

Silicon Valley would be wise to follow China's lead

Michael Moritz January 18 2018

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The declaration by Didi, the Chinese ride-hailing company, that delivery business Meituan's decision to launch a rival service would spark "the war of the century", throws the intensive competition between the country's technology companies into stark relief.

The call to arms will certainly act as a spur for Didi employees, although it is difficult to see how they can work even harder. But what it does reveal is the striking contrast between working life in China's technology companies and their counterparts in the west.

In California, the blogosphere has been full of chatter about the inequity of life. Some of this, especially for women, is true and for certain individuals their day of reckoning has been long overdue. But many of the soul-sapping discussions seem like unwarranted distractions. In recent months, there have been complaints about the political sensibilities of speakers invited to address a corporate audience; debates over the appropriate length of paternity leave or work-life balances; and grumbling about the need for a space for musical jam sessions. These seem like the concerns of a society that is becoming unhinged.

These topics are absent in China's technology companies, where the pace of work is furious. Here, top managers show up for work at about 8am and frequently don't leave until 10pm. Most of them will do this six days a week — and there are plenty of examples of people who do this for seven. Engineers have slightly different habits: they will appear about 10am and leave at midnight. Beyond the week-long breaks for Chinese new year and the October national holiday, most will just steal an additional handful of vacation days. Some technology companies also provide a rental subsidy to employees who choose to live close to corporate HQ.

In California, this sort of pace might be common for the first couple of years of a company, but then it will slow. In China, by contrast, it is quite usual for the management of 10 and 15-year-old companies to have working dinners followed by two or three meetings. If a Chinese company schedules tasks for the weekend, nobody complains about missing a Little League game or skipping a basketball outing with friends. Little wonder it is a common sight at a Chinese company to see many people with their heads resting on their desks taking a nap in the early afternoon.



An engineer uses the sleeping quarters at BaishanCloud's offices in Beijing after finishing work at midnight, a common time for such employees to finally end their working day © Reuters

While male chauvinism is still common in the home, women have an easier time gaining recognition and respect in China's technology workplaces — although they are still seriously under-represented in the senior ranks. Many of these high-flyers only see their children — who are often raised by a grandmother or nanny — for a few minutes a day. There are even examples of husbands, eager to spend time with their wives, who travel with them on business trips as a way to maintain contact.

There is also a deep-rooted sense of frugality. **You don't see \$700 office chairs or large flat panel computer screens at most of the leading technology companies. Instead, the furniture tends to be spartan and everyone works on laptops.** It is common for facility managers to allocate 80-100 square feet to each employee, compared with two to three times that amount in California.

On long-haul business flights most employees will fly economy and many share hotel rooms to save costs. It is also striking to the western eye how frequently a tea bag is reused or how, in winter, employees dress in coats and scarves at their desks to ward off the bone-chilling temperature.

There are plenty of workplaces in China insulated from these sorts of sensibilities — particularly within the large, state-controlled companies. The pace is also slower outside Beijing, Shanghai, Shenzhen and Guangdong. There is also no doubt that the roots of this work ethic spring from memories of privation and the desire to improve personal circumstances. Some of it is also due to the disregard paid to physical fitness — a pursuit that can chew up eight to 10 hours a week in Silicon Valley.

The Chinese approach may seem unhealthy and unappealing to westerners — and, as China's gross domestic product rises the collective thirst for improvement may start to wane — but for now it's a fact of life. Western investors may complain that there are some companies from which they are excluded but, for the most part, investment opportunities in the best companies are available and, in many respects, doing business in China is easier than doing business in California.

As the Chinese technology companies push ever harder outside the mainland, the habits of western companies will start to seem antique.

The writer is a partner of Sequoia Capital. These views are his own. Sequoia employees may hold interests in companies mentioned

Letters in response to this article:

Paternity leave policy is a proven good for business / From Josh Levs, Atlanta, GA, US

What are we toiling for if we end up exhausted? / From David AMcM Wilson, Cambridge, UK

Creativity and ideas do not come about by writing code lines for 15 hours / From Prof Patrick Leblond, University of Ottawa, ON, Canada