

## **‘Multinational Retailers in China: Proliferating “McJobs” or Developing Skills?’\***

**PUBLISHED AS GAMBLE, J. (2006) ‘MULTINATIONAL RETAILERS IN CHINA: PROLIFERATING “MCJOBS” OR DEVELOPING SKILLS?’. *JOURNAL OF MANAGEMENT STUDIES*, 43(7): 1463-1490. [AWARDED 2<sup>ND</sup> PRIZE FOR *JOURNAL OF MANAGEMENT STUDIES* BEST PAPER 2006].**

Jos Gamble

*School of Management, Royal Holloway, University of London*

**ABSTRACT** Much has been written on the nature of skills and the extent to which there is increased skills development or a deskilling of workers in modern workplaces. This paper broadens the debate and explores these issues in the novel context of UK- and Japanese-invested retailers’ operations in China. Data derived from over two hundred interviews at twelve retail stores in six Chinese cities and questionnaires completed by almost eight hundred employees elicited contextualised accounts of interactive service workers’ own perceptions of their training and skills development. It was found that these firms made a substantial contribution to skills development, fostered and enhanced both directly by company training and also through experiential workplace-based learning. It might be, however, that this constitutes an essential but

‘one-off’ increase in skills in transitional economies such as that of China.

## **INTRODUCTION**

There has been extensive debate on the extent to which workers are either upskilled or deskilled in contemporary workplaces. During the 1970s and 1980s, most attention focussed on the manufacturing sector. In the 1990s, the service sector came under increasing scrutiny, with call centres a recent focus for study. Absent in this debate, though, has been any exploration of the issues involved in non-Western contexts. Additionally, within the service sector the economically important and socially significant retail sector has been neglected. This paper reviews the debate on skills and then presents findings from empirical research conducted at multinational retail firms in China.

China provides an ideal locus for such research given the immense influx of foreign direct investment (FDI) in recent years; by the end of 2004 a cumulative total of 508,941 foreign investment projects had been approved with contracted and actual utilized FDI amounting to US\$1,096.6 billion and US\$562.1 billion respectively. FDI, with a bias towards manufacturing rather than the service sector, has been encouraged by Chinese state planners to help develop the economy, including the upgrading of managerial and shopfloor skills. Study in China then not only allows us to broaden the debate on skills formation but also to explore the impact that service sector investment might have on human resources development in a transitional economy. Additionally, this study enables us to examine the variables that might explain why skill

enhancement occurs in some country contexts and de-skilling in others.

## **THE DEBATE ON SKILL FORMATION**

Much of the initial debate on skills development and utilisation centred upon the manufacturing sector and the impact of technology on the labour process. Kerr et al. (1973) anticipated that technological development would lead to more complex types of work task and therefore rising levels of skill and responsibility. By contrast, Braverman saw technology as contributing to an increasing division of labour that condemned the masses to 'labor from which all conceptual elements have been removed and along with them most of the skill, knowledge, and understanding of production processes' (1974, p.319).

Later there was renewed optimism over a range of 'new paradigms' that linked advanced manufacturing systems with increased utilisation of skilled labour. However, critics questioned the assumed link between skill and work arrangements such as just-in-time and modular production (Smith and Thompson, 1998). These practices might involve a broader range of tasks, but they did not necessarily require higher skills. In a survey of UK labour markets, Gallie (1991) reported an increasing polarisation of workforce skills. He found a strong link between those who worked with advanced forms of technology and skill levels, while skill levels of those without this possibility tended to be unchanged.

## Skills in the Service Sector

While Braverman devoted most attention to the manufacturing sector he perceived the degradation of work as a structural feature of the capitalist mode of production. He argued that, if anything, 'the worst examples of the division of labor' were to be found in those processes that remained unmechanized (1974, p.319). Braverman took this to be the prevailing situation in service occupations and the retail trade, and described work in them as characterised by 'lack of developed skill, low pay, and interchangeability of person and function' (p.248).

Building on the work of Max Weber and F.W. Taylor, George Ritzer (1993, 1996, 1998) focussed on 'McDonaldization'. He perceives this as a rationalization process manifest in all realms of the social world, with the work world a particularly important sphere that influences and is influenced by wider society. Ritzer details in particular the implications for customer service jobs. Basic dimensions of McDonaldization are: efficiency, calculability, predictability, control through the substitution of non-human for human technology and the irrationality of rationality. Ritzer considers the McDonald's chain 'a particularly powerful model of the rationalization process' (1996, p.292), and charts the way it has been emulated and spread both to other industries and institutions and geographically since its emergence in mid-1950s America. Like Weber, Ritzer broadly accepts the notion that this spread is inevitable, and perceives 'the inexorable march toward the iron cage of, in this case, McDonaldization' (ibid, p.305).

For employees in McDonaldized workplaces Ritzer's conclusions parallel Braverman's bleak assessment; where the latter depicts the 'degradation of work' he

perceives a proliferation of increasingly Taylorised dead-end 'McJobs'. Ritzer and Stillman argue that 'most customer service jobs have been deskilled, transformed into *McJobs*... These require little training and little skill to perform them' (2001, p.105). In such workplaces, 'employees are forced to work in dehumanizing jobs' (Ritzer, 1996, p.294). For Ritzer, the increasing use of scripts to engender predictability in interactive workers' encounters with customers 'leads to new depths in the deskilling of workers' (1998, p.64); in the same way as technology removes workers' manual skills, so scripts usurp their verbal and interactive skills.

The McDonaldization thesis has been subject to various criticisms (Alfino et al., 1998; Smart, 1999). A recurring critique is the limited empirical underpinning of Ritzer's work. The impact of McDonaldization on employees is largely abstracted and 'read-off' from management trends, with little attention to the subjective experiences of actual workers. McDonaldization ignores the creativity of both workers and customers to fashion anew and find their own meanings in what is presented before them. There is also a tendency to overestimate the power of managers to exert detailed control.

The literature focussed on service sector HRM contains divergent perspectives on the nature of work in this sector. Proponents from the new service management school stress workers' empowerment as a means for firms to differentiate themselves from competitors (Bowen and Lawler, 1995). Despite this, in many retail and hospitality outlets, quality service remains at the level of rigorous attempts to provide a standardised service encounter. However, in UK retail stores Rosenthal et al. (1997) report a shift away from scripted interactions toward more 'authentic' interactions. Such an approach can be construed as widening the potential for employees to utilise,

at the very least, their social skills.

In recent years, particular attention has been devoted to work organisation in call centres. The optimistic and pessimistic scenarios mapped out for manufacturing have been reproduced in the debate on skills formation in this sector (Grugulis et al., 2004). In the latter camp, Taylor (1998) reports a predominance of low-skilled, closely scripted and monitored interactions. By contrast, Frenkel et al. (1995) anticipate that telesales employees' work might increasingly resemble that of professional employees with a trend towards 'knowledge work'. This expectation is based on the expanding level of discretion required to provide a customised service. Thompson et al. (2001) criticise Frenkel et al.'s conflation of such activities with knowledge work. However, along with other recent studies on call centres (Callaghan and Thompson, 2002; Holtgrewe et al., 2002; Deery and Kinnie, 2004), they challenge the view of call centre employment as merely de-skilled white-collar work. Thompson et al. (2004), for instance, focus on the extent to which social skills and competencies are fundamental elements in interactive service work. Such research indicates the necessity to re-think traditional concepts of skill.

### **Skill, Which Skills?**

The concept of skill resists easy definition. Braverman tended to depict skill in terms of individualistic craft mastery (Burchell et al., 1994). Subsequent explorations have highlighted the contextual and subjective aspects surrounding notions of skill, and emphasised the degree to which skill is socially constructed and contested (Sturdy et

al., 1992; Francis and Penn, 1994). Leidner (1993) comments on the particular difficulty of defining 'skill' in interactive service work. Often the capacities involved are seen as 'features of personality or attitude, dimensions usually considered to be distinct from work skills' (ibid, p.176). More recently, Payne remarks on the way "skill" has expanded almost exponentially to include a veritable galaxy of "soft", "generic", "transferable", "social" and "interactional" skills, frequently indistinguishable from personal characteristics, behaviours and attitudes' (2000, p.354).

The notion of what constitutes 'skilled work' is often dependent upon the current status attached to the job (Horrell et al., 1994). Researchers' notions of skill also tend to reflect their own theoretical standpoint (Felstead et al., 2004). Attewell (1990) distinguishes positivist and ethnomethodological notions underlying varying notions of skill. While the former treat skill as an objective and measurable attribute of persons or jobs, the latter emphasise the complexity of even the most mundane human activities. In the research for this paper the approach was not to impose a definition of skill, but to allow employees to elaborate on their perceptions of the skills and competencies they required and had developed.

## **SKILLS AND MULTINATIONAL RETAILERS**

It is a timely point to focus on multinational retail firms' impact on workers' skills in developing nations. The globalisation of retailing became more pervasive in the 1990s with an acceleration of multinational activity in the Asia Pacific. Perhaps reflecting

language and access constraints, most previous studies on skills formation have been undertaken in Western contexts. Research in a developing nation provides a novel focus; moreover this topic is of particular interest with respect to China. In the late 1970s, as part of its strategy to modernise the economy, China began to reopen the country to FDI. Important objectives were that foreign involvement would bring in capital and help upgrade labour and managerial skills (Child, 1994). Against the backdrop of China's enormous success in attracting FDI, the country faces a 'skills shortage and insufficiency of training provision' (Cooke, 2005, p.202).

During the earlier stages of the reform era especially, China was keen to attract export-orientated investment and reluctant to permit investment that aimed to increase penetration of the domestic market. Foreign companies were excluded from the retail sector until 1992. Since then, investment by multinational retailers has been substantial, a trend likely to intensify after most restrictions on such investment were removed in late 2004 in accordance with WTO guidelines.

The Chinese state anticipates positive benefits to derive from FDI. However, critics of globalisation argue that multinationals bring few benefits to host environments. Fröbel et al. (1980), for instance, perceived the emergence of a new international division of labour within which developing countries are used simply as export platforms and labour is exploited, with minimal training and no skilled workforce. More recently, Chan (2001) explored the conditions of shopfloor staff in factories run by overseas Chinese entrepreneurs. Her findings have been taken as evidence of the malign consequences of globalisation.

It is arguable whether the overall picture of the export-orientated manufacturing sector is this bleak. However, market-seeking investment, the focus of this paper,



might have different consequences for skills formation compared to export-orientated manufacturing operations. Unlike manufacturing firms that operate within an international division of labour and transfer the least skilled tasks to overseas subsidiaries (Wilkinson et al., 2001), market-seeking service sector multinationals are more likely to reproduce abroad the chief aspects of their parent country operation. This might have 'positive implications for the quality of employment in service affiliates as compared with that in manufacturing affiliates' (UNCTAD, 1999, p.259). However, if Ritzer is correct to see the service sector in economically developed nations as characterised by deskilled dead-end jobs, it might be anticipated that employment created by multinational retailers would make little contribution to human resource development in host countries. This expectation might be heightened with respect to UK retail firms. Britain is reported to have a poorly educated and trained workforce compared to other advanced industrial nations (Glynn and Gospel, 1993; Grugulis et al., 2004), a situation reflected in its retail sector (Jarvis and Prais, 1989). This paper provides empirical evidence to assess these dimensions in multinational retailers in a developing country.

## **METHODOLOGY AND RESEARCH CONTEXT**

The ideal approach to explore skill is through a combination of external imputations about skill and self-report from respondents on their own experiences (Spenner, 1990). Accordingly, this paper explores employees' perceptions of their skills acquisition and development through interview based case studies and underpins this

with a broader questionnaire survey. The focus on local employees' perspectives provides a basis from which to interrogate assumptions derived from Western contexts. The research builds upon the author's earlier work (e.g. Gamble, 2003a, 2003b) and was conducted using the target language, over a relatively long timeframe.

Japanese and UK retail firms were selected for this study since they have developed in differing institutional contexts (Whitley, 1999). Where Japanese firms are generally presumed to make substantial investments in human resources, UK firms have been considered to provide minimal training opportunities (Crouch et al., 1999). The expectation, not supported in the research, was that this distinction would be replicated in retail firms from these two countries.

Research in China was undertaken in 1999, 2000, 2002 and 2003 at six stores owned by a British multinational retailer, 'UKStore'. One hundred and seventeen semi-structured interviews were conducted with a cross-section of local employees and expatriate staff. Background research was conducted at one of the firm's UK stores. Research on two Japanese invested retailers was carried out in 2002, 2003 and 2004. Visits were made to six stores in four different cities, and 97 interviews were conducted with local and expatriate staff. The author's facility in Chinese permitted interviews with employees to be conducted on a one-to-one basis without the necessity for a translator. Rather than impose the researcher's pre-determined categories open-ended questions allowed informants to digress and elaborate upon their experience. This topic was 'emergent' to the extent that I was increasingly impressed by interviewees' accounts of the skills they had developed at work.

A questionnaire survey was undertaken of 799 employees at four Japanese-invested stores, three UK-invested stores in China and a parent country store of this firm in

London, and a Chinese state-owned store in Beijing. The latter was selected as one of the nation's leading locally owned department stores. The questionnaire is based partly upon the UK Department of Employment's Workplace Employee Relations Survey; as such it is a well-tested and robust research instrument. Specific questions and translations were discussed with Chinese colleagues to ensure their comprehensibility and applicability in the Chinese context. The research is summarised in Table I.

-----  
 INSERT TABLE I ABOUT HERE  
 -----

### **Company Backgrounds**

In June 1999, UKStore opened a decorative materials warehouse store in Shanghai. Up to April 2005 a further 21 stores had opened in various cities. For the first year of operations, two expatriate managers filled the store manager and assistant store manager roles, subsequently all store-level roles were localised. JStore1 is a leading Japanese general merchandise retail firm. By 2005, it had five stores in China, the first opened in 1997. JStore2 is a major Japanese department store, with two subsidiaries in China. Compared to UKStore, the Japanese firms made greater use of expatriates with most senior positions held by Japanese staff. All the multinationals had more employees per store than comparably sized parent country stores. Customer numbers

were also comparatively high; up to 40,000 per day made purchases at one JStore1 and 1,500 at a UKStore.

## **CUSTOMER BEHAVIOUR AND CONSUMER MARKETS IN CHINA**

Expectations of customer service and the demands on foreign firms appeared to be higher than those upon local stores. UKStore's expatriate assistant manager considered Chinese customers 'even more demanding than those in the UK'. Price conscious and suspicious over quality, they asked detailed questions about products' composition, use, application and quality.

The demanding nature of Chinese customers can be attributed primarily to the low-trust retail environment. Consumer law and means of legal redress are poorly developed in China. There is also an absence of recognisable quality standards, and independent organs of civil society that are taken for granted in Western societies such as consumer organisations are poorly developed.

In UKStore's case, the specificities of China's housing market had significant consequences for the firm's business and affected customers' behaviour. The Chinese market is radically different to that in the UK. Most newly completed properties are empty shells; the purchaser receives a concrete box with unplastered walls, and no flooring, kitchen or bathroom units. The cost of decoration is substantial; even though store prices were approximately half their UK equivalent and average incomes one-tenth of those in the UK, the average sale per customer was higher. The presence of a vast pool of cheap migrant labourers, who could be hired for 500 *yuan* (£40) per

month, removed the financial incentive to engage in DIY. The market was characterised not as DIY, but ‘BIY’ – buy-it-yourself – and get a team of workmen to do the work.

The cost involved, customers’ limited expertise in DIY and their minimal knowledge of the products required resulted in heavy demands on sales staff’s product knowledge (*chanpin zhishi*). An assistant store manager reported that:

Inexperienced customers ask a lot of questions as they want to be reassured, so specialist knowledge (*zhuanye zhishi*) is very important.

A hardware department assistant commented:

Customers ask lots of very detailed questions...as for many people this is the first time they’ve decorated and they fear to get ripped-off.

Frequently the boss of the work team who would undertake the decoration work accompanied such customers. The couple decided on products’ colour and style, while the workman grilled sales staff with detailed questions on new products’ use and quality. An electrical department assistant remarked:

Customers ask lots of questions, some know a lot and ask very difficult questions. So specialist knowledge is very important.

Even though homeowners rarely did decoration work themselves, they still had an

incentive to understand the products and processes involved. They tended not to trust the migrant work teams to buy materials independently, fearing they would purchase lower-quality goods and pocket the difference. Customers also lacked confidence in migrant workers' competence and reliability to complete work to an appropriate standard. Homeowners therefore devoted considerable effort to finding out which products to buy, and to supervising the decorators' workmanship. Some customers attended in-store DIY demonstrations and asked many questions in order to better supervise and inspect the work of the decorators they had employed.

Staff also faced increased demands because customers had yet to be sufficiently 'trained' (Leidner, 1993; Ritzer, 1998); they did not always play their roles properly in the customer service interaction. In part this increased employees' manual labour; for instance, in self-service sections customers expected staff to lift down goods and carry them to the checkout. Staff also received more requests for product-related information as a result. A decoration department assistant explained that customers asked many questions because 'Chinese customers aren't used to looking for information, they ask first.'

### **The Role of Customer Service**

China's retail market is extremely competitive, with competition between state owned and private stores and foreign entrants. It was difficult for the multinationals to compete on price alone. Profit margins were already lower than in Britain or Japan, while competitor state-owned stores had soft budget constraints and small-scale

family-run stores could operate with low overheads. Initially, at least, the multinationals were able to differentiate themselves from local competitors through imported technologies and practices such as product displays, use of bar codes and returns policies. However, the advantage gained was often short-lived, as rivals rapidly copied and adopted these features.

Customer service was perceived as crucial to the firms' success, and a form of differentiation that was difficult to replicate. The form of customer service considered appropriate depended upon the firm and the particular job role. However, in general it required employees to possess product knowledge, to provide emotional labour and to utilise appropriate social skills. The next section explores the firms' selection and recruitment strategies, and then turns to training and skills development in the multinational retailers.

## **SELECTION AND RECRUITMENT STRATEGIES**

Selection processes at the retailers were less sophisticated than those at the call centre studied by Thompson et al. (2001). The typical process to recruit customer assistants was for applications to be sifted rapidly, followed by interviews that usually lasted no longer than 15 minutes, although applicants at JStore2 also took a written test. Experienced interviewees rapidly discerned potential recruits not only on their responses to questions but also aesthetic factors such as their physical disposition, gestures and tone of voice (cf. Nickson et al., 2001).

Assistants' work centred largely upon face-to-face interaction with customers. It

was important to be able to introduce products well, to be persuasive and able to determine customers' likely buying preferences and requirements. Benson (1986) highlights the centrality of social interaction in US department stores and the extent to which retail work revolves around 'the drama of persuasion'. Skills of persuasion were equally valuable at the multinational stores, especially when products were unfamiliar or relatively expensive. Successful persuasion required a combination of product knowledge and human interaction skills. A UKStore decorative materials department assistant remarked:

You persuade customers to buy by introducing the products well.

Similarly, a gardening department assistant explained:

Customers ask a lot of questions because they know little about plants. To persuade them to buy you must explain very well.

Often customers were portrayed as willing to be guided by sales staff who possessed the requisite skill. An electrical department deputy supervisor had found that:

Few people know much about the products as they often just decorate once. The customer is a blank sheet when they come in and has to ask you everything.

It required good interpersonal skills to strike the balance between persuasion, creating



a basis of trust, and not unduly pressuring customers – they need to retain a sense of sovereignty. Social skills, which ‘include the capacity to organise and communicate with, to learn from, work with and impart knowledge to others’ (Frenkel *et al.*, 1995, p.780), might be especially important in China since, as UKStore’s expatriate assistant manager remarked, ‘here selling is much more used to negotiating.’

Typically, the multinationals sought to recruit customer assistants with high school education. UKStore preferred candidates with experience of decorative materials or retailing, preferably in another foreign-invested store. In the UK, older employees are often best able to provide product-related information because they have personal experience of DIY. However, in China older recruits not only might lack such experience, but the company was also concerned that older applicants had become inured to poor working habits in state-owned enterprises. An expatriate manager added that younger recruits were preferable since ‘they come straight from one learning environment to another learning environment.’ The Japanese firms preferred ‘fresh’ recruits straight from education.

In recruitment, the Japanese firms stressed personality characteristics such as the ability to endure demanding work, a spirit of unity (*tuandui jingshen*) and a hardworking spirit (*shigan jingshen*). A local HR manager at one Japanese firm offered a particularly negative account of recruitment criteria:

It’s easy to find recruits, but hard to find suitable recruits. They need to be able to endure hardship (*chiku*) and be obedient (*fucong*). It’s no good if they have their own ideas, also they need to be able to cope with pressure.

Similarly, if UKStore could not always find those with the right skills it attempted to select those with the 'right attitude' (cf. Callaghan and Thompson, 2002). In 2000, the firm began to target recruits from fast-food chains such as KFC and McDonald's. An administration department supervisor explained that:

These employees have good quality. They get good training there, and have good awareness of customer service and a desire to do better.

In the Chinese context, employment at McDonald's appeared to be associated with ambition and the desire for upward-mobility.

In some roles emotional labour (Hochschild, 1983) and aesthetic labour were considered central. A UKStore service desk supervisor explained how she selected new staff for the returns desk. For what she described as this 'window' of the store, she sought 'those with a good temperament who can smile'. These competencies were gendered: while most departments had a majority of male staff, all employees in this role were female.

The nature of China's labour market enabled the multinationals to select from a larger pool of applicants and to recruit staff of a higher educational standard than would be usual in Britain or Japan. In 1999, for instance, an advertisement at UKStore for 20 supervisors attracted over 1,000 applicants. UKStore's expatriate assistant manager remarked of store staff 'people here are frighteningly well-educated.' The multinationals attracted many ambitious and enthusiastic job applicants. One attraction was the relatively high pay. At UKStore, for instance, customer assistants

were paid 1,200-1,400 *yuan* (£96-£112) per month, compared to 800-900 *yuan* (£64-£72) in locally owned stores. Younger people especially were attracted by the prospect of training and rapid promotion. UKStore had the added advantage that working for a European firm was considered prestigious (Gamble, 2000).

Employees at the Japanese stores in particular often claimed to have been attracted by the opportunity to ‘temper’ (*duanlian*) themselves; this included a number of university graduates. A graduate sales assistant at JStore1 explained that ‘I came here as it gives me a good opportunity to temper myself.’ Similarly, a trade desk assistant who graduated with a law degree joined the firm ‘because it has rich/abundant (*fengfu*) management, to temper myself and to gain experience.’ The term ‘*duanlian*’, to ‘temper’ or ‘steel’, is an analogy to steel forging. In the Maoist era, citizens were said to ‘temper’ themselves in revolutionary activities. The implication is that through undertaking demanding activity, the individual is improved in some respect.

Non-graduates made similar comments. A service desk supervisor who joined JStore1 at its opening in 1997 had previously worked in a state store. She was attracted to the firm even though the salary was lower since:

I could learn a lot, see many different customers and become mature (*chengzhang*).

One checkout assistant had been a nursery school teacher, she joined JStore1:

Because I like a challenge. I wanted to see if I could get used to a different job. I felt that Japanese management was strict and modern, and it would be good for my future development.

## **TRAINING AND SKILLS DEVELOPMENT IN THE MULTINATIONAL STORES**

In the UK it's about money, not learning about the job. In China they want to know everything... Everyone in China wants to learn, and this is central to the business.

(UKStore expatriate project manager)

New recruits at UKStore undertook a 3-day induction programme; this included an introduction to the company and its management system, health and safety, customer service, operating procedures and display principals. Post-induction training included courses on product knowledge, procedures, customer service and demonstration skills. A decoration department deputy supervisor contrasted UKStore to his previous employer, a rival state store:

At UKStore, there's an emphasis on the long-term. There's a strong company culture because we have a training department. I've learnt a lot here. People make progress every day.

This employee explained that many domestic retailers, such as his former store, did not have a training department. In contrast to Fröbel et al.'s (1980) expectations, these foreign firms had helped introduce the concept of training to China's retail sector.

Customer service training was often taught using role-play exercises in which

employees took the part of customers. UKStore had a light touch in terms of scripting customer service interactions. The company's training manager stated that:

Generally speaking employees judge according to their own experience what they should say.

Encounters with customers were difficult to reduce to a script, not least since the potential range of questions was great.

UKStore also sought to enhance employees' product knowledge. Each trading department had an average of over 2,000 product lines. The expatriate assistant manager recalled:

When we opened, product knowledge was virtually non-existent.

In a subsequent interview he commented:

I was staggered at how much people learnt in a year. Customers ask different questions every time; you need experience to deal with this.

A timber department deputy supervisor considered:

You can know enough about the product after 1-2 months, but to be an expert needs about one year.

Even employees on the refund section, recruited mainly for their social skills, aesthetic attributes and temperament, needed product knowledge to be able to determine whether returned items were faulty or damaged.

Training by vendors, either in-store or at their factories, was a key method to increase product knowledge. Informally, sales staff also took advantage of visits by vendors when they delivered stock to improve this knowledge. Additionally, during 2000 a system of gold, silver and bronze product knowledge certificates was introduced. The bronze certificate involved an hour-long written test on product knowledge and required about one month's preparation time. The silver certificate was awarded on the basis of product knowledge and a DIY demonstration to an audience. By 2003, all new recruits were expected to pass the bronze test within 3 months, and deputy supervisors and supervisors should pass the silver test.

The criteria for the gold certificate included both the elements required for silver plus a decoration test. For the latter, participants were given a notional budget and the plan of an empty room and must produce a design to decorate this space. The requirements of this certificate involved all the elements of 'theoretical knowledge, creativity, and use of analytical and social skills' that Frenkel et al. (1995, p.773) perceive as the hallmark of a tendency towards 'knowledge work'.

Daily storewide morning briefing sessions were also used to provide training on store procedures, product knowledge and customer service. Skills and knowledge grew not only from company provided training, but also incrementally from sharing knowledge and experience with co-workers. A decorative materials department supervisor enjoyed introducing products 'as customers can ask difficult questions. This time you can't answer, but the next time you can.' There was also potential to

learn from customers with particular expertise and experience.

In September 2000, UKStore began a Fast Track Management Scheme. Up to 60 employees took part in each 6-month long course to ensure a constant stream of suitably qualified local supervisors and managers. The shortage of qualified employees ensured that promotion was frequently more rapid than in UK stores or local firms. It was common to be promoted to deputy supervisor within one year, and to supervisor within two years.

The Japanese multinationals' approach to customer service interactions was more prescriptive and detailed than UKStore's; they required more intense provision of emotional labour than UKStore, with scripted polite phrases, bowing and smiling. Correspondingly, training was more intensive and extensive, and more likely to be provided by Japanese expatriates. Japanese staff were said to have a 'coaching' (*zhidao*) role. JStore1's Managing Director prioritised politeness to customers (*daike de limao*) as the key means to attract and retain customers. Recruits appointed before store openings underwent three months' training, with attention to company history and policies, product knowledge, team-building, job content, dress and appearance, use of the 'six polite phrases' (such as 'please wait a moment' and 'I'm sorry'), appropriate gestures and behaviour and bowing. Strict disciplinary and dress codes applied and a detailed employee handbook laid down the penalties for infringements.

Post-induction training included product knowledge, dealing with complaints, display skills and stocktaking. A personnel manager remarked:

We're a training school (*peixun xuexiao*) since we need to keep training and to check constantly that employees are doing what they're supposed to do.

As at UKStore, role-plays were used to convey customer-orientated values. After each promotion to deputy supervisor and supervisor level, employees received two weeks' concentrated training. JStore1 also encouraged Japanese-style job rotation between departments.

At JStore2, training before store openings lasted 10-15 days. Training was also undertaken during daily departmental briefing sessions. As with JStore1, employees were encouraged to gain experience through job rotation in different departments. After each promotion, employees received half a day of training. Supervisors received annual training of about 2 hours per day, once a week, spread over 2 months. Each year, three or four supervisors were sent to Japan for a week's training. Supervisor level staff might also make short visits to Beijing or Shanghai for training.

Post-induction training included a smiling contest and monthly campaigns such as the '*arigato undo*' (being thanked) campaign. The store manager believed:

We learn through these contests, we try to analyse why customers say 'thank you'.

Product knowledge was also considered important. JStore2 relied heavily on fashionwear sales and employees were taught about products' composition, use and maintenance. They visited factories to learn how garments were manufactured and received instruction on new seasons' products and fashion trends. There were also training courses on displays and colour coordination.

As mentioned above, the multinationals employed more staff in China than in their parent country stores. Despite this at UKStore, for instance, staff costs per store were



roughly half their UK equivalent. Lower labour costs allowed greater use of full-time employees. In China, all UKStore's employees were full-time while at the company's London store 30 percent were part-time. Low-cost labour permitted more concentration on training than in the UK where tight manning precluded staff taking time off for training. In the UK, for instance, UKStore did not operate the product knowledge certificate system. Survey evidence from UKStore showed that almost 72 percent of employees in China received over 4 days training compared to just over 42 percent in the UK (see Table II).

-----

INSERT TABLE II ABOUT HERE

-----

Employees' commitment to upgrade their knowledge and skills was enhanced by the prospect of promotion and career development. This was particularly evident at UKStore as the company expanded rapidly across China. The company adopted a 'conveyor belt' approach; employees recruited at one store were trained and groomed for promotion and progression to new stores. Promotion at the Japanese stores was slower, but still more rapid than in Japan itself.

### **EMPLOYEES' PERCEPTIONS OF SKILLS DEVELOPMENT**

The majority of employees in the multinationals considered that they could learn a lot

of new knowledge from their job (see Table III). Almost 86 percent agreed that this was the case, just 14 employees out of 575 disagreed. The Pearson chi square statistic calculated for this data was 51.705 and the level of significance was 0.00 meaning the null hypothesis that there is no significance between the nationality of the store employees worked for and their perception as to how much new knowledge their job provided can be rejected. Even at the SOE, though, almost 62 percent of employees agreed that they could learn new knowledge in their job, while less than 10 percent actively disagreed. These figures are difficult to square with the McDonaldization thesis. The multinationals also provided an environment in which the majority of workers considered that they were encouraged to learn new skills (see Table IV).

-----  
 INSERT TABLE III ABOUT HERE

-----

-----  
 INSERT TABLE IV ABOUT HERE

-----

Those at deputy supervisor level and above described how they had learned about the management of people and products and sales promotion techniques, and how to deal with interpersonal relations and customer complaints. A female clothing section floor manager at JStore2 remarked:

I've learnt a lot, I was straight from school and didn't know anything.

When asked what she liked most about working at JStore2 she added:

The company gives you many opportunities to develop your abilities.

Another floor manager commented:

I've learnt too much! When I came to JStore2 I didn't know anything. Now I understand the whole process of garments, from their manufacture, sourcing, sales and storage.

Additionally, in all the firms employees learnt to provide a form of customer service that appealed to customers. The clothing section floor manager reflected:

Previously all department stores were state-owned and customer service was terrible. We look at things from the customers' viewpoint.

It might provide few surprises that those with managerial or supervisory responsibilities developed skills in such firms. What though of those at the lowest level in the hierarchy? The data in Table V focuses on the three lowest grades of employee at UKStore and JStore1. These included checkout staff who's work appeared to be particularly Taylorised and warehouse employees, a category of worker Braverman referred to as amongst those who perform 'simple labor in service of a

complex machine' (1974, p.320), in jobs of 'sheer and mindless drudgery' (p.321). Imputations by outside observers do not appear to concur with employees' self-assessment of their work; over 80 percent felt they could learn in these roles, while no more than 6.1 percent actively disagreed.

-----  
 INSERT TABLE V ABOUT HERE  
 -----

Inevitably the skills and competencies required and developed depended upon the department in question. However, most employees stated that their social skills and sales skill or technique (*xiaoshou jiqiao*) had developed. At UKStore a paint department assistant previously employed on a factory production line described:

A big difference to my old firm, there it was like being a machine. Here my ability to express myself has increased, as each customer is different.

The nature of work at JStore1 matches more closely than UKStore the McDonaldized workplaces described by Ritzer. Japanese stores especially prized the key dimensions of McDonaldized work: efficiency, calculability and predictability. The latter dimension in particular was evident as employees were expected to learn and then utilize scripts in their encounters with customers. However, when asked what they had learnt since joining the firm every employee could readily cite at least one or two aspects. These included practical skills; for instance, food section employees learnt

about different varieties of fish and meat and their origin, preparation techniques and cooking methods. Many employees considered they had developed interaction skills. An underwear and socks section assistant contrasted her current job with that at a state retail firm:

Here it's a large extended family that tempers people. In my previous job I couldn't develop, everything depended on personal connections (*guanxi*). Here it depends on your ability. So you can develop your ability here, it has tempered me.

Similarly, a cook in the fast food restaurant commented:

I came to JStore1 because it has good welfare benefits and you can improve yourself (*duanlian ziji tigao*) as there are many types of customers.

An in-store baker explained that he not only made but also had to sell bread, for this:

You have to use your experience to introduce products' taste and contents. We also develop new products.

A cosmetics section assistant highlighted the need for tact in dealing with customers. Although she had learnt to recognise different skin types she emphasised that:

To sell a product you must start from the customer's viewpoint and understand their needs. You can't just say, 'Do you want to cover that blemish?'

She received some training, but much of her new knowledge derived from colleagues:

People here are very warm. When I first came here I didn't know anything at all, but they [her colleagues] were very patient in teaching me.

A temporary worker in the female clothing section liked the fact that:

I can develop my own special skill (*fahui ziji de techang*).

Echoing Thompson et al.'s (2004) comments on the importance of 'endurance skills' she added that:

You can learn to get used to difficult situations.

A checkout assistant appreciated the Japanese management style and had:

Learnt how to get on with people and to deal with complaints efficiently.

A service desk assistant liked dealing with customer complaints since:

You can develop your ability (*duanlian nengli*).

Employees at the Japanese firms valued job rotation. A daily products section

assistant stated:

I like the chance to move to different departments and learn more. It gives a feeling of newness and a sense of challenge. You can develop your own talents (*fahui ziji de caizhi*).

A women's clothing section assistant welcomed such moves:

Because you can learn new things.

He explained that following such transfers:

You learn from other sales assistants, it takes time and the accumulation of experience.

A fish counter assistant had previously worked in a state factory. He joined

JStore1:

Because it's a foreign-invested firm you can learn a lot, so I should be able to improve myself. In a state-owned enterprise you couldn't learn this kind of knowledge.

Expanding on what he had learnt he commented:

The work attitude is one that before I could never even have imagined. We were indolent/negligent (*lansan*). Here it's very strict and full of competition, it lets you develop yourself.

Some of this worker's colleagues were rural migrants and first generation employees in modern industry. JStore1 provided them with an introduction to and socialisation in the discipline and habits that are essential for the capitalist style development China has embarked upon.

JStore1's checkout had the highest level of labour turnover, a reflection of the physically and emotionally demanding nature of the work. However, as indicated in Table V even in this routine and Taylorised role most employees still found material to learn from. A checkout assistant acknowledged that:

The work is very simple, we just receive money.

However, she added that since they worked on different floors each day and there were different requirements on each that:

It's necessary to understand all the floors.

Another checkout assistant commented:

As a foreign enterprise, the company brings a lot of new things, so you can learn a lot. Working here you can learn constantly (*buduan de xuexi*).



She explained that:

Even though the job itself is simple, you can see how the displays are done to raise the customer's desire to purchase, also we use POP (Point of Purchase) displays – these were rarely used in [this city] before.

Even awkward customers provided a learning opportunity:

With unreasonable customers, you should analyse (*fenxi*) why they are like this.

Various observational and psychological skills were useful, and there was ample chance to develop these. For instance, emotional management skills and 'active listening' abilities (Frenkel et al., 1999) were required to pacify irate customers. According to a UKStore hardware department deputy supervisor employees needed 'to listen to them, and then to stand in their viewpoint.' The ability to judge customers' income levels allowed employees to introduce appropriately priced products. It was also useful to detect who made buying decisions; a gardening department deputy supervisor described how:

When customers come we observe and assess who asks the most questions to see who decides.

Sales staff could also save time and effort by learning to discern which customers

came to buy and which just to browse.

Skills developed at work could be valuable and have an impact beyond the workplace. A UKStore decorative materials department assistant now knew:

How to decorate my own home and what brands to buy. My knowledge is much broader.

A female colleague considered:

My sense of self-protection (*ziwo baohu yishi*) has become stronger. Now, when I go to buy something I never let go of my own rights and interests, because here we get complaints every day and some customers are really unreasonable.

A checkout supervisor remarked:

My family say that my personality has changed since I've worked here, and that I get on with people better than before.

A building materials department assistant had developed transferable communication skills. Dealing with customers had improved his 'interaction skills (*jiaoliu de jiqiao*)' and:

This has an impact on the rest of my life [in terms of] ability to express myself and verbal skills.

During a training visit to Japan a JStore2 floor manager had been impressed by civic behaviour there, and this now influenced the way she taught her own child.

Serving non-local customers provided employees with opportunities to practice and improve their standard Chinese (*putonghua*). Improved *putonghua* could enhance career prospects and facilitate upward mobility. In banks and other official workplaces, for instance, use of *putonghua* is required. Foreign customers could provide chances to practice foreign language (usually English) skills. UKStore's local managers had incentives to improve their English ability. This would enable them to interact directly with expatriate staff and to respond more easily to head office communications that arrived in English. Beyond the firm, English is a common requirement for the best paid and most prestigious jobs. Similarly, Japanese proficiency was useful at the Japanese multinationals, and could help secure employment at other Japanese enterprises in China.

Ritzer and Stillman (2001, p.106) argue that 'workers are unable to augment their own social capital in *McJobs*, ensuring slim prospects of future job mobility'. However, workers employed by the three multinationals overwhelmingly perceived skills developed at them as valuable in seeking alternative employment. Employees were asked whether they knew of other employers where they could make good use of what they had learnt at their company (see Table VI). The results indicate whether skills were firm specific or more generic and transferable. An independent samples T-test showed that the SOE had a mean of 2.03 (n = 94) and the FIEs a mean of 2.3 (n = 598), analysis showed strong significance at the 99% level, with standard deviation of .73 for FIEs and .71 for the SOE. Whilst most men in SOEs and FIEs felt confident

that their workplace derived skills would enable them to find another job (SOE, 80%; JStore1, 87%; UKStore, 88%) female employees at the multinationals were almost three-times more likely than SOE counterparts to see these skills as ‘very useful’. This suggests that these FIEs play a particularly positive role in enhancing female employees’ skills.

-----

INSERT TABLE VI ABOUT HERE

-----

## **DISCUSSION**

Retailers such as UKStore certainly aim to reduce the need for craftsman-type work; to maximise profits their ideal would be a Taylorised workplace. Indeed, the firm’s senior expatriate described his ideal store as one in which customers selected goods directly from a catalogue. However, in China’s low trust retail environment this would be difficult for customers to accept. Additionally, home decoration requires a reasonable level of skill, and skilful workers were needed to train and advise inexperienced customers and to answer questions posed by professional decorators. Employee-customer interactions were also relatively resistant to McDonaldization. The variety and unpredictability of customers’ questions made it difficult to reduce responses to a script. And, in a highly competitive market, the firm’s success depended upon staff being ‘experts’ and skilful in the ‘drama of persuasion’.

DIY skills and product knowledge are widely dispersed in the UK; many employees possess such capabilities before they join the company. In China, UKStore could not recruit these skills so readily and employees start from a lower baseline in this respect. In Britain, training provides incremental advances in these dimensions; in China it often involved qualitative increases in skill levels. Moreover, the skill levels required of sales staff were probably higher than those needed by their counterparts in Britain. In part this relates to the social skills needed in an environment where transactions are more akin to 'negotiating'. The demanding nature of 'untrained' customers, and their bifurcation into amateurs with negligible DIY experience and professional builders also fostered the need for skilful assistants.

It could be argued that UKStore's business is rather novel, and the related skills development accordingly uncharacteristic of the retail sector. By contrast, both the Japanese stores, and especially JStore1, sold products that were usually familiar to local customers. In addition, compared to both UKStore and local stores, the Japanese firms placed greater emphasis on predictability in employee-customer interactions. However, even in the most rationalised roles at JStore1 workers still considered there was much they could learn.

The findings suggest that the Chinese context promotes skill enhancement. Several institutional factors related to the nature of labour and consumer markets might account for this. With respect to the former, China provides good basic education to its population; numeracy and literacy rates are high especially in urban areas. Secondly, the ample labour supply allows firms to select carefully employees who match their requirements. Thirdly, foreign multinationals often offer better salaries, training prospects and promotion opportunities compared to local firms; consequently

they can recruit relatively well-educated and committed employees. Fourthly, lower labour costs enabled firms to devote greater emphasis to training than in their parent country stores.

In addition, by virtue of their alien status and high visibility multinationals have an extra motivation to offer good pay, benefits, training and working conditions in order to maintain cordial relations with the authorities. Foreign retailers were excluded from China for four decades and, in a one party state, WTO rules notwithstanding, the government maintains diverse bureaucratic powers over permits and operating licenses. Foreign firms are also seeking to enter a fiercely competitive market; customer service, which depends upon enthusiastic and skilful workers, is a valuable means of differentiation.

Chinese employees are, arguably, more amenable to training than those in the UK. Potential explanations to account for their apparent readiness to learn include the rapid commercialisation of the economy and the withdrawal of state supports such as guaranteed jobs for life and extensive welfare benefits. In such an environment, learning and developing new skills constitutes an important maximising strategy. China's booming economy creates immense demand for skilled employees and the rewards for those who upskill can be substantial. Allied to this, education has long been culturally valued and a key means of social mobility. China's job seekers might also be less reluctant to rule out work in the service sector than their British counterparts (Lindsay and McQuaid, 2004); in particular the paucity of welfare benefits means less likelihood of a 'benefits trap'.

Chinese customers' expectations constitute 'demand side' pressures for an upskilling of interactive service workers; their demanding nature can be understood in

the institutional context of local consumer markets. With consumer law and market regulation both poorly developed, China's marketplace is characterised by low trust. The only reliable means for customers to ensure satisfaction is to drive a hard bargain and be confident of products' quality and fitness at the point of sale. Secondly, China's urban consumers are increasingly sophisticated and generally well-educated, this increases demand for knowledge-intensive service from retailers. Thirdly, consumers' expectations and the resultant demands on foreign firms are higher than those placed upon local firms. Allied to this is the awareness that multinationals are more susceptible to consumer pressure with respect to protection of their brand image. This is particularly significant in China with its history of nationalistic consumer boycotts against foreign products (Gerth, 2003).

### **Theoretical and Methodological Implications**

The social skills, characteristics and competencies distinguished as important in front-line service sector work in Western contexts (Frenkel et al., 1999; Callaghan and Thompson, 2002) were equally vital in China. The findings of this paper contrast sharply with those would 'implicitly...belittle such social "skills"' (Korczynski, 2005, p.??). The evidence indicates that Chinese service workers could, like their Western counterparts, be conceptualised as active and skilled emotion managers (Bolton and Boyd, 2003). However, as with call centre employment (Thompson et al., 2004), retail work does not constitute a monolithic category; the nature of individual roles and the associated skills and competencies required vary substantially.

For Ritzer, the expansion of the service sector is characterised by the growth of a poorly qualified workforce condemned to routine, repetitive and ‘dehumanizing’ work. However, human beings have the capacity to create their own meanings from the least nourishing fare. In shifting the gaze from that of external observers to workers’ own self-assessment of their skills development this paper has indicated that even in sometimes seemingly barren terrains they perceived themselves to develop and acquire skills. External, supposedly objective, measures of the skills required in any particular job must be treated with caution. Imputations by outside observers do not appear to concur with participants’ self-assessment; even highly Taylorised roles could allow space for the development of product knowledge, and organisational and social skills.

Attewell (1990) comments that neo-Marxists link skill with freedom from control. In such conceptions, researchers take the presence of rules and routine as *prima facie* evidence for the absence of skills. As Attewell points out, this has the ironic consequence of reproducing dominant social constructions of what is and is not skill. Ritzer’s notion of McDonaldization matches closely this situation. Classification of particular jobs as deskilled or ‘McJobs’ has to be suspect not only as condescending but also as liable to misrepresent workers’ subjective experience. Moreover, China is in a transitional stage with considerable social mobility; notions of what constitute ‘McJobs’ are both less settled and divergent.

The data highlight the extent to which skill is a subjective phenomenon (Grugulis et al., 2004), and the complexities involved in defining and measuring skill in service sector roles. Objective measures such as task complexity or average time cycle fail to capture the potential for employees to learn from their jobs. Typically, proxies such as



educational qualifications or the extent of formal training courses have been used to distinguish and assess skill formation (Thompson et al., 2004; Korczynski, 2005). However, these 'traditional signifiers' (Thompson et al., 2004, p.130) reveal little about the complex mixture of skills, competencies and personal characteristics that individuals develop or perceive themselves to develop. Equally hard to quantify is the informal transmission of values, attitudes and behavioural patterns through contact with expatriates (UNCTAD, 1994, p.230-2).

Even when employee provided training was relatively limited, employees regularly cited significant learning from interaction with customers, vendors, fellow employees and managers. Workers' self-assessment of the time taken to learn to do their jobs is instructive in this regard. At UKStore, for instance, 50.8 percent of workers stated that it had taken them between one week and one month to familiarise themselves with their job, and 29.2 percent claimed it had taken over one month. This period is consistently longer than the formal training workers received (see Table II).

This disjuncture indicates that a simple input model focussing on company training would fail to capture a substantial proportion of the learning that takes place. At JStore1, for instance, it was apparent that the works canteen provided a valuable forum for workers both to discharge tensions and to share and learn from colleagues how to deal with situations encountered on the shopfloor. It was also common for younger, unmarried staff to meet for social activities outside work; these too provided an informal learning forum. The extent of learning from colleagues, suppliers and customers indicates the need for more nuanced and sensitive means both to assess and foster skills development and acquisition. The findings add empirical support to Attewell's argument for the 'necessity of a thorough study of workers before

categorizing their abilities and knowledge, a level of scrutiny that far exceeds current brief encounters with survey researchers or job raters' (1990, p.444).

Characterising other people's work as 'McJobs' helps support existing social hierarchies, and scarcely enhances these workers' status or self-esteem. Belt (2002) reports how women employed in call centres developed a sense of confidence about the social skills they developed. A similar raised consciousness was apparent amongst employees in China; workers not only developed social skills but also an awareness of and confidence in these skills. There was evidence of this with respect to their behaviour as 'knowing' consumers. Workers were customers in other contexts and they could utilise their professional skills both to judge other retail firms and to learn from these experiences. They described instances where they purposefully visited famous or new stores during vacation visits to other cities with just such an intention in mind. These activities mirror Alferoff and Knights' (2002) study of telesales workers who, in the capacity of customer, made calls to utilities in order to compare the presentation to the service with that they themselves delivered at work. As other researchers have observed (e.g. Grugulis et al. 2004), revealing the complexities involved in service workers' roles does not mean that the social value attached to these jobs or their remuneration is likely to increase. However, delineating and acknowledging the skills involved might be an important first step to challenging current reward structures (Korczynski, 2005).

### **Implications for HRD in China**

Frenkel et al. (1999) consider that the trend towards knowledge work has implications for control, with workers' power likely to increase in relation to management. There was scant evidence to support this notion in the stores, managerial prerogatives held sway. However, the skills and competencies workers developed did enable them to secure jobs that they find meaningful. Prospects for rapid promotion also offered employees opportunities to move up the hierarchy and into managerial jobs, raising their incomes and future prospects in the process. In contrast to Ritzer and Stillman's (2001) assessment that service sector jobs offer minimal prospects of future job mobility, workers overwhelmingly perceived skills developed at these multinationals as valuable in other workplaces. This dimension is important both for the individuals concerned and for China's economic development since through labour turnover skills could be transferred to other host country firms (UNCTAD, 1994). Significantly, female employees, typically seen as particularly vulnerable in the face of multinational capital, were more confident than their SOE counterparts that workplace-derived skills enhanced their career prospects.

The extent of learning and skills development outlined in this paper contradicts Fröbel et al.'s (1980) expectation that FIEs do little to benefit human resources development in host countries. Indeed, foreign retailers appear to have been instrumental in introducing the concept of training to China's retail sector. Moreover, the proportion of 'value-added' to Chinese employees might be greater than in investors' parent countries. The model of skills training provided by multinational retailers is also being copied by local firms. Market-seeking investment might have different consequences for skills formation compared to export-orientated investment (UNCTAD, 1999). Multinational retailers are not inserted into the international

division of labour delineated by Fröbel et al; stores aim to tap local markets and replicate parent country operations. Further investigation might determine whether firms that invest in local market-seeking operations tend generally to engage in more extensive training than FDI in manufacturing plants located in global commodity chains. Ironically, China has favoured export-orientated FDI, but market-seeking firms might increase skill levels more.

## CONCLUSION

This study of multinational retailers in China has provided data that illuminates the nature of skills in the retail sector. Additionally, the focus on multinational enterprises in a developing country has indicated the extent to which such firms contribute to human resource development in host countries. The data gathered indicate several unexpected conclusions. Firstly, foreign investment in a sector often characterised as providing deskilled jobs with minimal opportunities appears to provide meaningful work and valuable opportunities to upskill. Secondly, a UK firm provided at least as much opportunity in this respect as Japanese firms. Moreover, both the UK and the Japanese firms offered more opportunities than a comparable indigenous firm. The study further indicates that a number of presuppositions need to be questioned, and in particular when applied to non-Western contexts. **As indicated in several contributions to a recent Special Issue of this Journal (see, for instance, Narayanan and Fahey (2005), this paper provides a further dimension of the notion that theories and empirics from developed economies may not be directly applicable in emerging**

**economies.** It might be necessary, for instance, to re-think assumptions about the nature of skills in the service sector and the expectation that upskilling is to be found primarily in technologically demanding jobs (Gallie, 1991). Technology had a limited impact on sales staff's work, despite this employees reported substantial learning opportunities. This paper also illuminates the methodological imperative for specifics of skills in different occupations to be analysed in context (Attewell, 1990), and especially so in the service sector where unquantifiable 'intangible' skills often predominate (Korczynski, 2005).

Ritzer claims that the principles of McDonaldization are 'spreading from its source in the United States to affect more and more societies around the world' (1996, p.292). Evidence from the Chinese context lends support to the notion of a global spread of rationalization. However, the data indicates that workers were not dehumanized by this work, nor were they forced to accept situations they deemed intolerable, quit rates were high in the most demanding and demoralizing roles. One might add that the Japanese firms' practices were more McDonaldized than those of the UK firm (which has consciously borrowed elements from an American firm in its business sector) suggesting, perhaps, that the locus of rationalization might need to be de-centred from its supposed heartland in the United States. The potent iron cage metaphor might also be inappropriate; the 'cage' if cage there be, appears more porous and less constraining than Ritzer suggests. Often, the container appeared less akin to prison bars than to a supporting structure that could foster growth and development.

One could argue that the current upskilling in these multinational retailers constitutes a transient phase, a one-off skills enhancement peculiar to this stage of China's transition from a planned to a market-driven economy. Relevant factors

include the development of China's legal system; strengthening consumers' rights and means of redress might increase trust among customers. While the status of retail sector work is not high in China, employment in multinationals, and especially firms from America and Europe, is regarded as prestigious. This could change as these entrants' growth slows and career advancement prospects diminish. As labour market skill levels rise, firms' incentive to train staff might reduce. Set against this, increased competition encourages stronger customer focus (Frenkel et al., 1999). The evidence presented in this paper does not preclude the presence of a transitional skills boost, although recognition of such an effect is of intrinsic interest and worthy of further investigation. The host context's specific political economy and cultural values will also ensure that local configurations of skills and skill requirements continue to differ from those found in Western countries.

## NOTE

\* This paper is a result of research sponsored by the ESRC/AHRB under its Cultures of Consumption programme award number RES-143-25-0028 for the project 'Multinational Retailers in the Asia Pacific'. I also acknowledge the earlier support of a British Council China Studies Grant. I thank Jane Broadbent, Donna Brown, Anthony Ferner and Chris Smith for their suggestions on an earlier version of this paper. I am grateful to three anonymous reviewers and the editors of *JMS* for their generous and constructive advice.

## REFERENCES

- Alferoff, C. and Knights, D. (2002). 'Quality time and the "beautiful call"'. p.183-203 in U. Holtgrewe, C. Kerst and K. Shire (Eds.) *Re-organising Service Work: Call Centres in Germany and Britain*. Aldershot: Ashgate.
- Alfino, M., Caputo, J.S. and Wynyard, R. (Eds.) (1998). *McDonaldization Revisited: Critical Essays on Consumer Culture*. Westport, CT: Praeger Publishers.
- Attewell, P. (1990). 'What is skill?'. *Work & Occupations*, **17**, 4, 422-48.
- Belt, V. (2002). 'Capitalising on femininity: gender and the utilisation of social skills in telephone call centres'. p.123-45 in U. Holtgrewe, C. Kerst and K. Shire (Eds.) *Re-organising Service Work: Call Centres in Germany and Britain*. Aldershot: Ashgate.
- Benson, S.P. (1986). *Counter Cultures: Saleswomen, Managers, and Customers in American Department Stores, 1890-1940*. Urbana, Ill.: University of Illinois Press.
- Bolton, S.C. and Boyd, C. (2003). 'Trolley dolly or skilled emotion manager? Moving on from Hochschild's managed heart'. *Work, Employment and Society*, **17**, 2, 289-308.
- Bowen, D.E. and Lawler, E.E. (1995). 'Empowering service employees'. *Sloan Management Review*, **36**, 4, 73-84.
- Braverman, H. (1974). *Labor and Monopoly Capital*. New York: Monthly Review Press.

- Burchell, B., Elliott, J., Rubery, J. and Wilkinson, F. (1994). 'Management and employee perceptions of skill'. p.159-188 in R. Penn, M. Rose and J. Rubery (Eds.) *Skill and Occupational Change*. Oxford: Oxford University Press.
- Callaghan, G. and Thompson, P. (2002). "'We recruit attitude": the selection and shaping of routine call centre labour'. *Journal of Management Studies*, **39**, 2, 233-54.
- Chan, A (2001). *China's Workers Under Assault: The Exploitation of Labor in a Globalizing Economy*. New York: M.E. Sharpe.
- Child, J. (1994). *Management in China During the Age of Reform*. Cambridge: Cambridge University Press.
- Cooke, F. L. (2005). *HRM, Work and Employment in China*. London: Routledge.
- Crouch, C., Finegold, D. and Sako, M. (1999). *Are Skills the Answer? The Political Economy of Skill Creation in Advanced Industrial Countries*. New York: Oxford University Press.
- Deery, S. and Kinnie, N. (Eds.) (2004). *Call Centres and Human Resource Management: A Cross-national Perspective*. Basingstoke: Palgrave Macmillan.
- Felstead, A. Gallie, D. and Green, F. (2004). 'Job complexity and task discretion: tracking the direction of skills at work in Britain'. p.148-69 in C. Warhurst, I. Grugulis and E. Keep (Eds.) *The Skills That Matter*. Basingstoke: Palgrave Macmillan.
- Francis, B. and Penn, R. (1994). 'Towards a phenomenology of skill'. p.223-41 in R. Penn, M. Rose and J. Rubery (Eds.) *Skill and Occupational Change*. Oxford: Oxford University Press.



- Frenkel, S., Korczynski, M., Donoghue, L. and Shire, K. (1995). 'Re-constituting work: trends towards knowledge work and info-normative control'. *Work, Employment and Society*, **9**, 4, 773-96.
- Frenkel, S., Korczynski, M., Shire, K. and Tam, M. (1998). 'Beyond bureaucracy? Work organisation in call centres'. *International Journal of Human Resource Management*, **9**, 6, 957-79.
- Frenkel, S.J., Korczynski, M., Shire, K.A. and Tam, M. (1999). *On the Front Line: Organization of Work in the Information Economy*. Ithaca: Cornell University Press.
- Fröbel, F., Heinrichs, J. and Kreye, O. (1980). *The New International Division of Labour: Structural Unemployment in Industrialized Countries and Industrialization in Developing Countries*. Cambridge: Cambridge University Press.
- Gallie, D. (1991). 'Patterns of skill change: upskilling, deskilling or the polarisation of skills?'. *Work, Employment and Society*, **5**, 3, 319-51.
- Gamble, J. (2000) 'Localizing management in foreign-invested enterprises in China: practical, cultural, and strategic perspectives'. *International Journal of Human Resource Management*, **11**, 5, 883-903.
- Gamble, J. (2003a) *Shanghai in Transition: Changing Perspectives and Social Contours of a Chinese Metropolis*. London: RoutledgeCurzon.
- Gamble, J. (2003b) 'Transferring business practices from the United Kingdom to China: the limits and potential for convergence'. *International Journal of Human Resource Management* **14**, 3, 369-87.
- Gerth, K. (2003). *China Made: Consumer Culture and the Creation of the Nation*.

- Cambridge, MA: Harvard University Press.
- Glynn, S. and Gospel, H. (1993). 'Britain's low skill equilibrium: a problem of demand?'. *Industrial Relations Journal*, **24**, 2, 112-25.
- Grugulis, I., Warhurst, C. and Keep, E. (2004). 'What's happening to "skill"?'. p.1-18 in C. Warhurst, I. Grugulis and E. Keep (Eds.) *The Skills That Matter*. Basingstoke: Palgrave Macmillan.
- Holtgrewe, U., Kerst, C. and Shire, K. (Eds.) (2002). *Re-organising Service Work: Call Centres in Germany and Britain*. Aldershot: Ashgate.
- Hochschild, A.R. (1983). *The Managed Heart: Commercialization of Human Feeling*. Berkeley: University of California Press.
- Horrell, S., Rubery, J. and Burchell, B. (1994). 'Gender and skills'. p.189-222 in R. Penn, M. Rose and J. Rubery (Eds.) *Skill and Occupational Change*. Oxford: Oxford University Press.
- Jarvis, V. and Prais, S. (1989). 'Two nations of shopkeepers: training for retailing in France and Britain'. *National Institute Economic Review*, **128**, 58-74.
- Kerr, C., Dunlop, J., Harbison, F. and Myers, C. (1973). *Industrialism and Industrial Man*. Harmondsworth: Penguin.
- Korczynski, M. (2002). *Human Resource Management in Service Work*. New York: Palgrave.
- Korczynski, M. (2005). 'Skills in service work: an overview'. *Human Resource Management Journal*. **15**, 2, 3-14.
- Leidner, R. (1993). *Fast Food, Fast Talk: Service Work and the Routinization of*

*Everyday Life*. Berkeley: University of California Press.

Lindsay, C. and McQuaid, R.W. (2004). 'Avoiding the "McJobs": unemployed job seekers and attitudes to service work'. *Work, Employment and Society*, **18**, 2, 297-319.

Narayanan, V. K. and Fahey, L. (2005) 'The Relevance of the Institutional Underpinnings of Porter's Five Forces Framework to Emerging Economies: An Epistemological Analysis'. *Journal of Management Studies*, **42**, 1, 207-23.

Nickson, D., Warhurst, C., Witz, A. and Cullen, A-M. (2001). 'The importance of being aesthetic: work, employment and service organisation'. p.170-90 in A. Sturdy, I. Grugulis and H. Willmott (Eds.) *Customer Service: Empowerment and Entrapment*. London: Palgrave.

Payne, J. (2000). 'The unbearable lightness of skill: the changing meaning of skill in UK policy discourses and some implications for education and training'. *Journal of Education Policy*, **15**, 3, 353-69.

Ritzer, G. (1993). *The McDonaldization of Society*. London: Pine Forge Press.

Ritzer, G. (1996). 'The McDonaldization thesis: Is expansion inevitable?'. *International Sociology*, **11**, 3, 291-308.

Ritzer, G. (1998). *The McDonaldization Thesis: Explorations and Extensions*. London: Sage.

Ritzer, G. and Stillman, T. (2001). 'From person- to system-oriented service'. p.102-16 in A. Sturdy, I. Grugulis and H. Willmott (Eds.) *Customer Service: Empowerment and Entrapment*. London: Palgrave.

- Rosenthal, P., Hill, S. and Peccei, R. (1997). 'Checking out service: evaluating excellence, HRM and TQM in retailing'. *Work, Employment and Society*, **11**, 3, 481-503.
- Smart, B. (Ed.) (1999). *Resisting McDonaldization*. London: Sage.
- Smith, C. and Thompson, P. (1998). 'Re-evaluating the labour process debate'. *Economic and Industrial Democracy*, **19**, 4, 551-77.
- Spenner, K.I. (1990). 'Skill, meanings, methods and measure'. *Work & Occupations*, **17**, 4, 399-421.
- Sturdy, A., Knights, D. and Willmott, H. (1992). 'Introduction: skill and consent in the labour process'. p.1-23 in A. Sturdy, D. Knights and H. Willmott (Eds.) *Skill and Consent: Contemporary Studies in the Labour Process*. London: Routledge.
- Taylor, S. (1998). 'Emotional labour and the new workplace'. p.84-103 in P. Thompson and C. Warhurst (Eds.) *Workplaces of the Future*. London: Macmillan.
- Thompson, P., Warhurst, C. and Callaghan, G. (2001). 'Ignorant theory and knowledgeable workers: interrogating the connections between knowledge, skills, and services'. *Journal of Management Studies*, **38**, 7, 923-42.
- Thompson, P. and Callaghan, G. (2002). 'Skill formation in call centres'. p.105-22 in U. Holtgrewe, C. Kerst and K. Shire (Eds.) *Re-organising Service Work: Call Centres in Germany and Britain*. Aldershot: Ashgate.
- Thompson, P., Callaghan, G. and Van den Broek, D. (2004). 'Keeping up appearances: recruitment, skills and normative control in call centres'. p.129-52 in S. Deery and N. Kinnie (Eds.) *Call Centres and Human Resource Management: A Cross-national*

*Perspective*. Basingstoke: Palgrave Macmillan.

UNCTAD (1994). *World Investment Report: Transnational Corporations, Employment and the Workplace*. New York: United Nations Conference on Trade and Development.

UNCTAD (1999). *World Investment Report: Foreign Direct Investment and the Challenge of Development*. New York: United Nations Conference on Trade and Development.

Whitley, R. (1999). *Divergent Capitalisms: The Social Structuring and Change of Business Systems*. Oxford: Oxford University Press.

Wilkinson, B., Gamble, J., Humphrey, J., Morris, J. and Anthony, D. (2001). 'The new international division of labour in Asian electronics: work organisation and human resources in Japan and Malaysia'. *Journal of Management Studies*, **38**, 5, 675-95.

Table I – Summary of Research Data

Store name and location	Number of interviews	Survey n (male/female %)	Product market	Parent country
J-Store1 North China	10	149 (27/73)	Supermarket and department store	Japan
J-Store1 North China	2	--		
J-Store1 West China	45	97 (46/54)		
J-Store1 West China	10	--		
J-Store2 North China	22	49 (4/96)	Department store	
J-Store2 East China	5	20 (35/65)		
UKStore Shanghai	45	97 (65/35)	Home decoration materials	United Kingdom
UKStore Shanghai	13	--		

UKStore Shanghai	1	96 (82/18)		
UKStore Shanghai	30	--		
UKStore Suzhou	23	--		
UKStore Shenzhen	5	100 (67/33)		
UKStore (London, UK)	17	93 (52/48)		
State owned enterprise (Beijing)	6	97 (33/67)	Department store	China

Table II Training Received at UKStores in Britain and China

<i>Training received in previous 12 months</i>	<i>Location of firm</i>	
	<i>UKStore UK</i> (%)	<i>UKStore China</i> (%)
None	7.6	2.4
1-3 days	50.0	25.6
4-7 days	22.8	35.8
8-15 days	6.5	20.8
15-30 days	4.3	7.8
One month plus	8.7	7.5
Total	100	100
N =	92	293



Table III Learning of New Knowledge at Retail Firms in China

	<i>Firm</i>			
<i>I can learn a lot of new knowledge from my job (%)</i>	<i>SOE</i>	<i>JStore 1</i>	<i>JStore 2</i>	<i>UKStore</i>
Strongly disagree	1.1	0.5	0	0
Disagree	8.5	3.2	3.0	1.4
Neither agree nor disagree	28.7	11.4	11.9	11.1
Agree	52.1	54.3	58.2	50.2
Strongly agree	9.6	30.6	26.9	37.4
N =	94	219	67	289

Table IV Encouragement to Learn New Skills

	<i>Firm</i>			
<i>People here are encouraged to develop their skills (%)</i>	<i>SOE</i>	<i>JStore 1</i>	<i>JStore 2</i>	<i>UKStore</i>
Strongly disagree	2.2	2.7	6.0	0.3
Disagree	20.4	7.7	13.4	3.4
Neither agree nor disagree	41.9	29.1	32.8	23.8
Agree	33.3	50.9	40.3	52.8
Strongly agree	2.2	9.5	7.5	19.7
N =	93	220	67	290

Table V Learning of New Knowledge: Sales Assistants, Checkout and Warehouse Staff

	<i>Firm</i>					
<i>I can learn a lot of new knowledge from my job (%)</i>	<i>JStore 1</i>			<i>UKStore</i>		
<i>Category of employee</i>	Sales assistant	Warehouse staff	Checkout	Sales assistant	Warehouse staff	Checkout
Strongly disagree	1.1	0	0	0	0	0
Disagree	2.2	5.6	2.0	0	0	6.1
Neither agree nor disagree	10.9	16.7	18.4	10.1	12.5	9.1
Agree	50.0	55.6	59.2	39.6	62.5	69.7
Strongly agree	35.9	22.2	20.4	50.4	25.0	15.2
N =	92	18	49	139	8	33

Table VI Transferability of Skills

	<i>Firm</i>							
	<i>SOE</i>		<i>JStore 1</i>		<i>JStore 2</i>		<i>UKStore</i>	
<i>Use of knowledge learned in gaining employment at another firm (%)</i>	Male	Female	Male	Female	Male	Female	Male	Female
Not useful	0	1.6	1.2	3.2	0	0	1.0	2.4
Little use	20.0	20.6	11.9	10.9	33.3	12.1	10.6	10.8
Some use	36.7	61.9	33.3	41.0	44.4	37.9	48.3	43.4
Very useful	43.3	15.9	53.6	44.9	22.2	50.0	40.1	43.4
N =	30	63	84	156	9	58	207	83

---