

**“*Chipanese*” Standards for Communication, Evaluation,  
and Membership:  
A Case Study of a Pioneering Chinese-Foreign Joint Venture**

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The present study is based on ethnographic research conducted at a Japanese-Chinese joint venture in Shanghai, China – Shanghai Advertisement – in the years of 1999 and 2004. This study examines “*Chipanese*” (Chinese + Japanese) standards that this firm has established and practiced during the five years between 1999 and 2004. “*Chipanese*” standards in this study indicate something more than “Japanese” or “Chinese,” as much as suggesting particulars of Shanghai Advertisement. In examining how the firm has established and practiced “*Chipanese*” standards, the study focuses on the three domains of communication, evaluation, and membership. Practicing “*Chipanese*” communication at Shanghai Advertisement can mean that local Chinese members communicate with their Japanese counterparts as important and irreplaceable “local” cultural staff, while feeling respected for their cultural expertise. With “*Chipanese*” standards for evaluation, the firm has constructed “reachable” differences among Chinese members and re-constructed “unreachable” differences between Japanese and Chinese members as “reachable” for Chinese members. Chinese members at Shanghai Advertisement dichotomize Japanese people they work with as “Shanghai-oriented” and “Tokyo-oriented,” or “*us*” and “*them*.” This study finally attempts to examine how the “*Chipanese*” standards have contributed to the successful development of Shanghai Advertisement as one of the pioneering joint ventures in Shanghai, China.

The present study is based on ethnographic research conducted in a Chinese-Japanese joint venture located in Shanghai, China, “Shanghai Advertisement,” in the years of 1999 and 2004. (All the names in this paper are pseudonymous.) This study examines the changes which took place at “Shanghai Advertisement” (hereafter to be referred to as “Shanghai Ad.”) during the five years between 1999 and 2004, with particular focus on the three factors of communication, evaluation, and membership. Through examining the changes of the three factors above, this study attempts to identify “*Chipanese*” (Chinese + Japanese) standards that Shanghai Ad. established for the three factors during the five years. The term “*Chipanese*” has various connotations in various contexts. This writer learned the term from Wei Zheng when he gave a talk at a monthly meeting of SIETAR (Society of Intercultural Education, Training, and Research) in Japan in 2003. Zheng himself first employed this term in his Master Thesis (2002). “*Chipanese*” standards in this study are defined as the “integration of Chinese and Japanese standards particularly benefiting to the context of Shanghai Ad. as a small/middle-sized Chinese-Japanese joint venture.” “*Chipanese*” therefore indicates something other than “Japanese” or “Chinese,” as much as suggesting particulars of Shanghai Ad. In addition to examining *Chipanese* standards for the three factors established at Shanghai Ad., this study also attempts to illuminate how the *Chipanese*

standards contributed to the development of Shanghai Ad. as a Chinese-Japanese joint venture.

### *Characteristics of the Period and Area*

The five years between 1999 and 2004 was a period in which Chinese society itself, not only Shanghai Ad., was exposed to drastic changes. In order to discuss the changes that took place at Shanghai Ad. during this period appropriately, the following event should be mentioned: China was admitted to join WTO finally in 2001, after fifteen years had passed since China applied for GATT 1996. This event has further prompted the market economy in China, which took off in the 1990s, and led to rapid privatization of the Chinese economy. This promotes the expansion of the share of private enterprises in the Chinese economy, inviting the rapid development of Chinese-foreign ventures including Chinese-Japanese ventures like Shanghai Ad. Also, the Three Great Reforms (reform of governmental enterprises; reforms of the civil service; reform of monetary facilities) embarked upon in 1998 had a significant influence on the Chinese economy during the following five years from 1999 to 2004. It is rational to state that such changes in Chinese society not only influence the development of the company under study but also shape in some way the values, attitudes, and behaviors of members of the company. In other words, the *Chipanese* standards that are discussed in this paper can be said to have been established based on such societal changes on the macro level.

The penetration of the market economy has produced big regional gaps in the economy of China. Preferences and privilege accompanied by reforms are focused on the southern coastal area, whereas the inward area has been left without such treatments and is behind. As a result, in 2002, the regional gap of GDP had become so huge that the GDP of the best area – Shanghai City (located on the southern coast) – was thirteen times that of the worst area – Guizhou Province (an inward province). As indicated in this fact, Shanghai City has played a vital and leading role in the development of Chinese economy as much as it has benefited from the development. Situations surrounding Shanghai above should not be forgotten when we examine why and how it was possible as well as necessary for Shanghai Ad. to establish *Chipanese* standards. This study is not going to generalize the various phenomena concerning Chinese joint ventures; however, this study will symbolize the characteristics of the period and area under study.

### *Field-site for the Study: “Shanghai Advertisement”*

As mentioned in the beginning, Shanghai Ad. is a joint venture between a Chinese governmental enterprise and a Japanese private enterprise; it is an advertisement company. The Japanese parent company, “Tokyo Advertisement” (hereafter to be referred to as Tokyo Ad.), occupies most of the shares in this joint venture; thereby, as far as I observed in 1999, Shanghai Ad. entailed saliency as a branch office of Tokyo Ad. However, this had changed in 2004, when I made the second visit to Shanghai Ad., which will be discussed later.

In 1999, the number of employees of Shanghai Ad. was 43, including seven Japanese expatriates. Five of the Japanese expatriates spoke Chinese, and five Chinese members communicatively spoke Japanese, with varying degrees of proficiency. Shanghai Ad. consisted of several sections such as finance, administration, the account executive team,

sales promotion, marketing, media, and the creativity team, and all the bilinguals were members of the account executive team.

In 2004, the total number of employees of Shanghai Ad. had doubled and become 90, including drivers and a janitor. However, the number of Japanese expatriates had not increased much and stayed at eight. Half of the Chinese members in 1999, 18 out of 36, were still working for Shanghai Ad, which shows rather high stability of workforce in the context of the advertisement industry, as well as Chinese-Japanese joint ventures. As for Japanese expatriates, two out of seven were still working there. All of the eight Japanese expatriates communicatively spoke Chinese with a variety of proficiency, and three of them spoke it very fluently. Chinese bilingual members in 1999 were all still working in 2004, and three more Chinese members who spoke Japanese had recently joined by 2004. The number of sections had increased, and a new section, the Media Center, had been newly created; the organization had expanded.

In 1999, most executive positions of the clients of Shanghai Ad. were occupied by Japanese expatriates. By 2004, however, this situation had changed. More Chinese executives of clients were involved in the decision-making process of accounts; accordingly, the presence of the Chinese language had become bigger and members of Shanghai Ad. communicated with their clients more in Chinese in 2004 than in 1999.

Other than a few exceptions, usually advertisement companies are not major enterprises in Japan, and this is the case for Chinese-Japanese joint ventures in China as well. Instead, due to the characteristics of its business, advertisement companies are required to go ahead of the business trends and therefore need to be very quick and flexible in building and carrying out business strategies depending on the changes of market and societal trends. Such quick and flexible moves are generally more possible for advertisement companies than manufacturing companies because investments for businesses can be smaller. Shanghai Ad. is exactly such an advertisement joint venture; besides, Shanghai Ad. is one of the pioneering joint ventures in the advertisement business in China. Thus, it is fair to regard Shanghai Ad. as one of the pioneering Chinese-Japanese joint ventures. Of course, it can be reckless to simply compare the advertisement business with other industries. However, it is true that the advertisement business easily reflects the ongoing trends and regional characters as stated above; thus, it is very possible that the advertisement business foreshadows the changes and situations in the future of other industries.

Furthermore, regardless of the kinds of industry, many Chinese-foreign joint ventures share common problems like miscommunication, differences in membership and motivation, etc. between foreign expatriates and local employees. Through examining how a pioneering Chinese-foreign joint venture has dealt with the issues of communication, evaluation, and membership, which seem to be important across any industries, this paper hopes to show some directions for the future of other Chinese-foreign joint ventures as well.

#### Methods

As explained in the beginning, the present study is an ethnographic study based on fieldwork conducted in the years of 1999 and 2004. The fieldwork in both years includes participant observation followed by note-taking, interviews, and video-taping of meetings. The main data used for the study consist of 26 excerpts from the interviews; however, the

analysis of the data is based on the knowledge and understanding of the field-site the writer has obtained through the overall fieldwork conducted in 1999 and 2004. Also, the writer used to work for Tokyo Ad. as a full-time employee; this not only helped the writer enter the field and collect various data, but also helped the writer gain more and deeper understanding of the field-site.

I interviewed about half of the employees in 1999 and about one-third in 2004. Interviews were conducted in Chinese or Japanese, or in both languages, depending on which language(s) the interviewee spoke. In both years, I selected interviewees who were rather involved in Chinese-Japanese projects. In 2004, I interviewed all of the Chinese members who worked or had worked there in 1999 and 2004.

I employed the method called “ethnographic interviewing” when interviewing and analyzing the data for both years (Heyl, 2002). Using this method, the interviewer does not prepare fixed (forms of) questions beforehand. This is based on the idea that, in ethnographic interviews, knowing what is important for interviewees is more important than knowing what is important for the interviewer; thus, questions should not be prepared beforehand from the perspective of the interviewer. According to the policy of ethnographic interviewing, I tried to build rapport with interviewees as much as possible (not only during interviewing but also through the period of the fieldwork) and attempted to encourage interviewees to engage in personal narratives. That is, I attempted to promote interviewees to tell “their” stories in the dialogical contexts of their rapport with me, rather than answering my previously prepared questions.

Since this study attempts to examine the developmental changes that Shanghai Ad. had been through from 1999 to 2004, the focus of the discussion will be on the analysis of the interviews with Chinese members who had been staying in Shanghai Ad. from 1999 through 2004 and also succeeded in his or her career-building, such as getting promoted. This selection is not from the intention to ignore the voices of other members, including Chinese and Japanese members, but is based on the idea that they have played important roles in the growth of Shanghai Ad. and therefore need to be especially heard.

#### *Viewpoint of the Study*

The Chinese market has always attracted a great deal of international attention for its potential since the embarkation upon China’s open-the-market policy in the 1990’s. However, it is only recently that the Chinese market has emerged as an actual giant market rather than as a potential one. In the words of Nagakura (male, 30s, manager), who has been working for Shanghai Ad. as an expatriate for a few years, it has been “just last one or two years.” He says:

Certainly, to be honest with you, Japanese clients used to be chicken-hearted about Chinese market; they didn’t really devote themselves to Chinese market ten or fifteen years ago...I don’t think those expatriates assigned to China then were really top-notch. But about last few years, those who came to China for business were real top-notch. They are really top-notch guys.

As Nagakura states above, before, Japanese companies were not as aggressive as now

about pioneering the Chinese market; their investments both in terms of money and people were rather small. Therefore, it was much more difficult to force so-called “Japanese-ism” in doing business in China. However, things are different now; it has become common-sense in the business world that “No success in China, no survival in the business.” Many major Japanese enterprises have started devoting themselves to the Chinese market, with much bigger investments of money and people. More money and people from Japanese headquarters make it more possible to enforce “Japanese-ism” in developing business in China, sometimes even under the slogan of “globalization” (Lu, Child, & Yan, 1996). About the spread of “Japanese-ism” in particular, Nagakura continues; he suggests in the following passage that “Japanese-ism” is only manageable when enforced by major enterprises:

If major enterprises (in Japan) produce some loss along with developing their business in the Japanese way in China, for example, say, thirty million dollars, they can make it up so easily out of their benefits produced somewhere else. It is only possible in the case of major enterprises. Enterprises like [the name of a major automobile manufacturer in Japan] and [the name of a major electrical appliance manufacturer in Japan] have been glowing in Chinese market in this way. But I have to raise a question if this way is really beneficial to Chinese market or us in general who are trying out in Chinese market. Such overwhelming economic power of major Japanese enterprises likely invites “Japanese-ism.” On the contrary, our company, Shanghai Ad., because of its small size as a company, did not and could not enforce “Japanese-ism.” We won’t be able to do that in the future either.

On the other hand, as Nagakura just stated above, the Japanese parent company of Shanghai Ad., Tokyo Ad., is not a major enterprise; it can be considered a small- or medium-sized enterprise. The investments by such small- or medium-sized enterprises in the Chinese market, both in terms of money and people, is rather limited compared to those by major enterprises. Enforcing “Japanese-ism” is much more difficult or even impossible for such a small- or medium-sized company. In order to survive and succeed in the Chinese market, all that such small- or medium-sized companies can do, according to Nagakura, is “localization.”

The rapid growth of Shanghai Ad. is based on the rapid development of the Chinese market; however, the rapid development of the Chinese market itself does not necessarily guarantee the success of a small- or medium-sized Japanese advertisement firm in China. Among many complicated factors which have enabled the success of Shanghai Ad., its “localization” policy – especially in terms of personnel policy – seems to have played an important role, although such policy was the last resort taken under the conditions of necessity. Indeed, Ubukata, – one of the vice presidents of Shanghai Ad. – as an expatriate, positively recollects the benefits of the small size of Shanghai Ad. He states:

After all, joint companies dominated by Japanese executives and managers are not really doing well here in China. We are doing well because we have competent Chinese managers...well, probably, I think, the size of our company was just good...big major enterprises just shift their business from Japan to China and it is like the simple continuation from one place to another. They can do it, and they [can] send different people from Japan one after another. But they have not really

thought about establishing local human resources, in my view. [The name of a major enterprise] does not really think about what they can do about the Chinese market. They only think about what they can do about themselves. It seems like, when it comes to Chinese market itself, they don't really care. It is not the main focus for them.

I stayed in Shanghai Ad. as an ethnographer in the years of 1999 and 2004. In my observation, Shanghai Ad. was actually more "localized" in 2004 than 1999 in terms of money and people. As for the localization of money, whereas Shanghai Ad. took on most accounts as a subcontractor of its Japanese parent company, Tokyo Ad., in 1999, Shanghai Ad took on most accounts as a main contractor directly from companies in Shanghai in 2004. With regard to the localization of people, personnel arrangement had changed largely from 1999 to 2004. In 1999, except for the president and one of the vice presidents, the other executive members and most managers were dominated by Japanese expatriates. A few Chinese managers are all positioned as a subordinate to Japanese managers. From 1999 through 2004, the number of the employees had doubled, from 43 to 90, and the number of managerial positions had also increased. However, the number of Japanese expatriates did not increase during the five years, and the increased managerial positions were assigned to local Chinese members.

It should be carefully noted, however, that mere "localization" alone could not have led Shanghai Ad. to its success, considering the fact that many of their "local" clients in Shanghai are also Chinese-Japanese joint ventures. As Schein (1992) states, organizations cannot be successful without integrating their components of cultural varieties – including things both Japanese and Chinese – in the case of Shanghai Ad. In other words, in the process of emancipation from "Japanese-ism" accompanied with the localization of money and people, Shanghai Ad. had sought for a way to be a "Chinese-Japanese" joint venture rather than simply replacing "Japanese-ism" with "Chinese-ism." In and through establishing such a "Chinese-Japanese" way, or say, *Chipanese* (Chinese + Japanese) standards, Shanghai Ad. has developed and been successful.

In the following three sections, I will examine what *Chipanese* standards can mean for communication, evaluation, and membership in the particular context of Shanghai Ad. and how these *Chipanese* standards have been established.

#### *Chipanese Standards for Communication*

An example of *Chipanese* standards for communication established in Shanghai Ad. is as follows: Chinese members are now communicating with their Japanese counterparts as important and irreplaceable "local" cultural staff. In other words, it is standard now in Shanghai Ad. to ask Chinese members about Chinese things – such as the Chinese market and consumers. This may sound natural – to ask Chinese people about China and Chinese culture – but this apparently natural thing was not natural in 1999; what does this mean?

Foreigners' lack of knowledge about the Chinese market and consumers has always been one of the most common complaints among Chinese employees working for Chinese-foreign ventures (Lu et al., 1996). However, an even more significant problem related to this issue was revealed in the study I conducted in 1999. Chinese members at Shanghai Ad. were very

dissatisfied that their Japanese counterparts did not respect and did not even ask for their opinions about the Chinese market and consumers, despite the fact that *they themselves are* the consumers and should know the Chinese market best. Below is an excerpt from the interviews I collected in 1999, which demonstrates such dissatisfaction by Chinese members. The interviewee is Chou (male, late 20s): He was a newly hired employee who just graduated from a university in 1999 and was already promoted to a sub-manager of the account executive team in 2004.

The biggest defect of the creative team in Shanghai Ad. is that Japanese members therein don't understand Chinese market. They don't understand the psychology of Chinese people. Isn't it right? They don't know what Chinese people like and dislike. This is the biggest defect. If they really want to produce good advertisements, Japanese and Chinese members need to communicate. At this point, the most important thing is that Japanese members should sincerely listen to what Chinese members are saying.

However, interviews I conducted in 2004 indicate that such dissatisfaction prevailed among Chinese members in 1999, as shown above, had been resolved to a significant degree. As previously stated, the number of Chinese members working for Shanghai Ad. at both points of 1999 and 2004 was eighteen, and this is half of the 36 Chinese members working for Shanghai Ad. in 2004. It is very significant to note that all of these eighteen members stated in the interviews conducted in 2004 that their Japanese counterparts ask for their opinions more often and also respect their opinions more than in 1999. Following are some excerpts from the interviews in 2004:

Huang (male, 20s, art director):

Before, Japanese members tended to listen to themselves. Now, it is much better. Now we work together, I mean, they think a great deal of Chinese situations...it is getting better and better. They now ask us about things Chinese, like "What about Shanghai?" or "What are young people in Shanghai thinking?"

Li (male, 40s, manager):

Now Japanese members respect the work done by Shanghai-locals more – at least as far as I am concerned. For example, the plans of advertisements for [the name of a client] was all sent from Japan before, but they were not suitable for Chinese market and consumers...now, situations of Shanghai are much more considered. Well, things are different between Japan and China, aren't they? I mean, now we plan advertisements with considering whether they are suitable to Chinese market or not. In other words, now Japanese members don't just send Japanese things to China; they listen to us.

Wu (male, 30s, sub-manager):

Japanese people are more interested in China now, probably because of the rapid development of Chinese market... they now ask something like how Chinese people feel or what Chinese members think; they now attach more importance to what we

say. Before, they didn't carefully listen to what we say and they just did their own things. Now, they don't do something like that. Well, opinions of local staff are rather respected now. I do feel that especially. The plans and ideas by local staff are respected.

A common point among the three excerpts above is that these three Chinese members feel that they are more respected now as an expert of the Chinese market and consumers. It seems natural that Chinese members know better about the Chinese market and consumers, and Chinese members themselves indeed think so, too. The important point is, however, that Chinese members in 1999 did not think that their natural cultural expertise was not respected by Japanese members, but they thought in 2004 that this disrespectful treatment had been improved.

Chinese members who entered Shanghai Ad. near 2004 did not compare their experiences with Japanese members between 1999 and 2004. However, it was clear to this writer that these new members feel respect for their cultural expertise on a daily basis. The following two excerpts are from interviews with newly hired employees who just graduated from universities:

Liu (male, 20s, assistant, 1<sup>st</sup> year):

When requirements from the Japanese side are impossible from a Chinese point of view, things are basically resolvable. We don't have big clashes. You know, this company is Chinese-Japanese, having done business for about ten years...Japanese members don't force their ways upon us. They basically listen to what we say and adjust their ideas and methods. So, in general, we don't have big clashes.

Wong (male, 20s, assistant, 2<sup>nd</sup> year):

People from Japanese parent company sometimes don't understand situations in China. But Japanese members of our company do, so they communicate with those from the parent company in Japan. Then, people from the parent company in Japan come to listen to us and adjust their ideas. If what we say makes sense, Japanese people respect our opinions and accordingly change plans.

As indicated in the five excerpts above, Chinese members recognize that Japanese expatriates in Shanghai Ad. have changed in their ways of communicating with local Chinese members; Japanese expatriates used to look at (the parent company in) Tokyo but now they look at (local staff in) Shanghai. It is easily speculated that the adjustment of Japanese expatriates – as cultural other – to Chinese culture is one of the causes of such a change. Indeed, Lin (female, 40s), one of the vice presidents, admits that the Chinese language proficiency of Japanese expatriates in Shanghai Ad. in 2004 is higher than in 1999. She also states that Japanese expatriates understand China better and interact with Chinese members more often. Below is an excerpt from her interview:

Now, the Chinese proficiency of Japanese members is much higher. They handle verbal communication in Chinese much better than before. Their thoughts are better now, too. They like China better now. They did not know what China is like before.



They understand China now. That's because they socialize with Chinese members more now. Japanese members not only interact with Chinese members in the workplace, but also socialize with Chinese members in the private sphere now. They work, eat, and play together now. Karaoke, bowling, or golf, for example. They didn't do something like that before...because of such activities, work goes better.

As a matter of fact, among the seven Japanese expatriates working for Shanghai Ad. in 1999, two of them could not speak Chinese at all, although two others spoke it very fluently. On the other hand, in 2004, all of the Japanese expatriates in Shanghai Ad. spoke Chinese, although there was a variety of proficiency; three of them spoke it very fluently and the other four varied from beginner to intermediate levels. Improvement of intercultural competence is likely accompanied with that of language proficiency, and this is generally true for Japanese expatriates at Shanghai Ad. There is no doubt that these improvements in terms of language and cultural understanding have played important roles in improving communication between Chinese and Japanese members.

It is also vital to note, however, that respect for the cultural expertise of local people cannot be generated without the acknowledgement of one's own ignorance about the concerned culture (while such respect cannot be constructed without basic knowledge and understanding about the concerned culture). Lin, who was previously introduced, positively acknowledges the fact in another part of her interview that Japanese expatriates count on Chinese members more now than before. She says:

Japanese administration has been localized. Their concepts have changed. Japanese members have changed and now basically count on Chinese members. Now, they trust Chinese more than before. Before, Japanese members were suspicious about Chinese members. Now, they trust Chinese members more. They trust and count on Chinese members now.

It is also significant that Lin positively acknowledges two seemingly contradictory facts: a) Japanese members have a better understanding of the Chinese market and consumers, as well as a better adjustment to Chinese culture, and b) Japanese members ask for more help from Chinese members.

In other words, for Chinese members' exercise of cultural expertise, Japanese members' understanding of and adjustment to Chinese culture *per se* are not the most important parts (although they *are* presupposition for the exercise). Rather, Japanese members' realization of their own cultural ignorance or lack of knowledge cultivated through the understanding and adjustment plays a critical part. Japanese members' realization of their own figure as *cultural other* based on cultural knowledge leads to desirable ways of communicating with Chinese members – like asking questions and asking for help. Liao (male, 30s, sub-manager) stresses the importance of the self-realization as cultural other about the ignorance or lack of knowledge in his interview as follows:

Some Japanese people think they already know everything about Chinese and already fixed, like they say, “yeah, let's just go for it, China is like that, right?” Indeed, they know nothing about China yet...others keep asking questions like “how

is it?” or “do Chinese people get it or not?” The results are really different. Even though they think they know about China, or even if they really do know about China, attitudes of maintaining to ask questions make a big difference.

As indicated above, the real problem is not only the fact that Japanese members do not understand Chinese people and culture; rather, misrecognition of their own competence in spite of poor knowledge and experiences can be a more serious problem. This latter problem likely hinders Japanese members from being motivated to “learn more” and misleads them in communicating with Chinese members; that is, they stop asking questions.

As Shenkar (1990) states, one of the biggest problems common for Chinese-foreign ventures is the conflicts between foreign and local Chinese members. According to Shenkar, local Chinese members often feel disrespected by their foreign colleagues or bosses about the role they should play. Even though foreign members think they are doing the right thing, their behaviors are often regarded as the enforcement of foreign manners by local Chinese members; from the Chinese perspective, outsiders who know nothing about China and Chinese people are forcing their way upon Chinese people. The consequent antipathy can be significant, and whether such antipathy is reasonable or not, the disadvantage brought by the discordance can cause a huge negative impact on most Chinese-foreign ventures. Therefore, from the other perspective, establishing communication based on the respect for the cultural expertise of local Chinese staff can bring great benefits to Chinese-foreign ventures, including Chinese-Japanese ones like Shanghai Ad. Of course, being Chinese does not necessarily mean being an expert of Chinese things, and further, cultural expertise does not always contribute to building the best strategies in business. Nevertheless, it is a notable change that local Chinese members are now feeling respected for their cultural expertise more than before, and the benefits for Shanghai Ad. brought by this change can be said to be significant.

#### *Chapanese Standards for Evaluation*

In most Chinese-foreign ventures, there is a huge difference of working conditions between foreign and local staff, and Shanghai Ad. is not an exception. The salary of Japanese expatriates is usually ten times or even more than that of local Chinese staff in Shanghai Ad. Such difference surely can have a negative impact on the morale or motivation of local employees (Shenkar & Zeira, 1987). With the background of such “absolute” difference between Chinese and Japanese members, how can *Chapanese* standards for evaluation be established, especially for Chinese members?

I observed two attempts in Shanghai Ad. One is to set up “reachable” differences among Chinese members according to the ability and expected contributions in the future, while maintaining the “absolute” differences between Chinese and Japanese members. The other is to make “absolute” differences “reachable” also according to the ability and expected contributions in the future. I will discuss the two attempts respectively below.

As previously explained, among the 36 members who used to work for Shanghai Ad. in 1999, about a half of them were still working for Shanghai Ad. in 2004. Chou, as introduced above, was one of them; he was newly hired just graduated from a university in 1999, but was promoted to a sub-manager in 2004. This promotion can be seen as a surprise, considering that other sub-managers are all in their 30s or 40s, and they have much longer working

experiences. About this promotion, one of the Japanese expatriates, Tomita (manager, male, 40s), states his idea as follows:

Localization means, well, making local staff working as a manager. I mean, we really give managerial positions to local staff. Yeah, Chou, Chou is actually working as a manager. Yeah, that's right. We anyway assign positions to local staff. Then somebody looks after them – like me, or like more experienced local members. We support them. Like this, well, breeding talent like this is a right thing.

Chou was proud to work more than others in 1999, and he did not mind working overtime. He expressed his thoughts about the working manners of himself and others in the interview conducted in 1999 as below:

I think I have a different attitude from others. I am not like a Chinese...I like the way like Kawamura-san [his Japanese boss in 1999] does. Other Chinese members of this company leave the office around five or five thirty, right? I don't like that.

In 2004, Chou was doing overtime more than in 1999; overtime work was embedded in his corporate life. It was indeed rather difficult for this writer to grab and set up an interview with Chou, who was extremely busy during the working hours as well. Finally I was able to have an interview with Chou, but the interview was often interrupted by the rings of his cellular phone. However, he was proud, rather than stressed, to be such a busy professional. I observed that his pride and satisfaction was related to the “reachable” differences established in Shanghai Ad.; *Chipanese* standards for evaluation were very effective for elevating and maintaining Chou's morale and motivation, as indicated below in the excerpt of the interview with Chou:

I won't force my subordinates to work as much as I do. Because, well, frankly, my salary is higher than theirs. I am getting paid more than they are. So, I think it is reasonable that I work overtime like till nine or ten (while they don't). If they have something to do at home, they should go home and do that...for example, look at Tomita-san. He always has a very quick lunch, like just grabbing a few pieces of bread. He always eats his lunch as he is working. His lunch is always like that. I also eat my lunch very quickly, like in ten or fifteen minutes. I just eat it, and that's it. Tomita-san just gets something to eat and drink from first food places, and work while eating. He does not go to, say, Japanese restaurants for lunch. Of course, he goes there sometimes with his colleagues, though. Anyhow, he is usually busy like that, and me, too. I am different from other Chinese members. I am more like a Japanese.

It is often said that Chinese people do not work overtime, and this is one of the stereotypes of Chinese people prevalent since the 1980s. It seems natural for Chinese employees to be unmotivated to work as much as their Japanese counterparts who are getting ten-times more salary than them – whether this stereotype actually reflects the reality or not, or whether or not there might be so-called cultural differences in the working mannerism

between China and Japan. I actually heard such comments from Chinese members at Shanghai Ad. in both 1999 and 2004; it simply does not make sense for them to work as much as those Japanese expatriates when they are getting paid so much less. However, in the case of Chou, he does not compare himself with Japanese expatriates in term of salary. Instead, he compares himself with other Chinese members. He proudly admits that he is evaluated better and getting more pay than other Chinese members, so that he considers his working more than them to be reasonable. The differences in evaluation, reflected in the differences in salary, between Chou and other Chinese members contribute to his self-respect and motivation in the context of Shanghai Ad.

Tang (male, 30s, director) was working as much as Japanese expatriates, or more than average Chinese members, in terms of working hours, workload, and responsibility he had to take on, as far as I observed. Tang is another Chinese member who is getting paid more than other Chinese members, according to the “reachable” differences established in Shanghai Ad., and he is aware of that – as shown below in an excerpt from his interview:

Now, I think I am evaluated appropriately with my ability, and well, I have the right position and am getting right salary. Before, it was just a mess.

However, it should be noted that such a “better treatment” for Tang is still within the range of “local Chinese” standards for evaluation. The difference between what he can get and what Japanese expatriates are getting is still absolutely huge. Tang understands the “absolute” difference between the two national groups well, but he does not necessarily consider such “absolute” differences as unchangeable or unreachable, as he states below:

Shanghai has changed a lot. Now, Shanghai is not that bad at all. Well, Shanghai has not reached at the point of Japan yet – frankly. I don’t have a car yet, for example. Not that much yet. But, you know, it’s just right there. We are really getting close (to the status of Japan).

Tang’s comment above implies that being evaluated within the range of “local Chinese” standards means more than that for him; it functions as a motivation for him to seek for something better than current Chinese standards. This psychology seems to be closely related to the rapid growth of the Chinese economy. It is reasonable for Tang, being in the position of benefiting from the economic growth as a recognized employee of a Chinese-foreign venture, to feel that the economic difference between China and Japan is diminishing, and thus, difference between local Chinese employees and Japanese expatriates will also be diminished in the future. Therefore, being evaluated in the range of “local Chinese” standards, mingled with the hope for the future backed up by the rapid growth of the Chinese economy, can contribute to creating incentive for working beyond the range of “local Chinese” standards,

It can be said that such hope beyond the (current) range of “local Chinese” standards is enforced by the presence of the two Chinese members at Shanghai Ad, who relate to the second *Chapanese* standard for evaluation that Shanghai Ad. has established. That is, the two Chinese members embody that the seemingly “absolute” differences between Japanese and Chinese members is “reachable.”

The first member is Deng (male, 50s), the president of Shanghai Ad., and the other is Song (male, 30s, manager), who has been hired under the same conditions as Japanese expatriates. As to the employment of Song, Ubukata, one of the vice presidents and a Japanese expatriate, explained to me below:

We head-hunted Song, with offering the same conditions as Japanese expatriates. Otherwise, really competent fellows won't come to join us, right? Like this, we have to change the idea that it is just given that Japanese guys are always above Chinese employees.

Song and the group he leads can be considered as "exceptional" at Shanghai Ad., considering situations, such as they use English with their clients, they take on much bigger accounts than others, and the very fact that Song was headhunted. It is not realistic that other Chinese members identify themselves with Song. However, such "exceptional" evaluation and treatments for Song are still very significant for motivating other Chinese members. That is, this suggests that there is no "glass ceiling" at Shanghai Ad. because of the nationality of being a Chinese. To other Chinese members at Shanghai Ad., the presence of these two Chinese members implies the possibility for the future rather than their current situation.

There are a few Chinese-Japanese joint ventures that outrank Shanghai Ad. in the advertisement industry in Shanghai. However, many Chinese members I interviewed recognized the existence of a "glass ceiling" for Chinese employees therein. They obtained information through various private and professional networks, sometimes through the ex-employees of Shanghai Ad.

To recapture, Shanghai Ad. has established *Chipanese* standards for evaluation by constructing "reachable" differences among Chinese members and by re-constructing "unreachable" differences between Japanese and Chinese members as "reachable" for Chinese members. This has endowed competent Chinese employees with incentives and contributed to making them leaders of other Chinese members. As Macbean (1996) states, one of the major problems among Chinese-foreign ventures has been the shortage of local Chinese leaders who have experience and understanding about both Chinese environments and foreign skills and mannerism. Considering such, it has brought great benefits to Shanghai Ad. that Chinese members like Chou and Tang have been evaluated by their ability and positioned accordingly. Further, the potentiality beyond nationalities embodied in the presidents Deng and Song, based on the macro environment of the rapid development of the Chinese economy, enforces the motivations of such competent members.

Hope for the future, supported by the fact that there is no "glass ceiling" at Shanghai Ad. because of nationality, also contribute to a comparatively high stability of the Chinese workforce at Shanghai Ad. This will be discussed more in the following section, where I talk about *Chipanese* standards for membership at Shanghai Ad.

#### *Chipanese Standards for Membership*

Among findings from my previous field-work conducted in 1999 was that the Chinese-Japanese dichotomy, which often came to light in the narratives of intercultural experiences of members at Shanghai Ad., did not necessarily indicate the actual national dichotomy of

Chinese and Japanese groups at Shanghai Ad. Rather, the Chinese-Japanese dichotomy had various meanings contingent upon how members make sense of their intercultural experience and construct their professional identity in the particular context of Shanghai Ad. (Funayama, 2003). It was true, however, that the *concept* of Chinese-Japanese dichotomy itself was so powerful that it contributed to members constructing their professional identity, despite that it did not actually indicate the polarization of the two national groups of Chinese and Japanese members.

On the contrary, my study based on the fieldwork conducted in 2004 shows that the Chinese-Japanese dichotomy is not as significant as it was in 1999 in terms of how members at Shanghai Ad. construct professional identity and membership – especially in the case of Chinese members. One reason for this can be that Shanghai Ad. was much more “localized” in 2004 than in 1999. That is, since Chinese members had a bigger presence at Shanghai Ad. in 2004 than in 1999, in terms of both population and workforce, they did not need to refer to the Japanese-ness of Shanghai Ad. anymore in constructing their professional identity and membership.

Then, what has replaced the Chinese-Japanese dichotomy as a reference point for identifying one’s membership at Shanghai Ad.? In other words, what serves as criteria for members at Shanghai Ad. to divide their colleagues between “*us*” and “*them*”? One of the findings through interviews with Chinese members was that they dichotomize Japanese people they work with as “Shanghai-oriented” and “Tokyo-oriented.” Another is that a feeling of trust by Japanese expatriates influences Chinese membership and the stability of the workforce. I will explain about each finding more respectively below.

“Shanghai-oriented” does not mean that one is from Shanghai, and “Tokyo-oriented” does not mean that one is from Tokyo, either. “Shanghai-oriented” does not mean, either, that one lives and works in Shanghai *per se*; however, it is related to how one can take on working and living experiences in Shanghai. That is, from the perspective of Chinese members, whether Japanese expatriates have improved their professional and personal understanding of the culture and market of Shanghai (since 1999) through their working and living experiences in Shanghai, is critical to determine whether they are “*us*” or “*them*.” Even though they are foreign, as far as they meet this criterion, they can be regarded as “*us*,” sharing membership with local Chinese members in the particular context of Shanghai Ad.

Significantly, whereas Japanese expatriates were generally regarded as “Tokyo-oriented” and that was one of the major complaints of Chinese members in 1999, most Japanese expatriates were regarded as “Shanghai-oriented” in 2004. Instead, in 2004, those from Tokyo Ad. (the Japanese parent company of Shanghai Ad.) who participate in projects in Shanghai on the basis of business trips, are often positioned as “Tokyo-oriented,” or as “*them*.” Related to this, Wu (previously introduced, male, 30s, sub-manager) labels the ones on business trips as “real Japanese” and differentiates them from the expatriates, as an excerpt from his interviews indicates below:

It is a very usual problem, well, you know, guys from Tokyo often come to Shanghai with some promotion plans or something, right? Those plans...well. They are just not suitable for Chinese market in many ways. And now, Japanese guys in our company [Shanghai Ad.] can tell immediately whether it is good or not for the Chinese market from Chinese point of view. Well, as they have been saturated in the

life here, they can tell. They are different from “real Japanese” in this term...well, most Japanese guys of our company have been in China for about five years or so. So, they know much better. Well, about those [expatriates] who just got here, though, they don't really know anything, well, they are not that different from “real Japanese.”

As previously discussed, foreign expatriates' lack of knowledge and understanding about Chinese culture and the market is one of the major complaints among Chinese employees working for Chinese-foreign ventures. And this was the case for Chinese members at Shanghai Ad. in 1999; yet most importantly, these complaints had greatly dissolved by 2004.

Many Chinese members think it is necessary for foreign expatriates to live and work in Shanghai for a certain period of time to gain enough knowledge and understanding. However, they are also aware that time itself is not enough to make Japanese expatriates “us,” although it is a necessary condition. As discussed above, the most important is how Japanese expatriates take on the time they spend – as Wu says in his interview as follows:

Well, time, time is really important after all. At least three or five years. Well, ten years would make a big difference. But some people never change after ten or even twenty years; for example they never study the Chinese language or they never try to get into the local life of Chinese people, like making Chinese friends, or playing with Chinese people. You know, you have to try to collect local information in any way; without that, you won't make it.

And about those who become “Shanghai-oriented” based on the knowledge and understanding cultivated through such living and working experiences, Chinese members not only recognize it but even show high respect for them. For example, Li (male, 40s, sub-manager) and Chou (male, 20s), both introduced previously, comment about the Japanese vice president Ubukata as follows:

Li:

We can say that he [Ubukata] is Chinese already. He is a Shanghainese. Except that he can speak Japanese, he is Chinese to us. He knows so much about China. He is always thinking about Shanghai, and we are always learning from him about Shanghai.

Chou:

He knows inside out of Shanghai. He knows everything about Shanghai and he knows lots of things that we don't know. He knows that the receptionist of the next-door company is a relative of our janitor, and he even knows the daughter of our janitor has just got married. Isn't it amazing!? How come he knows something like that!?

In sum, Chinese members do not regard Japanese people or expatriates as a monolith just because they are Japanese. Rather, Chinese members are very sensitive to the variety among Japanese counterparts as well as their changes through individual experiences. Chinese

members are constantly watching to see with whom they can share membership and how they can share it, observing and ascertaining whether their Japanese counterparts are “*us*” or “*them*.” In other words, when one is “Shanghai-oriented,” he or she is “*us*,” whereas if one is “Tokyo-oriented,” he or she is “*them*” – regardless of one’s nationality – in the context of Shanghai Ad. And this distinction now makes “*Chipanese*” standards for membership in Shanghai Ad.

Problems regarding the stability of local Chinese workforce in any Chinese-foreign ventures cannot be separated from the issue of membership of Chinese employees. Low stability of the local Chinese workforce is also related with their low loyalty to companies; Lu, Child & Yan (1996) state that Chinese employees working for Chinese-foreign ventures usually have a “hidden agenda,” and this is one of the reasons for low stability and loyalty. About this “hidden agenda,” Ubukata, the Japanese vice president, was also clearly aware as shown in an excerpt from his interview below:

I think Chinese guys here need a clear reason for why they have to do this and that. Well, they want to improve themselves by doing their job (and they don’t want to do something which does not improve themselves). After they improve themselves, they want to start their own business rather than staying in the same company – they have stronger motivations than Japanese for independence. Especially we are in advertisement business, right? So, all you need is a telephone and connection, then you can be on the top. Well, they are always seeking for the chance to be one of the top people and they want to learn anything to make it happen.

As Ubukata states, it can be generally said that Chinese employees are more motivated for themselves or their own chances rather than for their company or company’s benefit than Japanese employees. However, that is not it. As far as I observed, for some Chinese members at Shanghai Ad., relationships with their Japanese bosses and the trust cultivated through the relationships are more important than their own agenda; such relationships and trust not only shape their membership but further influence their stability at Shanghai Ad. See below, excerpts from the interview with Wu and Chou in order:

Wu:

I am getting really well with my (Japanese) boss, like we are communicating and understanding each other very well. Why? Well, experience is a part of it. And well, trust, yes, I feel trusted by him. We have been working together for years and I am now trusted by him and am in charge of a lot of responsibility, which is very important for me...regarding the critical points, like how much benefit we have produced, I talk a lot with my boss and I do report to him. Yes, only such critical points. But other than that, I am on my own, he trusts me and let me be in charge of details. I am very happy for that, and this way is much easier for me to handle.

Chou:

[Answering to the question by this writer about why he did not leave Shanghai Ad. when he was head-hunted by another company with a higher salary.] I don’t know much about other places, and I don’t think I am good for Chinese-Western ventures.



Besides, I hear that guys who went to other Chinese-Japanese ventures are not very stable...I think our company is good. Well, salary might be lower than the companies which tried to head-hunt me, but our company is stable overall and respects us. We have a very good relationship with each other here. And I am now in a rather high position; I don't think I can get this high position in other companies. I won't have such a chance in other companies, most likely. For example, like creating my own team in [the name of a competitor], it won't happen...so, that's why I don't want to go to other companies. Here, things are stable for me. Human relationships are stable, too. I am getting very well with my (Japanese) boss – that's why I can work well. It doesn't make any sense to abandon all of this and seek for a new environment.

It cannot be generalized that Chinese members at Shanghai Ad. maintain good relationships with their Japanese bosses and are clearly aware of it, so that it leads to establishing a kind of loyalty to their organization – like Wu's and Chou's cases shown above. However, it is also very important to note that both Wu and Chou have not only stayed in Shanghai Ad. from 1999 through 2004 but also played vital roles in the growth of Shanghai Ad. as a manager or sub-manager, leading other Chinese members. Without them, the changes of Shanghai Ad. from 1999 through 2004 discussed so far in this paper might not have happened. Therefore, even though they may not represent Chinese members in general at Shanghai Ad., it is significant that their membership and loyalty have been established on the relationship and trust with their Japanese expatriates, shaping *Chipanese* standards for membership at Shanghai Ad.

#### Conclusion

When comparing Shanghai Ad. in 2004 and 1999 as an intercultural community, so-called cultural differences between China and Japan had become much less problematic. This does not necessarily mean that so-called cultural differences between two national groups had become smaller (although this writer actually felt so through the fieldwork in both years), but the meaning of cultural differences between the two national groups had changed in the context of Shanghai Ad. Cultural differences used to be conceptualized as the cause for problems and complaints and positioned as obstacles for effective intercultural communication. Among the major findings from the interviews I conducted in 1999 was that members at Shanghai Ad. likely attributed problematic events to “cultural differences” between the two national groups even when the problems were not “cultural” indeed. However, in 2004, members at Shanghai Ad. positioned cultural differences as presuppositions rather than problems; cultural differences *may* cause inconveniences but are not necessarily the reasons for problems and complaints. During the five years from 1999 through 2004, both Shanghai Ad., as an intercultural organization, and its members, as intercultural professionals, had accumulated various and rich experiences. Thus, both the organization and individuals had learned that there *are* cultural differences between two national cultural groups and cultural differences can turn out to be anything depending on how one deals with them.

Now members at Shanghai Ad. do not regard a member with a different cultural

background as one of “*them*” just because of his or her different national cultural background. Rather, members at Shanghai Ad. observe how individuals or their organization deal(s) with cultural differences and/or inconveniences due to cultural differences, and thereby decide if he or she is competent in communication, if the organization evaluates them correctly, and if he or she is one of “*us*” or “*them*.” This paper has attempted to unpack the ways in which such *Chipanese* standards for the three important factors – communication, evaluation, and membership – have been established and have been effective in Shanghai Ad.

The discussion of this paper has been mainly based on the perspectives from Chinese members. Considering the fact that this writer is a Japanese person and not a native speaker of the Chinese language, it is difficult to claim that Chinese members always tell their “true” feelings in their interviews. However, even with such a limitation, there is no doubt that Chinese members as intercultural beings had changed in their thoughts, attitudes, and behaviors. Likewise, it is clear that Shanghai Ad., as an intercultural business organization, had been through huge and significant changes, seeking for the best way to be a small/medium-sized “Chinese-Japanese” joint venture – attempting to be emancipated from both Japanese-ism and Chinese-ism in and through establishing *Chipanese* standards. It seems reasonable to say that such efforts to seek for *Chipanese* standards have contributed to the rapid growth and success of Shanghai Ad. without the support of major enterprises in Japan. For future study, more incorporation of the perspectives of Japanese members will be needed, and comparing the perspective from both national cultural groups may be beneficial. Further, more case studies from other Chinese-Japanese joint ventures compared to that of Shanghai Ad. will be needed to examine the validity of *Chipanese* standards discussed in this paper.

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