

**Summary of Master's Thesis**

修士論文要旨

**Intercultural Interaction Between**

**Japanese Managers and Their**

**Chinese Subordinates:**

**A Qualitative Approach to Japanese Companies**

**Doing Business in Shanghai**

日本人駐在員と中国人従業員の間における異文化インタラクション  
上海の日経企業における質的調査に基づいて

**Division of Public Administration**

**Graduate School**

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## Summary of Masters Thesis

Through a qualitative research which employed face-to-face interviews and participant observation , this research clarifies the current state of intercultural interactions between Japanese expatriate managers and their Chinese subordinates and identifies some of the major factors responsible for the conflicts in interactions between the two groups.

### I. Introduction

Today , there are about 20 , 000 Japanese who live in Shanghai . Many of them are Japanese expatriate managers sent to Shanghai by their companies headquarters in Japan over the past ten years.

Since the end of the 1980's more Japanese companies have had Shanghai as their center for direct investment and trading . Since 1995, as the commercial center of the P.R.C , Shanghai has been ranked as top city for Japanese investment , as investment in Shanghai just keeps on increasing.

A significant change occurred in the 1990's which was the more Japanese companies

Preferred having their own subsidiaries in China rather than having joint ventures with Chinese counterparts . As a result of this recent changes , direct communication between Japanese expatriate managers and their local Chinese subordinates , unmediated by peer level Chinese counterparts , has become unavoidable . At the same time , conflicts between management and labor , combined with the somewhat inevitable conflicts aroused by

Interpersonal interactions between people from different cultural groups , have begun to Come to light .

Given this background , the researcher chose this topic and decided to conduct a fieldwork on

The current state of intercultural interactions between Japanese expatriate managers and their Chinese subordinates and to identify factors responsible for the conflicts .

## 2 . Literature Review

A comprehensive understanding of intercultural management would appear to require a truly multidisciplinary approach . In this study on intercultural interactions between Japanese expatriate managers and their Chinese subordinates , the management sciences are integrated with intercultural management and intercultural communication . Therefore , important

Previous research , theories , and principles at both general and specific levels which relate to

The issue of interaction between Japanese managers and Chinese subordinates are reviewed and discussed here .

In this chapter , previous literature concerning this area of study is divided into four sections.

These four sections are : literature on Chinese and Japanese communication , literature on the comparative study of culture and organizations , literature on the study of Japanese multinational companies, and literature on the study of Japanese management in China .

Though the literature review, previous studies on Chinese-Japanese communication are criticized , and the need to create new frameworks is proposed.

In conclusion , the topic of Chinese - Japanese communication is understudied up until now, and there is not very much rigorous research literature on the topic.

## 3. Methodology

Instead of embarking on a study driven by existing intercultural theory which has mostly been

Formulated on the basis of interactions in Western societies or between Westerners and “Others”, the researcher has taken a qualitative approach to gather field data as an initial step

in developing alternative theory grounded in inter - Asian interactions . The focus of the Researcher’s interviews and observations has been to identify and clarify the major conflicts that are going on right now between Japanese employers and Chinese subordinates in Japanese companies doing business in Shanghai.

Through three means, using researcher’s, own interpersonal network, contacting companies through letters of recommendation and having Japanese expatriate

managers recommend the researcher to other Japanese companies in Shanghai, the researcher acquired interviewees to cooperate in the research .

For the sake of later analysis, an ideal sample and the rationale for its categories was Configured. The ideal company sample would consist of three categories: manufacturing companies , trading companies , and non - manufacturing companies. Interviewees were divided into two major groups: the Japanese manager group and the Chinese subordinate group. The Japanese manager sample was classified according to their linguistic ability in Chinese and cultural background on China. The Chinese employee sample consisted of three categories , those who used to study or work in Japan , those who majored in Japanese at university and those who were professionals.

The final part of this section explains how the interview questions were formulated.

#### 4. Actual Sample

In order to acquire the latest data , during July and August 2001, the researcher conducted intensive interviews in twelve Japanese companies in Shanghai.

The actual sample is introduced in this chapter

There are twelve companies, which directly participated in the research. According to the research design, the twelve companies which made up the sample were divided in three categories : manufacturing firms , trading firms and non - manufacturing firms. Forty - Six interviews were conducted in all. Fifteen Japanese expatriate managers and thirty - one of their Chinese subordinates cooperated in the research . All these interviewees are divided into categories according to the research design. In addition, one more variable , whether term of work is predetermined or not , was added to the original analytical categories.

Finally; as another important research method, how participant observation was utilized for gathering information is explained. Also, in order to complete information which was not adequately acquired during the interview; the consulting company is introduced which provided an information source to support judgments made . Finally, the researcher states his concerns about and strategies for maintaining the privacy of both the companies and individuals .

## 5. Presentation of Data

In this chapter; Which is the longest chapter of all, Summarized data and findings are presented according to the three categories of companies. In each category, there are three different sections for the presentation of the data generated and of findings. These three sections are the section on management and structure, the section of Japanese expatriate managers in the eyes of the Chinese employees , and the section on formal and informal interaction and communication.

In the trading companies category, the phenomena of high employee turnover rate and low motivation for work are firstly introduced. The factors responsible for the above phenomena are clarified as low compensation, lack of recognition of one's individual value, pessimistic

Future possibility for both the individual and the company and uncomfortable working Environment. The Chinese employees said that their Japanese managers are prejudiced and have negative stereotypes about Chinese employees, that there is a deep distrust between the two groups and that the Japanese managers are usually irresponsible about their jobs in the subsidiary. In the trading companies, the communication in the office is inadequate, and

There are not any informal interactions between the Japanese bosses and Chinese employees.

Chinese employees complained that they are always treated as outsiders.

In manufacturing companies , the researcher found that the stability of the work force is Comparative high, Chinese employees were more proactive toward their work, and localization was promoted in this category . There are multiple causes for such positive Phenomena. The salary of the employees in this sector is linked to business performances by means of open, transparent evaluations. In order to make the Chinese employees feel comfortable, Chinese management was introduced into Japanese management. In order to promote such fusion, equality and fairness are used as principles to guarantee the intercultural management and solve conflicts. In this manufacturing sample, their Chinese employees through having achieved leadership through exemplary behavior respect Japanese managers. The undetermined terms of work for managers in this sector and the criteria for choosing expatriates guarantee the ability and cultural adaptability of the Japanese managers. Concerning the formal and

informal interaction and communication, three different means for communication, using interpreters, cultivating Japanese - Speaking environments, and creating special high context communication environments, are described.

In the non-manufacturing companies , some similar findings to those found in the trading companies, such as lack of motivation to work, low compensation, exclusion from power and authority, are explained first. Chinese employees working in this category felt that Japanese managers had a sense of superiority towards Chinese employees. They also considered that their Japanese managers were inflexible and conservative . How the term of work in this category company influences the Japanese managers is explained as well. As in the trading companies , there are very few informal interactions between bosses and subordinates in this category. When interacting with their Japanese managers, Chinese employees felt that the most conspicuous difficulty in communication was the issue of dealing with "ambiguity" and "artificialness".

## 6. Analyses and Discussion

In this chapter, the differences between the companies in the three business categories are further clarified, and the reasons responsible for the similarities and diversities are discussed.

Next, the fundamental factors which influence the reality of intercultural interactions between Japanese expatriate managers and their Chinese employees are identified.

The discussion of the data is divided into two levels, the organizational level and the Interpersonal level. At the organizational level, different categories of companies and different categories of terms of work are discussed. As a conclusion, the engagement of the Japanese enterprises in China and their dependence on their Chinese employees are considered to determine the degree to which Japanese management and structures are prepared to adapt to China. At the interpersonal level, the main issues concerning intercultural interpersonal communication in the interactions between the two groups , such as trust, fairness , etc. are discussed .

## 7. Conclusion

In the conclusion, recent changes in the intercultural management of Japanese companies

Doing business in Shanghai and in the intercultural interactions between the Japanese Managers and their Chinese employees are discussed . The researcher considered that the communication between the two groups is changing from control-oriented communication to cooperation - oriented communication due to the macro changes in the economic environment.

In order to adapt to such changes, the researcher proposes some further studies on Chinese - Japanese interaction and communication.