

Diversity in the Asian Workplace¹
A Comparative Case Study of Chinese and Taiwanese Managers' Perception of
Japanese Companies

Yasuyuki Kishi

ABSTRACT

This study focuses on workplace satisfaction of Japanese companies in Taiwan and China, each of which plays an important role for economic activities in East Asia today. This paper discusses and reveals what their workplace satisfaction looks like and what kind of factors have an affect on workplace satisfaction respectively, by analyzing quantitative data. This study shows that workplace satisfaction is quite different between Taiwanese managers and Chinese managers. Among Taiwanese managers, they have relatively high workplace satisfaction. On the other hand, among Chinese managers, they are not satisfied with their present workplace when compared to Taiwanese managers.

In this study, Taiwanese managers who think that Japanese companies' future is bright and promising have relatively high workplace satisfaction. However, for Chinese managers it is important whether they are trusted by Japanese or not. So, this paper found that workplace satisfaction for Taiwanese managers in Japanese companies is affected by how positively they judge the companies' future. On the other hand, the workplace satisfaction of Chinese managers depends on whether they feel trusted by Japanese expatriates or not.

Keywords: Japanese companies, workplace satisfaction, Chinese managers, Taiwanese managers, trust, future prospects

Yasuyuki Kishi is a PhD candidate in International Relations at Waseda University. He received his B.A. (2002) and M.A. (2004) in Sociology from Chuo University in Tokyo. He is currently working as a research associate at the institute of Asia-Pacific Studies at Waseda University. He was also an honorary research associate at the University of Hong Kong from Jan. 2006 to Jan. 2007. During the summer in 2007 for one month, he was a visiting scholar at Academia Sinica in Taiwan. His research interests are on long employed local managers working in Japanese companies in East Asia in terms of sociological perspectives.

¹ This paper is written for "International Joint Symposium" on February 20th to 21st. Please note that this is a rough draft and please do not quote without the author's permission.

1. Introduction

In recent years the Chinese economy has been getting dramatically bigger and bigger. One of the main reasons is Foreign Direct Investment to China from foreign companies. Japanese companies in China have been increasing from 68 companies in 1986 to 2422 in 2006. It has resulted in an increase of 40 times over these past 20 years.

Japanese companies originally started to go out to Asia, driven by the sharp appreciation of the yen, since the Plaza Accord in 1985 with the Nixon shock in 1971. In order to correspond to this situation, Japanese companies shifted their manufacturing to Asia. In a sense, globalization of the Japanese economy can be called “Asianization.”

Generally speaking, globalization is seen as a kind of device which promotes inequality in the world, in terms of a micro perspective (Cohen & Kennedy 2000=2003). On the other hand, seen from micro perspective, globalization is also regarded as something which produces cross-cultural communication in everyday life. Inside Japanese companies in Asia, there are a lot of cultural conflicts driven by different ways of management style or different cultures between Japanese expatriates and local employees (Sonoda, 2001). Expanding Japanese companies’ business overseas produces so many opportunities for cross-interaction with local employees for Japanese business men. In a sense, inside Japanese companies in Asia, Japanese business men’s working with local employees is a kind of international collaboration. It would not be an exaggeration to say that people who have different backgrounds collaborate for “international cooperation” in the broad sense of the term. In many cases, “international cooperation” is associated with Official Development Assistant (ODA)², which is economical or physical support of nation state level from a developed country to developing countries. However, “international cooperation” does not only mean assistance for developing countries. Today, people have many chances to go beyond boundaries and collaborate with people who have different backgrounds. Under this situation it also must be “international cooperation” between Asia and Japan to think how to solve daily life cultural frictions and how to create mutual understanding for global business. Of course it is not based on a nation state level but it is based on economic activities. It is international cooperation through mutual interaction of people rather than macro nation state support. It will pull the trigger to discuss East Asian integration which is based on interaction of people who support economic activities, by discussing “international cooperation”.

² for more information; please refer to www.mofa.go.jp/policy/oda/index.html

2. Proposed problem

Expansion of Japanese companies in Asia promoted “international cooperation” in the space of Japanese companies. In the space of Japanese companies, there are continuous interactions between Japanese expatriates and local employees, resulting in local employees reconstructing their image of not only Japanese people, but also Japanese companies or even Japan itself. Therefore, this paper sheds light on local managers. They have many opportunities to not only observe, but also communicate directly with Japanese expatriates. By analyzing quantitative data, this paper seeks to discover how they think of Japanese companies and what their workplace satisfaction is like. This paper reviews workplace satisfaction of Taiwanese and Chinese managers in Japanese companies. By comparing Taiwanese managers and Chinese managers’ workplace satisfaction, this paper figures out what kinds of factors have an affect on workplace satisfaction. Then finally each manager’s characteristics are explored. It is very important to focus on Taiwanese managers and Chinese managers, because Taiwanese managers’ workplace satisfaction is quite high, but Chinese managers’ workplace satisfaction is relatively low. Therefore, comparing Taiwanese managers to Chinese managers provides keen perspectives for East Asian integration. Moreover it will be a very important indicator for better relationships between Japan and East Asia in the coming decades.

3. Survey outline

This paper uses data from the questionnaire titled, “Questionnaire for Local Employees in Japanese Companies,” conducted by Professor Sonoda at Waseda University in Tokyo. This survey focuses on mainly large-scale Automobile companies, but also on manufacturing companies in Asia. This survey covers 4 countries and 1 region, including 23 overseas subsidiary companies. The total sample size is 3639.³ The following Table 1 displays information regarding the survey sample.

Table 1

	Sample size (# of managers)	# of companies
China	530(274)	5
Taiwan	595(165)	4
Thailand	1244(659)	7
Indonesia	678(357)	4
Malaysia	592(325)	3

³ This figure includes both white collar employees and blue collar employees.

In this paper, the workplace satisfaction of 4 countries and 1 region are explored. Then after that, Taiwanese managers and Chinese managers are focused on and discussed mainly.

4. Previous studies about Japanese companies in Asia

Many studies regarding Japanese companies in Asia have been widely done in the many fields such as business study, economics, sociology, anthropology, and so on. It is possible to classify those studies into five groups. One is studies based on a historical institutional approach. These kinds of studies focus on how Japanese management systems went beyond to Asia and how Japanese management style changed over a time span (Kobayashi, 2000, Suzuki, 1998). The second approach is called a HRM approach. Those studies mainly focus on how to train employees or how to utilize human resources inside Japanese companies in Asia (Shiraki, 2005, Chou, 2002). Divided from a HRM approach, there is an approach called a localization approach (Furuta, 2004, Ma, 2000).

These studies regard how Japanese expatriates evaluate local employees and their working attitudes, or how local employees see Japanese expatriates and Japanese management practices (Imada & Sonoda, 1996, Sonoda, 2001, Wong, 1999). Finally, there are studies about inter-cultural communications inside Japanese companies in Asia. This approach is initially called an inter-cultural approach (Nishida, 2007, Kataoka & Mishima, 1997).

First, this paper grasps the whole picture of the evaluation of Japanese companies in China, Taiwan, Thailand, Malaysia and Indonesia. After that, Taiwanese managers and Chinese managers are picked up for further deeper analysis in terms of a sociological comparative study. It is possible to find some studies regarding local managers in previous literature. However, it is not so easy to find a comparative study that goes beyond countries or regions. This study picks up Taiwan as one of the most pro-Japan regions and China as a relatively anti-Japan country. Therefore, this study compares Taiwanese managers and Chinese managers' satisfaction of workplaces in Japanese companies. In this way, this study is significant and meaningful.

5. Workplace Satisfaction : Whole

First of all, workplace satisfaction for 4 countries and 1 region is explored. In order to measure it, ten questions related to workplace satisfaction are picked up. These ten questions are listed in detail below.

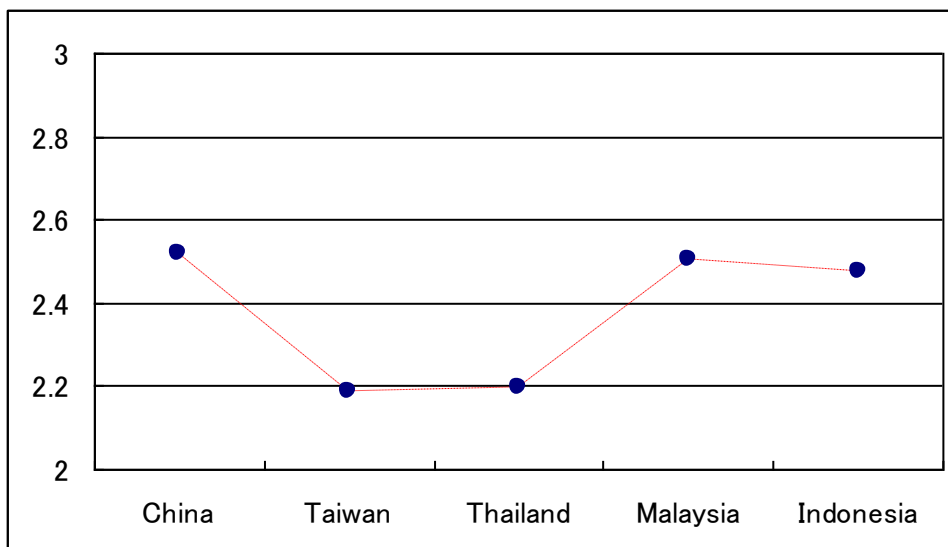
- Amount of salary
- Paid holidays

- Fringe benefits
- Possibility of promotion
- Stability of employment
- Fair evaluation of personnel
- Peaceful labor relations
- Speed of rise of salary
- Capacity of Japanese expatriates
- Attitude of your supervisor

Above each question are listed 4 choices: “Very Satisfied”, “Somewhat Satisfied”, “Somewhat Dissatisfied”, and “Very Dissatisfied.” Average scores of those ten questions are calculated for every countries and a region, to create an indicator for measurement of workplace satisfaction. The lower the average score means the higher the satisfaction. On contrary, a higher average score implies lower satisfaction.

Chart 1: Satisfaction scores for workplaces⁴

(1. Very Satisfied 2. Somewhat Satisfied 3. Somewhat Dissatisfied 4. Very Dissatisfied)



(ANOVA : F= 67.991, **p<0.00)

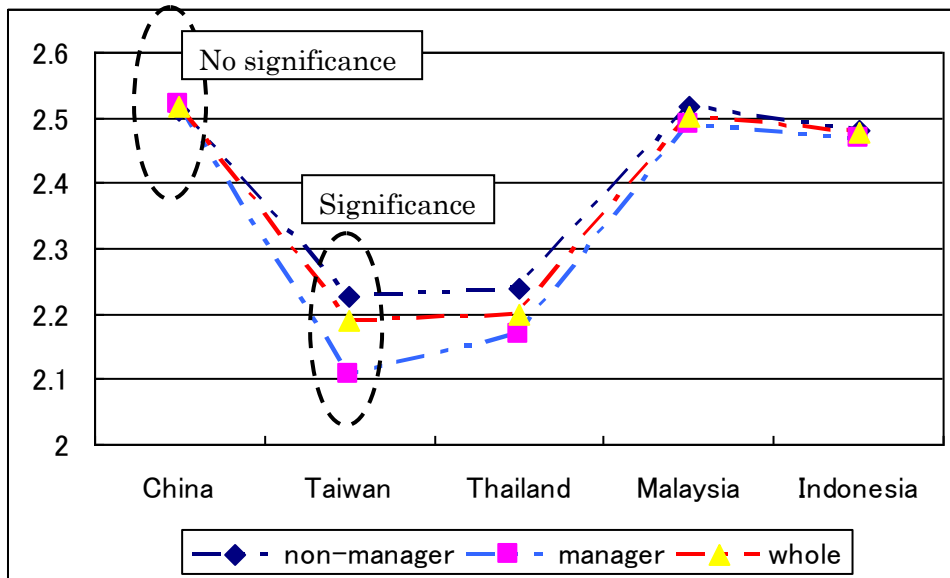
Chart 1 shows workplace satisfaction in 4 countries and 1 region. Taiwan gets the highest score which is 2.18848, and China gets the lowest score which is 2.51809. However, the score difference between Taiwan and China is only 0.329612, and not so large. The average scores of Taiwan and

⁴ Score is calculated in ascending number. e.g. 1. Very Satisfied 2. Somewhat Satisfied 3. Somewhat Dissatisfied, 4. Very Dissatisfied

Thailand are closer to point 2, “Somewhat Satisfied,” while China, Malaysia and Indonesia’s average scores are closer to 3, “Somewhat Dissatisfied.” Judging from those results, local employees of Taiwan and Thailand have a similar pattern, and have relatively high workplace satisfaction. On the other hand, local employees of China, Malaysia, and Indonesia do not have high workplace satisfaction compared to Taiwan and Thailand.

Workplace satisfaction which is shown in Chart 1 is based on the average score of 10 questions which construct a workplace satisfaction indicator. However, it is easy to assume that workplace satisfaction will be affected by one’s status. So, local employees are divided into two groups: one is those who are managers, and another of those who are non-managers. Chart 2 then shows managers’ workplace satisfaction and non-managers workplace satisfaction. Interestingly, the group of low workplace satisfaction countries shown in Chart 1, China, Malaysia and Indonesia, have no significant difference between the workplace satisfaction of managers and non-managers. However, the group of high workplace satisfaction countries, Taiwan and Thailand, possess significant differences between managers and non-managers’ workplace satisfaction. Both in Taiwan and Thailand, managers’ workplace satisfaction is relatively high and non-managers’ workplace is significantly low.

Chart 2: Satisfaction scores for workplace: Manager / Non-Manager



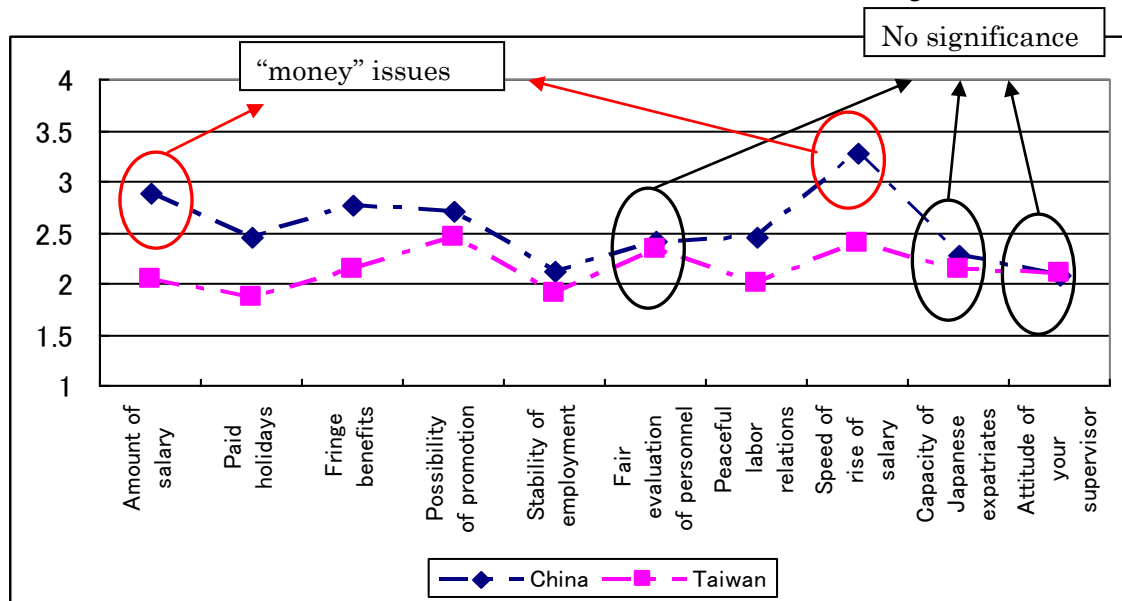
(ANOVA Taiwan : **p<.006 (F =7.608) , China : p>.868 (F =.028) no significance)

6. Characteristics of Managers' workplace satisfaction

Chart 2 shows that in Taiwan, workplace satisfaction is relatively high but average scores of workplace satisfaction are significantly different between managers and non-managers. On the other hand in China, workplace satisfaction is relatively low but average scores of workplace satisfaction have no significant difference. Characteristics of each of the ten items which construct the workplace indicator are explored here.

Chart 3 shows analysis results of each item which constructs the workplace satisfaction indicator of managers. Judging from Chart 3, there is no significant difference among "Fair evaluation personnel," "Capacity of Japanese expatriates," and "Attitude your supervisor" between managers in Taiwan and China. However, except for those three items there are significant differences between Taiwanese and Chinese managers. Regarding the rest of the items, Taiwanese managers answered more positively than their Chinese counterparts.

Chart 3: Characteristics of satisfaction for ten variables: "Managers"



7. Determinants for workplace satisfaction: "future oriented" of Taiwanese managers and "trust oriented" of Chinese managers

Characteristics of the ten items which construct the workplace satisfaction indicator have just seen above. In each item, Taiwanese managers' satisfaction is relatively high, and also higher than

Chinese managers' satisfaction. Especially among Chinese managers, regarding two items related money issues such as "Amount of salary" and "Speed of rise of salary," their satisfaction of those two items is much lower than other items.

Then, what kind of items will determine the discussed work place satisfaction? By using regression analysis, determinants of workplace satisfaction are explored here. Four main factors including twelve items which might affect workplace satisfaction are picked up, and listed below.

- Basic Attribute:
 - ◇ Age
 - ◇ Gender
 - ◇ Marital status
 - ◇ Length of working
- Language Proficiency:
 - ◇ English proficiency
 - ◇ Japanese proficiency
- Relation with Japanese:
 - ◇ How often do you talk with the Japanese in your company?
 - ◇ I am trusted by Japanese expatriates in this company
- Future Prospects:
 - ◇ Experience in this company will be useful for my future career
 - ◇ I can expect that this company will develop
- Meritocracy-based localization
 - ◇ It is difficult for local employees to be a president in Japanese company
 - ◇ It is necessary to advocate meritocracy to promote talented local employees

Those twelve items are independent variables and scores of workplace satisfaction are dependent variables. By using those independent and dependent variables, regression analysis has been conducted and factors affecting on workplace satisfaction are explored.

Both in Taiwanese and Chinese managers, basic attributes such as age, gender, length of working, marital status, Japanese and English proficiency, and talking opportunities with Japanese have nothing to do with each manager's workplace satisfaction. Then, which items affect each manager's workplace satisfaction?

Table 2 shows that items which affect workplace satisfaction.

Table 2 Determinants for workplace satisfaction : Regression

	China	Taiwan
Gender	-.032	-.029
Marital Status	.020	-.100
Age	-.067	-.104
Length of Working	.142	-.001
English Language Ability	-.030	.041
Japanese Language Ability	-.058	.052
How often do you talk with JPN in your company	-.159	-.156
I am trusted by JPN expatriates	.504**	.133
Experience in this company will be useful for my future career	.113	.336**
I can expect that this company will develop	.070	.400**
It is difficult for local employees to be a president in Japanese company	-.231*	-.080
It is necessary to advocate meritocracy to promote talented local employees	-.004	-.242*
multiple correlation coefficient (R ²)	.399**	.506**

* p<.05 ** p<.01

Among Chinese managers, being trusted by Japanese affects their workplace satisfaction. In addition, the question of “It is difficult for local employees to be a president in Japanese company” also affects satisfaction. The more Chinese managers think that I am trusted by Japanese, the more workplace satisfaction rises. Also, the more Chinese managers think that it is difficult for local employees to be a president in Japanese company, the less workplace satisfaction they feel. For Chinese managers, both trust issues and localization issues affect their workplace satisfaction. Localization issues can be regarded as post transfer, and it is the same as trust issues. In this sense for Chinese managers, personal trust formation between Japanese expatriates and local managers strongly affects workplace satisfaction. Judging from the low satisfaction of Chinese managers, it is easy to assume that Chinese managers feel that way because they feel that they are not trusted by Japanese.

For Taiwanese managers, on the other hand, the question of “I can expect that this company will develop” has an affect on workplace satisfaction. The more Taiwanese managers think that their company will develop, the higher the workplace satisfaction they possess. Also, the question of “Experience in this company will be useful for my future career” affects satisfaction. The more that Taiwanese managers think that “Experience in this company will be useful for my future career,” the

higher the workplace satisfaction. As well, Taiwanese managers who negatively answered the question, “It is necessary to advocate meritocracy to promote talented local employees,” have higher workplace satisfaction. For Taiwanese managers, they are different from Chinese managers in that they are quite future oriented. Those people who are “future oriented” have high workplace satisfaction among Taiwanese managers. Moreover among Taiwanese managers, the more they have a negative evaluation for meritocracy, the higher their workplace satisfaction. Thus it can be concluded that those people who are “future oriented” and “less meritocracy oriented” support present workplace conditions in Japanese companies in Taiwan.

8. Workplace satisfaction and company preference

This study has so far explored that Taiwanese managers’ workplace satisfaction was relatively high and Chinese managers’ satisfaction was low. From the results of the regression, Taiwanese managers who were “future oriented” had high workplace satisfaction. On the other hand for Chinese managers, if they felt that they were trusted by Japanese, their workplace satisfaction was higher.

Next, the relationship between workplace satisfaction and company choice is explored. How does work satisfaction affect one’s preference in company decision, especially between Japanese and Euro-American companies? The question is “If condition is the same, which do you prefer to work?”

The following three answers are prepared.

1. If the condition is the same, I prefer Euro-American company
2. If the condition is the same, I prefer Japanese company
3. If the condition is the same, both are acceptable

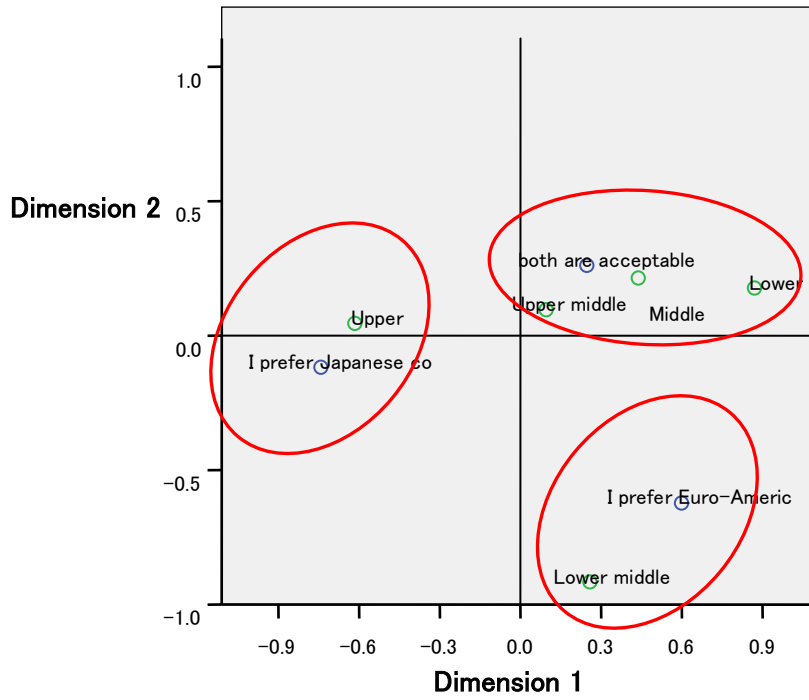
The above three choices and five scales⁵ made from a score of workplace satisfaction such as “Upper group,” “Upper middle group,” “Middle group,” “Lower middle group,” and “Lower group” are analyzed by correspondence analysis.

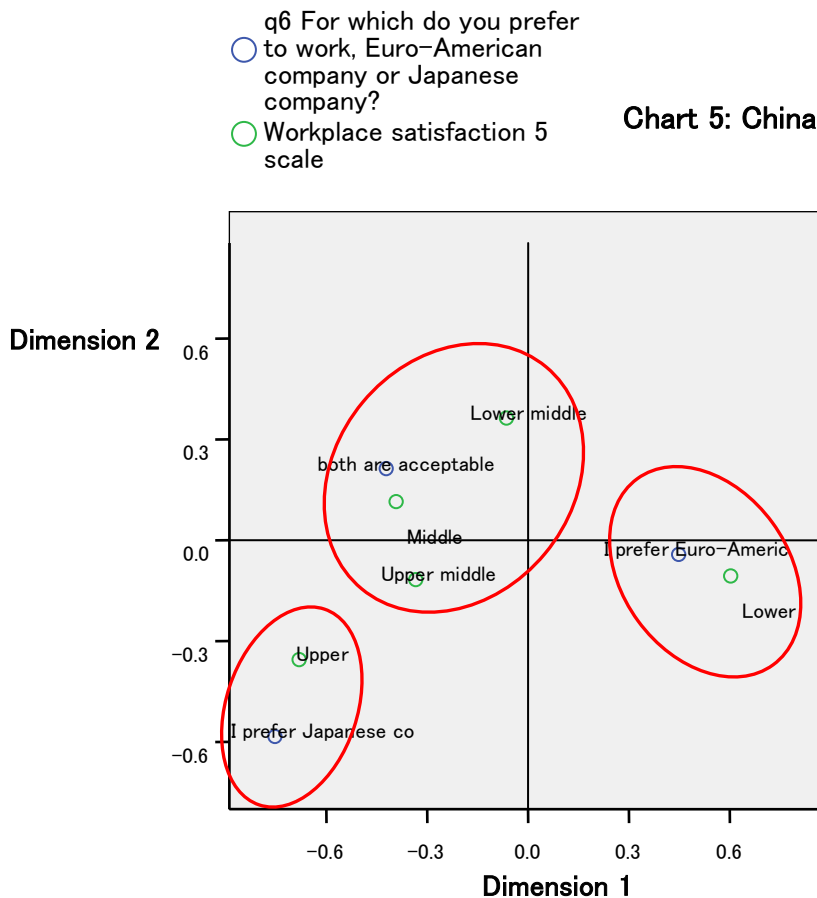
The following chart displays the results of the correspondence analysis.

⁵ Five scales were constructed in accordance with the percentages of each group. Each group was equally balanced.

- q6 For which do you prefer to work, Euro-American company or Japanese company?
- Workplace satisfaction 5 scale

Chart 4: Taiwan





Both for Taiwanese and Chinese managers, those who are in an upper group (high workplace satisfaction group) prefer to work for Japanese companies, but on the other hand, those who are in a lower group (low workplace satisfaction group) prefer to work for Euro-American companies. In addition, those who are in a middle group, upper middle group, or lower middle group have no preference and accept both of them. There is no special difference between Taiwanese managers and Chinese managers regarding company choice of either Japanese companies or Euro-American companies. It becomes obvious that those who have high workplace satisfaction choose Japanese companies and those who have lower workplace satisfaction choose Euro-American companies

9. Diversity in the East Asian workplace

This study focused on workplace satisfaction of Taiwanese and Chinese managers working in Japanese companies. At first glance, people seem to think East Asia is all similar. However, it has

been proven that managers' evaluation for workplace satisfaction is so diverse between Taiwanese and Chinese managers. There are a full variety of differences in satisfaction in Japanese companies in East Asia. Taiwanese managers are relatively satisfied with the present workplace. However, Chinese managers' satisfaction is not as high as the Taiwanese. This study revealed that Taiwanese managers' workplace satisfaction was affected by perceived future prospects of Japanese companies. On the other hand for Chinese managers, workplace satisfaction was affected by whether they felt they were trusted by Japanese or not.

Even though it seems that Japanese companies in East Asia are similar at first glance, local employees' perceptions of Japanese companies are different by country and region. Local employees' perceptions partly depend on the relationship between Japanese expatriates and local employees. That is why Japanese companies and expatriates should pay serious attention to the local situation. That will definitely lead to the workplace satisfaction of local managers. Analysis in this study also found that workplace satisfaction is directly connected to company preference. Thus it is always very important to pay attention to workplace satisfaction of local employees.

This study implies that in Taiwan it will be very important to explain the future vision of the company, as well as clearly tell local employees their individual career paths after they enter the company. On the other hand in China, "trust" from Japanese expatriates is extremely important and it will be essential to create good human relationships between them and local managers. Of course to construct trust, it will be necessary to promote post transfer. In other words, it is very important to promote human resource localization. Otherwise, Chinese managers will keep thinking that they are not trusted by Japanese, and it will be difficult to elevate their workplace satisfaction.

Local managers whom this study focused on support present Japanese companies in East Asia. Now it will be very important to pay attention to their voices and discuss the future visions of Japanese companies. This kind of discussion has the possibility of accommodating real international cooperation, in terms of economic activities between Japan and East Asia. Shifting from bilateral to multilateral cooperation, with multinational enterprises as an economic actor, improved inter-cultural collaboration is possible within East Asia. Therefore promoted by expanding Japanese businesses overseas, the possibility of East Asian integration is further aspired towards.

REFERENCES

- Cohen, Robbin & Kennedy, Paul, *Global Sociology*, New York University Press, 2000
- Furuta, Akitarou, *Chugokuniokeru Nikkeikigyō no Keieigenchika (Localization of Japanese companies in China)*, Zeimukeiryōkai, 2004
- Hideo, Kobayashi, *Nihonkigyō no Ajiatenkai (Japanese companies on abroad)*, Nihon keizai hyōron sha, 2000
- Ktaoka, Nobuyuki & Mishima, Rinpachi, *Ajia Nikkei kigyō ni okeru ibunka komyunikeshon (Inter-cultural Communication in Japanese Companies in Asia)*, Bunshindou, 1997
- Ma, Seisan, *Chugoku Shinsitsu kigyō no Roudou mondai (Problems of Workplace in Japanese Companies in China)*, JETRO, 2000
- Nishida, Hiroko, Beikoku, *Chugoku shinsitsu Nikkei kigyō niokeru ibunka komyunikeshon masatsu (Inter-cultural communication conflict in Japanese companies in America and China)*, Kazamashobou, 2007
- Shiraki, Mitsuhide, *An Analysis of International Human Resource Management*, Yuhikaku, 2006
- Sonoda, Shigeto, *Asiabound of Japanese Company*, yuhikaku, 2001
- Sonoda, Shigeto & Imada, Takatoshi, *Ajia karano Shisen (Perception from Asia)*, Tokyo University Press, 1995
- Suzuki, Shigeru, *Ajia niokeru Nikkei kigyō no keiei (Management of Japanese Companies in Asia)*, Zeimukeiri kyōkai, 2000
- Wong Heung Wah, *Japanese Bosses, Chinese Workers*, Curzon Press, 1999
- Zhao, Xiaoxia, *Chugoku niokeru nikkei kigyō no jintekisigenkanri nitsuiteno bunseki (Human Resources Management in Japanese companies in China)* Hakutou shobou, 2002