are the owners of Guohua Real Estate Company, Aode Real Estate Company, and Huake Real Estate Company. These three companies are the most popular real estate companies in Linyi. The Linyi Administration established Guohua Real Estate Company for Industry and Commerce in 2003. Aode Real Estate Company was established in the Linyi Administration for Industry and Commerce in 2013, and Huake Real Estate Company was established in the Linyi Administration for Industry and Commerce in 2015.

3.1 Interview I: Huake Real Estate Company

The owner of Huake, a real estate company, said that there are eight departments in the company, and the company has 215 employees. Huake Real Estate Company has a research and development department, engineering department, sales, and marketing department, financial department, customer relationship management department, human resources department, purchasing and cost management department, and property management department. The expected gender ratio between males to females is 6:4. Generally, they prefer to hire males rather than females. Still, it also has female-dominated departments related to selling houses, purchasing raw materials, and after-sales services.

Moreover, the covid pandemic negatively affected economic growth in China. Huake Real Estate company's revenue went down drastically by 25 % in profit compared to three years ago. This was led by the current economic situation where the company was forced to terminate female workers who worked in departments such as house selling, after-sale services, and raw materials. Furthermore, China has a strict policy regarding Covid-19, where people in the city of Linyi were roughly quarantined for eight months from 2019 to 2022. This led to a domino effect where the vast majority of the population lost their financial income due to closed shops and restaurants. This decreased the overall income, which costs a decrease in customers. The loss of customers for Huake Real Estate led the company to cut its hiring process substantially.

3.2 Interview II: Aode Real Estate Company

The owner of Aode Real Estate Company noted that they have 344 employees and 8 departments. Aode Real Estate Company has a research and development department, engineering department, sales, and marketing department, financial department, customer relationship management department, human resources department, purchasing and cost management department, and property management department. The expected gender ratio between males and females is 7:3. Most departments seldom require female employees except the service sector jobs department.

Furthermore, Aode Real Estate company lost 30% of profits compared to 3 years ago. The company will continue to hire employees from 2021. They have many unsold houses and are looking for an opportunity to invest in a new project, so they are seeking productive office workers and service employees. Compared to before the pandemic, the company hired more males than females because they needed fewer female service workers and sought male-dominated office workers. Simultaneously, they terminate service workers once they hire new employees who are more productive. Consequently, they employed more males and terminated more females.

3.3 Interview III: Guohua Real Estate Company

According to the owner of Guohua Real Estate Company, they have 215 employees and six departments. Guohua Real Estate Company has a research and development department, engineering department, sales, and marketing department, financial department, human resources department, and purchasing and cost management department. The expected gender ratio between males and females

is 8:2. Although half of the departments are male-dominated and half of the departments are female-dominated, the owner prefers male employees over female employees.

Besides, Guohua Real Estate Company lost nearly 45% of profits compared to 3 years ago, which caused them to stop employing new workers and terminating senior staff. Although they have an abundance of unsold houses, they choose to lower after-sale service standards to balance deficits. In Guohua Real Estate Company, after-sale services are female-dominated. Hence, they terminated more females rather than males.

This research uses a table to indicate the gender distributions and gender diversity in each department in a company, and also use the gender diversity equations to estimate the ratio between the number of females and males in the current active employee base. Precisely, my equations of gender diversity are like:

$$GD_{overall} = F_{overall} \div M_{overall} \tag{1}$$

$$GD_{division} = F_{division} \div M_{division} \tag{2}$$

Where $GD_{overall}$ represents the overall gender diversity in a real estate company, $F_{overall}$ represents the overall females in a real estate company, and $M_{overall}$ represents the overall males in a real estate company. $GD_{division}$ is department gender diversity, allowing to calculate the gender diversity in one specific department in the real estate company. $F_{division}$ is the overall female population in one department and $M_{division}$ is the overall male population in one department. The fraction of the population in different genders allows me to get an overview of whether gender preference exists in the Chinese real estate markets. When the gender diversity is equal to 1, it means the employee ratio between male and female is 1:1. When the gender diversity is less than 1, it means there are more male employees in the company or department. When the gender diversity is more than 1, it means there are more female employees in the company or department.

Table 1. Gender Distribution and Gender Diversity

Huake Real Estate Company Overall Employee = 215									
	R & D	Engineering	Sales and Marketing	Financial	CRM	Human resources	Purchasing and Cost Management	Property Management	Total
Population	54	12	66	15	13	15	10	30	215
Male	43	11	30	11	3	2	1	17	128
Female	11	1	36	4	10	13	9	13	87
Gender diversity (%)	25.58%	9.09%	120%	36.36%	333.33%	650%	900%	76.47%	67.97%
Aode Real Estate Company Overall Employee = 344									
	R & D	Engineering	Sales and Marketing	Financial	CRM	Human resources	Purchasing and Cost Management	Property Management	Total
Population	78	22	67	45	25	33	16	58	344
Male	70	21	34	36	4	10	4	48	227
Female	8	1	33	9	21	13	12	10	107
Gender diversity (%)	11.43%	4.76%	97%	25.00%	525.00%	130%	300%	208.00%	47.14%
Guohua Real Estate Company Overall Employee = 215									
	R & D	Engineering	Sales and Marketing	Financial	Human resources	Purchasing and Cost Management	Total		
Population	46	23	78	31	25	12	215		
Male	43	23	44	28	2	2	142		
Female	3	0	34	2	20	10	69		
Gender diversity (%)	6.98%		77%	7.14%	1000%	500%	49%		

(R&D refers to the research and development department, and CRM refers to customer relationship management.)

4. Discussion and Result

These three real estate companies can represent the whole Chinese real estate market because real estate companies in China have very similar operating strategies. Guohua Real Estate Company can represent the older generation in the Chinese real estate market. Aode Real Estate Company and Huake Real Estate Company can represent the younger generation in the Chinese real estate market.

Based on the interview, owners indicate gender plays a crucial role in recruitment. Owners prefer to hire female selling workers than males because they think female salespeople have better communication skills, allowing them to build trust and rapport with customers effectively. Moreover, engineering and finance departments are dominated by males because the owner thinks men generally have higher education backgrounds than women, so male workers are more productive than females. The interview completely matches their recruitment data. Table 1 shows that over 80% of the departments have gender preferences. More specifically, R&D, Engineering, and Financial departments are male-dominated. CRM, human resources, and purchasing and cost management departments are female-dominated. Those three samples explain that gender bias and stereotypes are common factors affecting the Chinese real estate market recruitment process. Males who want to work as a service in the Chinese real estate market are less likely to be recruited, and females who wish to work as an engineer or financiers in the Chinese real estate market are less potential to be recruited. In conclusion, the unemployment rate in the Chinese real estate market is based on gender preferences in different departments.

Even though females dominate some departments, the overall data shows that companies still prefer to recruit male workers. In Table 1, gender diversities of general employees are far to 1. Especially in the Aode Real Estate Company and Guohua Real Estate Company, the ratios between male workers and female workers are nearly 2:1. Moreover, in the interview, owners also mentioned they had terminated more female workers than males. Due to gender bias and stereotypes, female real estate employees generally work for purchasing, selling, and services. During the pandemic, China's government locked down most of the communities, so people were stuck at home and earned less income. Based on the Law of Demand in Economics, the demand for houses will decrease as customers' income decreases. In the short run, companies build fewer homes due to the low customer willingness to pay, so they do not need to hire as many selling employees as before. Many females working in the real estate market lost their jobs during the covid pandemic. Although many women gave up on having a baby, many other factors still cause gender discrimination in Chinese real estate markets, like education background, productivity level, and natural personality. Overall, Covid-19 did not reduce gender bias and stereotypes in Chinese real estate companies.

5. Conclusion

In retrospect, there is a severe distinction between gender preferences in the Chinese real estate market. Through the research and the interviews that have been conducted, we can conclude that women tend to have a disadvantage compared to their male counterparts. Some biases and obstacles set barriers for females in the Chinese market, whether in the hiring process or the terminating process. The study contributes to understanding gender distribution and cultural backgrounds in the Chinese real estate market.

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