

KATHRYN H. KING-METTERS AND RICHARD D. METTERS

## What they know just ain't so: what multinationals need to know about Chinese workers<sup>1</sup>

Multinationals got a misleading introduction to China. As far as 'the West' is concerned, China was 'closed for business' between the Communist revolution of 1949 and 1980. In 1980, as a test of capitalism, the first Special Economic Zone (SEZ) was established in Shenzhen in the Guangdong Province—just across the border from the then British-controlled Hong Kong and not far from the then Portuguese-ruled Macau. At the time, Shenzhen was a rural fishing village in the Pearl River Delta with 20,000 inhabitants (Harney 2008)—now, it is a metropolis of 15 million (Sasin 2012).<sup>2</sup> The population growth in Shenzhen in particular and the Guangdong Province in general (from 53 to 110 million between 1980 and 2005) is attributable to migrant labour.

Workers in Guangdong work, eat, and sleep at their company—it is typical for companies to run their own dormitories, sometimes loading a dozen workers to a room (for the structure of dormitory labour, see Smith (2003) and Harney (2008), for example). This is not typical only of the manufacturing sector: some hotels in Guangdong also have dormitories for their workers. These workers are hundreds of miles from their ancestral homes and relatives, to whom they want to return and to whom they send excess cash. The dreams of many of these workers are to make enough money in the big city to be able to return home to a better life. However, time and time again, their plight comes back to the attention of the world—in 2010, for example, 18 workers of the Shenzhen-based company Foxconn attempted suicide (Dean 2010).

The SEZs' subsistence on migrant labour became the West's gateway into China, and Western executives formed their opinions of Chinese labour based on their SEZ experiences. Our own research indicates that the collective mindset of

---

<sup>1</sup> For assistance with gathering and inputting data, conducting interviews, and performing field observations, the authors wish to thank the other members of their research team—Mark Chekanow, Luis DeBayle, Christina Hinds, Samantha Maust, Eric Merrill, and Stephen Tilley, who were all MBA students at Emory University, at the time.

<sup>2</sup> Population estimates in China are just that, and may be unreliable, but the order of magnitude is accurate. Various anecdotal sources have cited the 1980 population of Shenzhen at 16,000, 20,000, and 321,000. The current official population estimate is 12 million, but unofficial estimates place the population at 18 million, including undocumented workers.

Western management is stuck in beliefs based on experiences of SEZ migrant workers over the past 33 years. Such beliefs are backed by research on Chinese worker attitudes undertaken decades ago, repeated in classrooms and by consultants ever since.

However, the corporate flag of Western business is now being planted beyond the migrant worker SEZs. Throughout China, you may dine at Kentucky Fried Chicken, Burger King, and McDonald's, for lunch, and at Ruth's Chris Steak House, for dinner. If you are there temporarily, you may stay at a Sofitel, or a Ritz-Carlton, or maybe a Holiday Inn. If you are there more permanently, you may shop for tools at Home Depot. Our research shows that, in the past few years, powerful social forces in China have changed the attitudes and aspirations of Chinese workers. Consequently, multinational firms trying to attract and retain employees in China based on outdated mindsets make a mistake—utilising the talents of Chinese workers properly may require new thinking, as well as new policies.

Our research was carried out in three stages, between November 2006 and January 2009, and found a dissonance between the attitudes and beliefs of Western managers and those of their Chinese workers. These differences have both policy and management implications. As a general statement that is certainly not all-inclusive, Western managers view Chinese employees as focused on monetary reward, with little company loyalty. Furthermore, Western managers view Chinese employees as unlikely to go beyond minimum job requirements and use personal initiative in problem solving. These views run counter to our interactions with Chinese employees. Courtesy of the management, our research team was able to observe employee–customer and employee–employee interactions at Sofitel Hyland in Shanghai. In addition, valid survey questionnaires were collected from a combined 241 employees in the Portman Ritz-Carlton (headquartered in the United States) and the Sofitel Hyland (headquartered in France), both located in Shanghai, and in Hotel C (a unit of a different hotel chain headquartered in the United States), located in Lhasa. Furthermore, our research team interviewed 31 Chinese employees working for the Sofitel Hyland, as well as a number of Western managers at varying levels of seniority in all three hotels. The Western managements of various businesses in China—including other hotels and restaurants—were also interviewed.

This short introduction is followed by a brief review of the methodology. The article then discusses the views of the Western managements and the results of our field observations and surveys of Chinese employees. It then provides context for the surprising survey results, by discussing the social changes that have taken place in China. Finally, this article concludes with some practical advice for Western managers.

## Methodology

Our methodology was three-pronged and comprised surveys, interviews, and field observations.

Hofstede's (2001: 495–6) VSM94 questionnaire was administered to the cumulated 1,242 employees of the three hotels under scrutiny—of these, 263 questionnaires were returned, of which 241 responses were valid. Since this survey questionnaire had already been used by Hofstede and numerous other researchers, issues germane to new surveys, such as reliability, were not of concern here (for a brief explanation of Hofstede's cultural values survey, see Appendix 1, p. 25). The respondents chose whether to complete the surveys in English or Chinese. The five non-Chinese respondents were not included in the data analysis.

By replicating Hofstede's work, we attempted to determine changes in cultural values over time. There are several competing frameworks to Hofstede's, such as Trompenaars (1993) and the GLOBE study (House et al. 2004). We chose Hofstede not because it is necessarily superior to others, or because it is more frequently cited. Rather, our central thesis was that the Chinese culture changed since Western management first experienced it in the early 1980s. Consequently, we needed a measurement of Chinese culture from the past, for comparison, predating the societal changes we were interested in—Hofstede's framework fit our purposes. Other frameworks either did not include mainland China or were too recent with their assessments. Comparing survey answers across time periods between different populations poses theoretical challenges, but we argue that Hofstede's framework is valid and reliable over both time and differing experimental subjects (for an extended explanation, see Appendix 2, pp. 25–6).

At the outset, we had no hypotheses that managers would have such a different view of employees than they had of themselves—we had only intended to survey the employees. However, contact with management was necessary to gain access to employees, and the dissonance became readily apparent. Upon discovering this, we began our more extensive executive interviews.

A team of eight interviewed 31 Chinese employees using an interview protocol (see Appendix 3, pp. 26–7). The interviews were conducted in English. This limited interviewing to customer-facing personnel, but covered all those on duty at the times specified by managements.

In addition, Western managers of other hotels, restaurants, retailers, and manufacturers were interviewed. Due to the nature of their positions as experts, a strict interview protocol was not followed. Instead, open-ended questions were asked to solicit comments.

This team also observed employee–customer and employee–employee interactions in a variety of work areas—restaurants, public areas, concierge

stations, reception desks, and business offices—for 17 man-hours. In each work area, observations were carried out at times of day when it was reasonable to expect employee–customer and employee–employee interactions.

### **Chinese employees seen through the eyes of Western managers**

Interviews with Western managers pointed towards a set of shared beliefs regarding their Chinese employees. One such belief was on the relative value that employees placed on financial incentives compared to non-financial incentives. Paraphrasing Vince Lombardi on football, it would appear that ‘money isn’t everything, it’s the only thing’. ‘There is low company loyalty [among Chinese workers]. There’s high turnover for a small salary increase,’ said the Consul General of a Western nation in Shanghai. For Chinese employees, ‘the most important motivator is money,’ said the General Manager of a Shanghai hotel. ‘[The] Chinese have zero loyalty to their employer,’ said the Vice-President (Strategic Supply Development) of a Fortune 500 manufacturing firm. Overall, managers believed that increasing the skill levels of Chinese employees would inevitably result in their departure at the first opportunity of a better paid job. This shared belief had direct negative implications for investments in training and retraining—and for efforts to build employee identification with the employer. It also meant that there were lesser expectations of engaging in teamwork.

Another shared belief regarded the Chinese employees’ lack of initiative. The history books record that, in 227 BCE, a would-be assassin hid a knife in a scroll and reached within a few feet of the emperor. Although the emperor was surrounded by hundreds of loyal armed guards, no one tried to thwart the criminal. As legend has it, the rule was that no one could approach the emperor unless the emperor expressly entreated them, and he was a little too busy, trying to fend off a knife attack, to do so at the time (Wood 2007). The emperor emerged unhurt, after some struggle with the criminal, but modern Western customers expect employees to use their own judgment—as well as initiative—in problem solving.

Chinese employees’ strict adherence to rules was another belief shared by Western managers—Chinese employees lack imagination and refuse to step outside the rules, even when they should; empowerment just does not work. Empowerment is ‘not Chinese yet. You are the boss, you have to decide. Staff will not make decisions,’ said the General Manager of a Shanghai hotel. There is a ‘kingdom mentality’ that disables empowerment, said the Human Resources Director of an international hotel chain based in Shanghai. ‘I have twice the labour I would have in the US,’ because workers do only what their supervisors tell them and do not take initiative, said a Western restaurateur in Shanghai. ‘No one asks questions of the General Manager,’ said the Human Resources Director of a hotel

in Shanghai. According to the Food and Beverage Manager of a Shanghai hotel, 'I gave five samples of cocktails, and told them to "create your own". I ended up with the same five I gave them. [. . .] Housekeeping is supposed to clean the restaurant area at 2:30. They start vacuuming, even if guests are still dining.' A Western management trainee pointed out a number of telling incidents too. In one example, reception workers would not pick up pillows knocked to the floor in the lobby—they would wait for housekeeping to make their rounds. In another example, a guest arrived, but his room was not ready, so he could not check in—the concierge refused to store his luggage, since luggage is only stored for customers, and he was not a customer yet.

Other research concurred with this view. In a study of the Chinese hotel industry, Hoyton and Sutton (1996: 26) declared that 'empowerment is not yet accepted in China'. In a different economic sector, manufacturing, 'line workers tend to seek answers from bosses rather than solve problems as teams', according to Hexter and Woetzel (2007: 94).

### **Survey and interview results**

We surveyed Chinese employees in three Western hotels—the Sofitel Hyland Hotel, the Portman Ritz-Carlton Hotel, and Hotel C—using Hofstede's (2001) cultural values questionnaire. Of the many cultural researchers in business, Hofstede is arguably the most famous, two of his books alone (Hofstede 1980; Hofstede 2001) having been cited over four thousand times according to the citation index ISI. However, Hofstede's work has both supporters and detractors—despite its possible shortcomings, our current study is interesting, and scholarly valuable, since it highlights the changes in cultural values over time (for an extended discussion, see Appendix 2, pp. 25–6).

Using Hofstede's survey has a number of advantages. First, the initial survey was carried out the world over, allowing for direct comparisons among countries. Second, considerable time has passed since the initial survey was carried out. Replication studies allow therefore for longitudinal comparisons, a central point of this article. Third, as Kirkman, Lowe, and Gibson (2006) showed, replication studies are not uncommon, and Hofstede's general framework and conclusions have held up over a number of different industries.

Using Hofstede's survey has a number of disadvantages too. Hofstede analysed national cultures through the study of non-executive service workers in one multinational corporation—IBM—with operations worldwide. Workers on the manufacturing floor were not studied, and firm differences may be significant too. In addition, studying workers in a Western-based multinational corporation may

have introduced undue bias, and the results may not be representative of the general population.

Similarly to Hofstede's initial survey, this survey too is of non-executive service workers in Western-based multinational firms. Tables 1–4 (pp. 17, 18, 20, and 21, respectively) present this survey's scores for 'New China' compared with Hofstede's scores for 'Old China'—and other countries—along four of Hofstede's five cultural dimensions—masculinity / femininity, power distance, long-term orientation, and individualism / collectivism (for the fifth dimension, uncertainty avoidance, see Appendix 4, p. 27). Hofstede's initial survey of 53 national cultures included Taiwan and Hong Kong, but not China—the Old China scores were collected later, mainly in the mid-1980s. As Tables 1–4 show, New China and Old China look like very different places.

#### Masculinity / femininity

According to Hofstede (1998: 6), 'Masculinity refers to a society where men are supposed to be assertive, tough, and focused on material success; women are supposed to be more modest, tender, and concerned with quality of life. The opposite pole, Femininity, stands for a society in which both men and women are supposed to be modest, tender, and concerned with the quality of life.' Hofstede (1998: 13) admitted that masculinity / femininity has unintended social connotations, and suggested 'ego / social' and 'assertive / nurturant' as possible alternatives. In the light of this new terminology, a masculine society is one that places more value on individual achievement ('ego' or 'assertive'), whilst a feminine society is one that places more value on relationships ('social' or 'nurturant').

Of the four sets of scores examined in detail in this article, the masculinity / femininity scores are the most striking. The 53 nations of Hofstede's study ranged from 5 to 95, with higher scores indicating higher masculinity (see Table 1, p. 17). Hofstede's Old China scored 66, but New China scores a *negative* 22 in our study. Although perfectly possible, negative scores are highly unusual, not least because Hofstede's scores were scaled to be positive. A replication study surveying societal elites (such as chief executive officers, judges, and professors) resulted in some negative masculinity / femininity scores, especially among Nordic countries (Hoppe 1998: Chapter 2). However, at 0.93, the correlation of the results was quite high, meaning that countries with high masculinity scores in Hofstede's original study still had high—albeit slightly lower—masculinity scores in the replication study. Hoppe's replication study showed no changes in the masculinity / femininity dimension of the magnitude shown by our replication study.

Moreover, the data in our replication study was consistent throughout the survey, irrespective of hotel and regardless of employee gender and age. However,

the oldest respondent was only 54 years old, and only 15 per cent of the surveyed employees were 40 years of age or older—the hospitality sector in China is young.

Scores	Countries	Rankings (out of 53)
95	Japan	1
79	Austria	2
<b>66</b>	<b>Old China*</b>	n/a
62	US	15
57	Hong Kong	18
45	Taiwan	32
43	France	35
5	Sweden	53
<b>-22</b>	<b>New China*</b>	n/a

\* The difference is statistically significant at the 0.0001 level.

Table 1: Masculinity / femininity scores for Old China, New China, and selected countries

What significance does the masculinity / femininity score have for the management of Chinese workers? In the trade-off between (more) money and (more) time off, high masculinity scores are associated with a preference for high salaries and low masculinity scores with a preference for short working hours (Hoppe 1998: Chapter 2). Beyond that trade-off, low masculinity scores indicate societies that value good relationships and high masculinity scores indicate societies that value personal achievement and where recognition of such personal achievement is important. Consequently, a good reward and recognition system is a system that reflects adequately the masculinity / femininity score. An employee-of-the-month plaque may resonate well with a masculine society, but would be an embarrassing accolade in a feminine society that strives for harmonious relationships among peers as well as between managers and employees. In the China of today, taking a star employee out to dinner may be a more appropriate form of reward and recognition than either a bonus or a plaque on the wall.

#### Power distance

Power distance measures the extent to which the less powerful people accept and expect inequality—the unequal distribution of power. A high power distance score suggests that the society's level of inequality is endorsed by followers as much as leaders. In organisations, a high power distance culture translates into managers being always in the right by the sheer importance attached to the position

they occupy in the organisational hierarchy. In a low power distance society like Denmark, employees may say to their manager ‘Boss, that’s another stupid idea you’re having.’ In a moderate power distance society like the US, employees may say to their manager ‘Interesting idea, boss, but maybe there’s a better way.’ In a high power distance society like Venezuela, employees are expected to say to their manager ‘Yes, sir.’

Hofstede’s Old China scored 80, nearly as much as (old) Venezuela, but New China scores 41 in our study, close to the (old) US (see Table 2). What significance does the power distance score have for the management of Chinese workers? In high power distance organisations, employees feel that it is the managers’ job to tell them what to do, and that it would be inappropriate of employees to suggest changes to processes—managers design processes, and suggesting changes to processes entails telling managers that they are wrong. Consequently, empowerment is a difficult management tool to use in high power distance cultures (Hui and Fock 2004).

Scores	Countries	Rankings (out of 53)
104	Malaysia	1
95	Guatemala	2
81	Venezuela	5
<b>80</b>	<b>Old China*</b>	n/a
68	France	15
68	Hong Kong	15
58	Taiwan	29
<b>41</b>	<b>New China*</b>	n/a
40	US	38
31	Sweden	47
11	Austria	53

\* The difference is statistically significant at the 0.0001 level.

Table 2: Power distance scores for Old China, New China, and selected countries

However, a relatively high power distance score does not necessarily imply that Chinese employees cannot take the initiative. In general, the Chinese employees we interviewed claimed that they had plenty of suggestions for improvement, but that they were being very cautious about it—a Chinese banquet manager stated that he ‘tried to make it seem like [the manager’s] idea’. Employee empowerment was especially important at the Portman Ritz-Carlton, where the corporate culture and



operations are based on employee initiative. It is legend that does not need lengthy repetition here that Portman Ritz-Carlton employees are empowered to use hotel money to solve problems on the spot and make the customer experience an excellent one. Portman Ritz-Carlton management stated that the Chinese were slower at embracing employee empowerment than other cultures, but that consistent reward for relevant behaviour enhanced employee empowerment and reduced cultural discrepancies among their employees worldwide.

Our own observations were mixed, with several instances of rote, rule-based behaviour: hotel employees just walking by an executive dining room toaster sending smoke to the ceiling; a hotel maid gesturing guests off the bed so that she could place the complimentary mint in the designated spot on the bed; and a hotel employee placing the morning newspaper in the designated spot by the door despite the guest's opened door and extended hand. However, we also observed creative problem solutions to difficult customer requests by many staff members. In one example, the hotel rules stated that waiving fees required managerial approval. However, business office workers mollified customers angry at very slow Internet speeds by simply charging them for less computer time than they were actually using, without managerial approval, thereby converting a USD 1,000 stay from a frustrating one into a satisfying one—just by waiving a USD 5 fee. Customers would have been long gone, by the time a manager could have been summoned to make a decision. In another example, a customer wanted a second bottle of wine for his table, but the restaurant had run out of that particular vintage. Seeing the customer was perturbed, the waiter got a bellhop to go across the street and buy a bottle at a local store.

Asked about some of the incidents management had mentioned earlier, the Chinese employees had different views. When asked about the guest who had arrived before his room was ready, and whose luggage was refused storage by the concierge, the interviewee could not believe such a situation was possible—to management, this was an iconic event; to employees, this was fiction.

Our surveys, interviews, and observations all point towards Chinese employees being in transition. There are strong vestiges of behaviour associated with a high power distance culture, but also a willingness to embrace behaviour associated with a low power distance culture, requiring persistent attention from management.

#### Long-term orientation

Long-term orientation was not one of the original four dimensions Hofstede considered in his surveys of the 1970s. This dimension was revealed in 1985 in a study among students in 23 countries around the world using a questionnaire called the 'Chinese Value Survey'. Values associated with long-term orientation are thrift and perseverance. High long-term orientation cultures tend to value money—and

have high savings rates—and consider leisure time unimportant. Tolerance and respect for others are not associated with long-term orientation cultures. ‘High Long-Term Orientation families tend to keep to themselves’ (Hofstede 2001: 359), with a negative correlation for the need for affiliation with others. ‘Respect for tradition’ is highly negatively correlated with long-term orientation.

At 118, the Old China score for long-term orientation was the highest in the world and well off the charts (see Table 3). The New China in our study is 40, almost on par with (old) France.

Scores	Countries	Rankings (out of 34)
<b>118</b>	<b>Old China*</b>	n/a
96	Hong Kong	1
87	Taiwan	2
<b>40</b>	<b>New China*</b>	n/a
39	France	17
33	Sweden	20
31	Austria	22

\* The difference is statistically significant at the 0.0001 level.

Table 3: Long-term orientation scores for Old China, New China, and selected countries

Many of the Western managers we interviewed claimed that salary was the key—sole, even—criterion for attracting and retaining Chinese employees. If China is truly shifting from a very high long-term orientation to a lower long-term orientation, then socio-professional inclusion and leisure time are increasingly more important than strict monetary considerations. Interviews with Western managements at hotels other than those surveyed indicated that employees were drawn in to a large extent by the status of the brand—by being proudly part of a prestigious team, rather than strictly by take-home pay. This view was echoed in many of our interviews with Chinese employees, extremely concerned with relevant training, rather than with salary.

#### Individualism / collectivism

Individualism / collectivism was defined by Hofstede (1980) as the extent to which individuals are integrated into groups. In individualist societies, the ties among individuals are loose: individuals are expected to look after themselves and their immediate family. In collectivist societies, individuals are integrated into strong, cohesive in-groups from birth, often in the shape of extended families

including uncles, aunts, and grandparents who continue protecting them throughout their lives in exchange for unquestioning loyalty. The word 'collectivism' has no political meaning in this context—it refers to groups, not to states.

Scores	Countries	Rankings (out of 53)
91	US	1
90	Austria	2
<b>71</b>	<b>New China*</b>	n/a
71	France	10
71	Sweden	10
25	Hong Kong	37
<b>20</b>	<b>Old China*</b>	n/a
17	Taiwan	44
6	Guatemala	53

\* The difference is statistically significant at the 0.0001 level.

Table 4: Individualism / collectivism scores for Old China, New China, and selected countries

Here again, there are strong differences between Old China—highly collectivist, at 20—and New China—strongly individualist, at 71 (see Table 4). As noted by Jackson and Bak (1998: 286) '[c]ollectivism is high in Chinese cultures, with the main group of reference being the family.' If family relationships lie at the core of collectivist cultures, then the reasons behind the shift from collectivism to individualism are straightforward—family relationships no longer form the same size and quality of social network they once did. A Chinese woman used to have 5.5 children on average in 1970 (Li and Liang 1993). The well-known one-child policy was introduced in 1979—most city-dwelling Chinese under the age of 30 typically have only one first cousin and no brothers or sisters. These relatively small families live in small square footage apartments in high-rise apartment buildings in modern Chinese cities—no longer together as an extended family, the Chinese family no longer fulfils the role it used to fulfil.

### Discussion of findings

Our survey questionnaires and interviews indicate that Chinese employees in the hospitality sector seek more fulfilling employment experiences than it has been historically the case. There are many potential reasons for these findings, including the unlikely explanation that the three hotels under scrutiny may be different from

any other Western hotels in China. However, other explanations are much more plausible. A number of changes have taken place in the Chinese society over the past few decades, for example, changes that can shift the fundamental relationship between employers and employees (for a more detailed analysis, see Child and Tse (2001), for example).

There are many avenues to becoming part of a group, part of something larger than oneself—religion, family, government, local neighbourhoods, and the workplace all offer immediate avenues for group inclusion. In modern China, however, the opportunities for inclusion have become more limited in recent times, with the deconstruction of the extended family due to the one-child rule discussed earlier, but also because of several other reasons.

With the Communist ascendancy in 1949, religious group inclusion was effectively curtailed. Instead, the government provided a cause for action and a relationship with people. The populace participated in group study of Mao's works and a large number of government-sponsored activities for the 'continuous revolution' of Communist ideology. The workplace was run by the government, with the explicit pact of the 'iron rice bowl'—guaranteed employment—with the populace. Work units in China 'took care of housing, children's education, marriages, and often the timing of employees' child bearing' (Jackson and Back 1998: 285). Large-scale group study of Mao's 'little red book' is no longer commonplace, nowadays, and state-owned companies are being increasingly privatised, with the 'iron rice bowl' an artefact of the past. Although the government is still a strong force, it is no longer the galvanising daily life influence that it once was.

Neighbourhood relationships have changed significantly too. Living in Beijing and Shanghai used to be shaped by single-level 'hutongs'—semi-communal environments where several families would have shared a small courtyard. For most, external movement and leisure travel outside China would have been unheard of, whilst internal movement and leisure travel inside China would have been restricted—living in a single home for an extended period of time and getting to know the neighbours well would have been the norm. Nowadays, by contrast, very few hutongs still exist. Large swaths of the major cities have been reconstructed, and the typical metropolitan residence is now an apartment in a 20-story apartment building. People are far freer to move within China, and urban centres have become far more densely populated. This change has been attended to with the typical isolation of high-rise apartment life—neighbours no longer know one other.

In addition, China's extreme femininity score may be a widespread social phenomenon with bases in the one-child rule. Due to socioeconomic pressures, one practical effect of the one-child rule is an imbalance between young men and women in China. The average worldwide birth rate is 1.05 boys for every girl.

Due to a historical desire to have sons, the Chinese practice gender selection—1,130 boys are born for every 1,000 girls, as a result (CIA 2013). The young men born in the 1980s are now of wife-seeking age. Given the relative scarcity of women, men have been changing their behaviour to attract a wife. This has given rise to what is known colloquially as ‘the Shanghai husband’ (Farrer 2002). In a shift from previous gender roles, the Shanghai husband takes on duties normally associated with women in China—assisting with housework and child rearing, as well as being more emotionally supportive.

Subtracting family, government, religion, and neighbours from the potential pool of engaging social networks accentuates the role of the workplace, particularly as it provides a sense of belongingness.

### **Some concluding advice for Western managers**

Managements across many industries believe that Chinese workers are only motivated by money and lack company loyalty. This belief leads to a dead end for managerial action. If it is true that the only way to retain workers is to remunerate them better than anyone else, then there is little to no incentive to provide workers with relevant, skill enhancing training<sup>3</sup>, and little reason to promote pride in either company or work.

However, such an attitude reflects two possible misconceptions about China’s workforce. The first possible misconception is that the Chinese workforce is homogenous, when, on the contrary, there are two vastly different workforces in China, migrant workers and indigenous workers. Whilst financial gain is paramount for migrant labour, migrant labour is not representative of most of China.

The second possible misconception is at the crux of the survey results presented in this article and confirmed by interviews with Chinese employees. Given the wide differences between Hofstede’s results measured in the mid-1980s and our results, it is possible that there is a New China in regard to employee attitudes. Seismic shifts have taken place in China over the past 50 years—religion was abolished, replaced by paternalistic and collectivist Communist dogma, now largely faded to individualistic capitalism. In addition, families have gone from

---

<sup>3</sup> For example, foreign languages as learned by Chinese employees as part of their general education are insufficient for work in an international hotel environment. Therefore, the more languages a hotel employee acquires through subsequent training at work, the more valuable the employee becomes. In addition, since expertise across all hotel functional areas is deemed necessary for promotion to managerial positions, functional area-specific training also enhances employability.

large numbers of children, living in extended family relationships in single-story dwellings, to one-child nuclear families, living in small apartments in high-rise apartment complexes. Due to the social loss of religion, government paternalism, neighbourhoods, and family ties, perhaps Chinese employees are looking to their employers for affiliation.

If this is true, a different strategy for employee retention is called for. One of the more obvious changes would be increased investments in training. Less obviously, the results on the masculinity / femininity scale indicate that more valued employee rewards may be time off or a closer relationship with the boss, rather than a one-time bonus or public recognition. Furthermore, if identification with the employer is sought, a better recruitment and retention tool would be making the workplace a better place to be—instead of just trying to provide higher salaries, the changes in the long-term orientation scales indicate that employers could build nicer employee breakrooms, organise social events, or promote group activities away from work. The marked differences in the power distance index may also portend changes in what can be expected from employees. Empowering employees to take the initiative may now be more likely to succeed than in the past—for example, quality management programmes that require employee input may now find broader participation. (As to individualism / collectivism, Western firms operating in China already focus on individual achievement more than on group achievement.) Moreover, as the scores for uncertainty avoidance seem to indicate (see Appendix 4, p. 27), Chinese employees are increasingly comfortable with what once may have seemed ‘unorthodox behaviour and ideas’, as well as with ‘a more relaxed attitude in which practice counts more than principles’ (The Hofstede Centre 2013). However, as the experience of the Portman Ritz-Carlton underscores, these new attitudes may still be in transition, and sustained managerial effort in the face of many failed experiments may be needed to succeed.

Above all, however, Western employers could build the all too necessary bonds by promoting and deepening understanding of corporate values among their Chinese employees—as well as by enhancing their own understanding of the newly developing Chinese culture. ‘Trainer training’, rather than employee training, is perhaps the most significant and adequate change that Western firms could undertake. Ensuring that expatriate managements have a robust understanding of—as well as an adequate appreciation for—how China has developed over the years can only lead to a broadening of managerial techniques. Received wisdom from the early and spectacular successes of Hong Kong- and Taiwan-based businesses manufacturing in China’s SEZs led to a view as to the capabilities of Chinese workers and how best to manage them, through limiting employee discretion and focusing on pay for retention.

### **Appendix 1: Hofstede's cultural values survey**

The employees of the Sofitel Hyland Hotel, the Portman Ritz-Carlton Hotel, and Hotel C were surveyed using Hofstede's (1980) cultural values survey. Of the many cultural researchers in business, Hofstede is arguably the most famous. According to Google Scholar (2013), Hofstede (1980) had been cited by 27,215. The Social Sciences Citation Index (SSCI 2008) reported 6,846 citations. For a work 33 years old, Hofstede (1980) has staying power: SSCI (2013) reported the five years with the most citations are the five most recent years as of this writing, 2008–12. To provide some perspective, the article of Kirkman, Lowe, and Gibson (2006) was solely dedicated to reviewing 'Hofstede-inspired research'.

Hofstede's basic framework was developed in two stages, 1967–9 and 1971–3, using 116,000 surveys from employees of IBM in 72 countries, and resulted in the dimensions of individualism, masculinity, uncertainty avoidance, and power distance. He later expanded the database—to incorporate China and other countries in the late 1970s and early 1980s—and included the dimension long-term orientation at that time (Hofstede 2001: 41). At 79 questions, Hofstede's (2001: 467–74) original survey was quite lengthy. Analysis indicated that many of the questions were not useful in constructing the dimensions. Consequently, the questionnaire was pared to 20 questions, in 1994, and titled Values Survey Module 1994, or VSM94 (Hofstede 2001: 495–6) (for instructions for converting survey answers to dimensions, see Hofstede 2001: 494).

### **Appendix 2: Arguments for (and against) Hofstede's framework**

The entire concept of reducing culture to a number is rejected by anthropologists—Sahlins (1976: 206) stated that 'culture is not a dependent variable'. Business scholars also differ with Hofstede—in the (not so) subtly titled article, 'Hofstede Never Studied Culture', Baskerville (2003) argued that Hofstede's unit of analysis was nationality, rather than culture, and that there are many distinct cultures within a nation—she backed her arguments with a study of the culturally diverse country of India (Chanchani 1998). However, this view is truer for some nations than others. With 91.5 per cent of the nation of the same Han racial lineage, and with the 8.5 per cent minority population largely geographically isolated in the far Western regions of the country (CIA 2013), China is not a 'melting pot' of races. Furthermore, and unlike more dispersed power in other nations, the extremely strong central government has led geographically distant Chinese to share similar experiences.

Hofstede's results are some of the most replicated in business research, and strong evidence exists of Hofstede's values being reliable and valid over both time

and survey population. In a review of Hofstede-based work, Sondergaard (1994) found 61 replication studies—and Hofstede practically ‘confirmed’ (Sondergaard 1994: 451). However, many of the replication studies of Hofstede were small samples of only a few countries. Nevertheless, some insight can be gathered by analysing three large-scale Hofstede replication studies. More than twenty years after Hofstede, Merritt (2000) surveyed 9,400 airline pilots in 19 countries. The average correlation between Merritt’s findings and Hofstede sorted by cultural construct was 0.82, while the average within-country correlation across constructs was 0.85. Among others, Hoppe (1990) studied ‘social elites’ with a sample of 1,544 ‘CEOs of prestigious [. . .] companies, top-level administrators of [. . .] governments, diplomats, chancellors and deans of universities or colleges, supreme court justices, and artists’ from 19 countries (Hoppe 1990: 23). The between-construct correlation averaged 0.59 and the within-country correlation with Hofstede averaged 0.53. Mouritzen and Svara (2002) surveyed over 3,000 politicians and government administrators in 14 countries on power distance and uncertainty avoidance, noting a correlation with Hofstede’s numbers of 0.71 and 0.87, respectively. Collectively, the major and minor replications of Hofstede have studied vastly different populations and time periods. The general conclusion is that Hofstede’s measures, while they may not measure everything about culture, or may not be applicable to every category of people, certainly measure something that is intransient. Indeed, if Hofstede’s results were not replicable over time and survey population, then the hundreds of published articles relying on Hofstede’s values as intransient measures of culture would be rendered moot.

Comparing Hofstede’s initial sample to ours, Hofstede studied one firm, IBM, so firm differences may be significant. When queried by the authors, Hofstede himself stated that studying IBM employees now would not link a contemporary study to his earlier work, due to the changes in IBM over the past decades. It should be noted, though, that Hofstede studied non-executive service workers of IBM, rather than workers on the manufacturing floor. Also, since the workers were employed by IBM, there may have been a bias from the general population of the country, as those surveyed were working for a Western-based multinational firm. Our survey is also of non-executive service workers working for Western-based multinational firms.

### **Appendix 3: The interview protocol**

Interviews were semi-structured and interviewees were assured that no individual responses would be reported to management. A list of base questions were asked, then the interviewers were free to follow up questions as they saw fit. The first six of the seven base questions below were constructed by the research



team after interviews with management. After approximately one-third of the interviews were completed, the research team reassessed the base questions and added a seventh question.

1. Why did you choose Sofitel as an employer? (Potential follow-up: Why choose Sofitel over other hotels. Work history.)

2. What is your favourite part of the job? What is your most challenging part of the job?

3. Do you have enough training to meet customers' expectations? (Potential follow-up: Do you have enough training to meet your supervisor's expectations? Are there sufficient development opportunities?)

4. Do you have problems handling customer requests? (Potential follow-up: Are the requests beyond your responsibility or role? How do you handle customer requests beyond your role?)

5. Do you have suggestions about the way work is done? How would you change things?

6. How are employees rewarded? What rewards would you value?

7. Are there situations where the customer requests conflict with hotel rules? How do you respond to such requests?

#### Appendix 4: Uncertainty avoidance scores

Scores	Countries	Rankings (out of 53)
112	Greece	1
101	Guatemala	3
69	Taiwan	26
<b>54</b>	<b>New China*</b>	n/a
46	US	43
35	Great Britain	48
<b>30</b>	<b>Old China*</b>	n/a
29	Hong Kong	51
8	Singapore	53

\* The difference is statistically significant at the 0.0001 level.

Table 5: Uncertainty avoidance scores for Old China, New China, and selected countries

---

## References

- Baskerville, R. F. (2003). 'Hofstede Never Studied Culture', in *Accounting, Organizations and Society*, 28/1: 1–14.
- Chanchani, S. (1998). *An Empirical Validation of Hofstede's Dimensions of Value* (working paper). Wellington: School of Accounting and Commercial Law, Victoria University.
- Child, J. and Tse, D. (2001). 'China's Transition and Its Implications for International Business', in *Journal of International Business Studies*, 32/1: 5–21.
- CIA (Central Intelligence Agency) (2013). *The World Factbook: East & Southeast Asia: China*, at <https://www.cia.gov/library/publications/the-world-factbook/geos/ch.html> (accessed 17 February 2013).
- Dean, J. (2010). 'Suicides Spark Inquiries', in *Wall Street Journal Online* (27 May 2010), at <http://online.wsj.com/article/SB10001424052748704026204575267603576594936.html> (accessed 31 January 2013).
- Farrer, J. (2002). *Opening Up: Youth Sex Culture and Market Reform in Shanghai*. Chicago, IL: University of Chicago Press.
- Google Scholar (2013). *Google Scholar*, at <http://scholar.google.com> (accessed 31 January 2013).
- Harney, A. (2008). *The China Price*. New York: Penguin Books.
- Hexter, J. and Woetzel, J. (2007). 'Bringing Best Practice to China', in *McKinsey Quarterly*, 4: 92–101.
- Hofstede, G. (1980). *Culture's Consequences: International Differences in Work Related Values*. Beverly Hills, CA: Sage Publications, Inc.
- Hofstede, G. (1998). *Masculinity and Femininity: The Taboo Dimension of National Cultures*. Thousand Oaks, CA: Sage Publications, Inc.
- Hofstede, G. (2001). *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations across Nations*. Thousand Oaks, CA: Sage Publications, Inc.
- Hoppe, M. H. (1990). *A Comparative Study of Country Elites: International Differences in Work-related Values and Learning and Their Implications for Management Training and Development* (PhD thesis). Chapel Hill, NC: School of Education, University of North Carolina.
- Hoppe, M. H. (1998). 'Validating the Masculinity/Femininity Dimension on Elites from 19 Countries', in Hofstede, G. (ed.), *Masculinity and Femininity: The Taboo Dimension of National Cultures*, 29–43. Thousand Oaks, CA: Sage Publications, Inc.
- House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., and Gupta, V. (eds) (2004). *Culture, Leadership and Organizations: The GLOBE Study of 62 Societies*. Thousand Oaks, CA: Sage.

Hoyton, J. and Sutton, J. (1996). 'Employee Perceptions of the Hotel Sector in the People's Republic of China', in *International Journal of Contemporary Hospitality Management*, 8/1: 22–8.

Hui, M. and Fock, H. (2004). 'Empowerment Effects across Cultures', in *Journal of International Business Studies*, 35/1: 46–60.

Jackson, T. and Bak, M. (1998). 'Foreign Companies and Chinese Workers: Employee Motivation in the People's Republic of China', in *Journal of Organizational Change*, 11/4: 282–300.

Kirkman, B., Lowe, K., and Gibson, C. (2006). 'A Quarter Century of *Culture's Consequences*: A Review of Empirical Research Incorporating Hofstede's Cultural Values Framework', in *Journal of International Business*, 37/3: 285–320.

Li, W. and Liang, Z. (1993). 'The Change of Fertility Patterns in Rural and Urban China, 1970–1989', in *China Population Today*, 10/5: 13–15.

Merritt, A. (2000). 'Culture in the Cockpit: Do Hofstede's Dimensions Replicate?', in *Journal of Cross-Cultural Psychology*, 31/3: 283–301.

Mouritzen, P. E. and Svara, J. H. (2002). *Leadership at the Apex: Politicians and Administrators in Western Local Governments*. Pittsburgh, PA: University of Pittsburgh Press.

Sahlins, M. (1976). *Culture and Practical Reason*. London: University of Chicago Press.

Sasin, J. (2012). 'Shenzhen Ranks Fifth in the World in Terms of Population Density', in *Shenzhen Standard* (30 May 2012), at <http://www.shenzhen-standard.com/2012/05/30/shenzhen-ranks-fifth-in-the-world-in-terms-of-population-density> (accessed 31 January 2013).

Smith, C. (2003). 'Living at Work: Management Control and the Dormitory Labor System in China', in *Asia Pacific Journal of Management*, 20/3: 333–58.

Sondergaard, M. (1994). 'Research Note: Hofstede's Consequences: A Study of Reviews, Citations and Replications', in *Organization Studies*, 15/3: 447–56.

The Hofstede Centre (2013). *Dimensions*, at <http://geert-hofstede.com/dimensions.html> (accessed 5 February 2013).

Trompenaars, F. (1993). *Riding the Waves of Culture: Understanding Cultural Diversity in Business*. London: Nicholas Brealey.

Wood, F. (2007). *The First Emperor of China*. London: Profile Books, Ltd.

Yu, L. and Humin, G. (2005). 'Hotel Reform in China: A SWOT Analysis', in *Cornell Hotel and Restaurant Administration Quarterly*, 46/2: 153–69.

---



**Kathryn H. King-Metters** is an Executive Professor with the Department of Management at the Mays Business School, Texas A&M University, where she teaches Leadership and Management Consulting at undergraduate level and Negotiations at graduate level. Kathryn holds a PhD in Organization and Management from the School of Business and Technology at Capella University, an MBA from the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill, and an MA in English Education from the Ohio State University.

Prior to joining the Mays Business School, she had taught at Emory University (Atlanta, Georgia), the Kenan-Flagler Business School at the University of North Carolina (Chapel Hill, North Carolina), Agnes Scott College (Decatur, Georgia), and Meredith College (Raleigh, North Carolina).

Kathryn was the founder of the strategy and entrepreneurship firm King & Company, and worked for Arthur Andersen and Scott, Madden, and Associates (Raleigh, North Carolina); J. D. Power & Associates (Dallas, Texas); Berol Corporation (Nashville, Tennessee); SAS Institute (Cary, North Carolina); and IBM (Chicago, Illinois).

Her research interests concentrate on national and organisational cultures relative to the service sector. She presented numerous papers at national and international events, published several articles, and co-authored *Successful Service Operations Management*, a textbook that saw three editions, including a Chinese edition. Kathryn is extremely active in the wider academic environment, as well as in the community, including as a reviewer for the Academy of Management (AOM), the Academy of International Business (AIB), and the *Cornell Hospitality Quarterly*, and as a discussant and track and session chair at conferences. Her international interests directed her to organising and leading five student and faculty study trips to China, the Czech Republic, Hungary, Japan, and Romania.

Kathryn can be contacted at [kkingmetters@mays.tamu.edu](mailto:kkingmetters@mays.tamu.edu), at the Department of Management, Mays Business School, Texas A&M University.

---

**Richard D. Metters** is the Tenneco Professor of Management at the Mays Business School, Texas A&M University, where he heads the Department of Information and Operations Management and teaches operations and supply chains courses for fulltime and executive MBA students. Richard holds a PhD in Operations Management from the Kenan-Flagler Business School, University of North Carolina, an MBA from Duke University, and a BA from Stanford University.

Prior to joining the Mays Business School, Richard had taught at Emory University, Vanderbilt University, and the Southern Methodist University, and had also worked for the Bank of America, CitiBank, and Crocker Bank (now Wells Fargo).

His research interests concentrate in service sector operations management and supply chain management. He published over forty academic articles, and is the principal author of the textbook *Successful Service Operations Management*. His research involved American Airlines, American Express, Atlanta Refreshment, BancTec, Berol Corporation, Blockbuster Video, Bob's Candies, Harrah's Entertainment, Kroger, Lincoln Electric Motors, Ritz-Carlton, Sofitel, the US Postal Service, Vanderbilt Child Care Center, and many other firms. Richard has a special interest in international operations, and was (co-)leader of seven student and faculty study trips to Argentina, Brazil, Chile, China, the Czech Republic, Hungary, India, Japan, Romania, and Venezuela.

Richard serves in numerous university capacities and in the wider academic environment, for example as Secretary of the Production and Operation Management Society (POMS) Board of Directors; as Associate Editor for *Journal of Operations Management*, *Decision Sciences*, *OMEGA*, and *Interfaces*; as Editorial Board member of *Service Business*; and as Editorial Review Board member of *Journal of Service Research* and *Production and Operations Management*.

Richard can be contacted at [rmetters@mays.tamu.edu](mailto:rmetters@mays.tamu.edu), at the Department of Information and Operations Management, Mays Business School, Texas A&M University.

