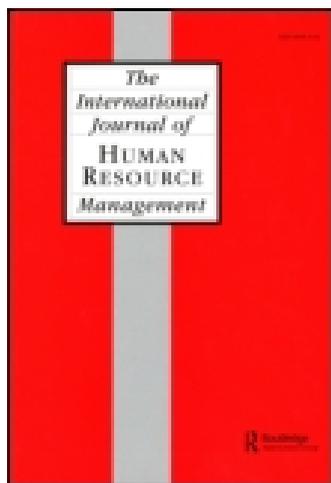


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### Transferring management practices to China: a Bourdieusian critique of ethnocentricity

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## Transferring management practices to China: a Bourdieusian critique of ethnocentricity

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This paper provides a critique of the emergent theories of human resource management in China with a view to generating new theoretical insights with particular reference to Pierre Bourdieu's social theory. It reassesses the relevance of the orthodox critique of ethnocentricity and the coherence of approaches embedded in Chinese culture. With reference to six case studies of the largest retail firms, we identify two key challenges: the reliance on headquarter human resource practices that reflect an ethnocentric ethos, i.e. country-of-origin bias, and the failure to empower local managers and the problems this creates for managers expected to implement ethnocentric practices. We examine how Bourdieu's social theory sheds light on the processes by which these firms realise their strategic objectives through the complicity of local managers whose scope for resistance is constrained by the use of normative control and in part through attractive remuneration and career prospects that generate Bourdieusian capital for these managers. We conclude with some suggestions for further research.

**Keywords:** Bourdieu; China; HRM; retail internationalisation; retail MNEs; transfer of management practices

### Introduction

The transfer of management practices to China has become an increasingly important debate (Zhang and Edwards 2007). Given the influx of foreign investors into China, and following the opening up of the Chinese economy through a raft of reform policies beginning from the 1980s, researchers have concentrated on making sense of the Chinese business context, explaining the business and management practices in terms of the long history and culture, determining what works and what does not, what foreign practices to adopt and how to fuse them with existing traditional norms and values. An emerging feature has been the tendency to conduct replication studies and to test Western theories with the intention of contributing to knowledge by elaborating Western-derived theories, identifying new Chinese variables and so forth. This tendency to pursue the 'refinement' of Western theories and contribute only incrementally to knowledge (Leung 2009), and to 'exploit' existing theories and constructs with limited theorisation (Li and Tsui 2002), has failed to generate a deep understanding of the phenomena in question or indeed develop new theory. Furthermore, much of this work has tended to involve quantitative surveys that seek breadth at the expense of in-depth learning that might be achievable through inductive and interpretive studies. In part this is attributable to data-collection logistical considerations as well as the fact that much of the management research on China is underpinned by a 'normal science' paradigm, and one which scholars find particularly attractive in a relatively virgin research environment that promises so much (see also Tsui 2009).

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Recognising the constraining nature of this research paradigm, and the overwhelming tendency to use Western theories to explain Chinese phenomena, Tsui (2009) urges scholars to follow the road less travelled in order to achieve both rigour and relevance. We heed this call by developing a critique of the extant human resource (HR) paradigm and identify some directions for further research which will both generate new theoretical insights as well as shed light on appropriate practical and policy implications. In particular, we propose that the contemporary critique of ethnocentricity might be more fruitfully strengthened with regard to Pierre Bourdieu's social theory. We focus on Bourdieu's notion of 'symbolic violence', which describes how 'dominant' authorities/classes secure domination and control with the complicity of the 'dominated' (Bourdieu and Passeron 1977; Bourdieu 1991). We illustrate how symbolic violence works through mechanisms of social control which are not always explicit such that local managers become instruments for the transmission of ethnocentric management practices, and by being denied the empowerment that would enable them to challenge the discourse of ethnocentricity, ultimately, by their complicity, lend it legitimacy and credibility. Thus, we argue that Western management operates through what Bourdieu describes as the notion of *meconnaissance* (misrecognition) to conceal the real purpose of the ethnocentric management processes which is to achieve legitimacy for corporate control and, in Bourdieu's terms, 'domination' through the complicity of local managers. It is in this sense that Bourdieu considers symbolic violence the most effective form of domination.

Previous work has focused on the adaptation of HR and 'best practices' to the local institutional environment in a Chinese context (Warner 1993, 1997; Gamble 2003). The institutional environments are multiple, diverse and variable over time, and their presence and power form causal factors that shape organisational practices (Scott 1987). The key point of the institutional theories that has been used to explicate the transfer of management practices is adaptation to the local market (Gamble 2003), but this calls for further theorising. Rules themselves are important types of resources; therefore, those who can shape and influence rules present a valuable form of power (Burns 1986). Recent research by Hartmann, Feisel and Schober (2010) found that Western multinational enterprises (MNEs) now have the flexibility to introduce relatively unchanged HR management (HRM) practices from their home country to the Chinese subsidiary. These companies rely on 'people-based mechanisms' to diffuse sensitive knowledge and use 'formalisation-based mechanisms' to adopt global HRM practices particularly for identifying and retaining talented employees. We aim to go beyond institutional theory and to apply the analytical lens of symbolic violence to examine how Western MNEs enhance their 'domination' of the Chinese market in the way they transfer management practices. In the process, the ethnocentric nature of management styles itself becomes a barrier to effective management transfer.

Ethnocentrism refers to the tendency to view the world from the point of view of one's own particular cultural or social group (Johnson, Lenartowicz and Apud 2006). This view leads to overestimating the importance and worth of people who are in one's own group, which often refers to Westerners, and to underestimating the importance and worth of people outside one's group, which mostly refers to non-Westerners (Deregowski 1972). Johnson et al. (2006) point out that even though ethnocentrism is frequently discussed at the individual level of analysis, it can also occur at the organisational level. Ethnocentric multinationals were originally identified as those who appointed home country nationals to key executive positions in overseas affiliates (Perlmutter 1969). Beyond the use of home-country nationals, an ethnocentric approach is also evident in the

way multinational firms impose on their subsidiaries the cultural norms that define the way they organise work (Hofstede 2001). Within the international business and strategy fields, it is also understood in terms of a country-of-origin bias (e.g. Ferner 1997; Harzing and Sorge 2003). According to this literature, this is a common feature of all multinational firms, and in our view the situation is no different with foreign firms operating in China.

In a study of HRM practices in China, Japan and South Korea, Rowley, Benson and Warner (2004, p. 928) found limited evidence of an emergent 'Asian model of HRM' and more evidence of a change in the direction of the 'Western model' with China ironically making the most rapid progress. This is in spite of the widely discussed evidence of HRM with 'Chinese characteristics' (e.g. Warner 2009). In this regard, Horwitz, Kamoche and Chew (2002, p. 1033) argue that in the diffusion of high performance work practices, 'practices may be adopted "as is", or with some modification, or comprehensively redesigned to suit local conditions'; they call for research that goes beyond the convergence/divergence debate and that explores the scope for cross-vergence and hybridisation. Such an approach would serve to challenge the presumed superiority of Western values and acknowledge the contribution of the local context, which we argue is particularly important in the retail context. There is already a body of work relating to cross-vergence and hybridisation, some of which has identified some evidence of hybridisation amongst foreign firms operating in China (e.g. Bjorkman and Lu 2001; Chen and Wilson 2003; Gamble 2010). Other scholars have identified evidence of hybridity, particularly amongst Japanese firms (e.g. Rose and Kumar 2007). The concepts of administrative heritage (Bartlett and Ghoshal 1998) and institutional isomorphism (DiMaggio and Powell 1983) may explain the persistence of structures, processes and management mentalities imposed by the parent organisations and their executives on foreign subsidiaries, even when it is inappropriate to do so, which is defined by Johnson et al. (2006, p. 532) as 'institutional ethnocentrism'. Johnson et al. (2006, p. 532) argue, however, that the extent to which institutional ethnocentrism affects foreign business operations depends on the 'tightness' of the organisational culture. The stronger the organisational culture, the fewer the allowances for differences in the local national culture, and the higher the institutional ethnocentrism. In the retail context, we argue that higher institutional ethnocentrism leads to lower effectiveness of transferring management practices into China, due to the risk of a higher mismatch with the local institutional environment. Additionally, it strengthens the MNE's capacity to secure Bourdieusian 'dominance' not only by more effectively justifying the MNE's power over the subsidiary, but also by its capacity to achieve legitimacy for such claims and practices through local managers who are placed in a position to realise the same.

With reference to symbolic violence, this paper contributes to the international HRM (IHRM) debate by re-examining the critique of ethnocentricity and highlighting the paradoxical position of local executives who identify the negative impact of ethnocentricity yet are powerless or unwilling to act on it. Our critique allows us to examine how ethnocentricity in the transfer of management practices becomes self-perpetuating when local managers who possess local knowledge are turned into the instruments for contextually inappropriate practices that potentially create frustration for these individuals when they themselves are rendered voiceless. In the sections below, we identify the key developments in the Chinese retail sector, characterise the transfer of management practices to China, analyse the findings with reference to symbolic violence and conclude with some suggestions for further research and implications for practice.

### *The emergence of the Chinese retail sector*

The pursuit of low cost is one of the main reasons why MNEs entered the Chinese market. This is particularly important in China's emergent retail sector. In order to compete with the local open markets which are characterized by traditional Chinese food shopping habits, low price is the key factor for foreign retail MNEs. However, as we found out, low-cost strategies sometimes created conflicts with key stakeholders, particularly suppliers and employees. Different foreign retailers applied different strategies in pursuit of low-cost leadership, determined by their knowledge of the Chinese market, their management style and corporate culture. China's retail sector started to open to foreign business from 1992, and in the same year the Chinese government legislated personnel reform programmes designed to end the traditional 'iron-rice bowl' system (Ding, Goodall and Warner 2000). Western retailers' entry into the Chinese market began from the mid-1990s (Siebers 2011). The country provided complete legal freedom for foreign retail operations by November 2004, spurring foreign retailers to further expansion in the intra-national realm (Siebers 2012). China's retail sales reached US\$1680 billion in 2010, effectively doubling since 2006 and making the country a major attraction to retailers from Europe, the USA and Japan, with sales value forecast to double again by 2015 (Dawson 2011). This growth in sales coupled with the continuing slow growth of store-based retail opportunities in developed economies makes having a strategy in the Chinese market essential for foreign retailers from all sectors (Dawson 2011).

The wide-ranging personnel reforms have further encouraged the flexibility of HR regulations in the retail sector. China's service sector represents 44% of the country's GDP and 36% of the labour force (British Consulate-General Shanghai 2011). The sector plays a crucial role in alleviating many employment challenges following the widespread state-owned enterprises (SOEs) lay-offs in the 1990s, and has been the fastest source of new jobs over the last two decades. However, the unprecedented growth and expansion of the retail sector has also created numerous problems in the management of people, particularly within the cross-culture context of the foreign retail sector. This is becoming even more significant not only because the retail sector is taking on an even larger component of the labour force but also because it is indirectly influencing work patterns of labour in the manufacturing sector due to the dominant position of retailers in the distribution channel (Dawson 2007). The failure of foreign retail MNEs to understand the business practices with suppliers in China has placed them at a relative disadvantage vis-à-vis local retailers. The ethnocentric approach adopted by retail MNEs has led to divestment from the Chinese market, for example OBI ultimately withdrew from China because the ethnocentric management practices of German headquarters (HQs) were not effective in China. According to McKenna, Richardson, Singh and Xu (2010), Western HRM practices are negotiated into practices, not simply transferred or rejected in the Chinese market, in a way that some Western HRM practices are accepted and others are rejected, depending on the degree of the impact of these practices on end-users' working lives. Wal-Mart's low-price strategies have put immense pressure on the low wages of local shop floor employees. Carrefour's charges on display fees resulted in a supply strike, and managers were arrested in 2007 for allegedly taking bribes from suppliers. Overall, the complex business relations and large psychic distance between China and Western countries have caused significant management issues such as employee complaints, conflicts with local suppliers, low performance and loss of local markets, further exacerbating employment relations.

The question of what kinds of HR strategies are appropriate for foreign businesses operating in China is becoming more important due to the increasingly important status of

China in both manufacturing and service sectors in the global economy. The opening up of China's retail sector in 1992 has attracted the increasing attention of research on the transfer and application of Western HR practices in China, leading researchers to consider for example the relationship between HRM and firm performance (Bjorkman and Fan 2002; Law, Tse and Zhou 2003). According to Gamble (2003), when Western retailers transfer their HR systems into China, the institutional and cultural features of the Chinese environment and firm-specific competencies are the most relevant considerations. Yet, Gamble (2003) found that instead of adapting to local HRM practices, service-sector firms largely transfer their parent-country HRM practices, and are driven by what he terms 'organisational inertia' to the Chinese context, 'refracted through host-country and institutional lenses' (Gamble 2003, p. 384).

These developments highlight a number of concerns that require attention. For example, foreign retailers have generally used ethnocentric management styles, with little empowerment to local managers and employees (Siebers 2012). Not only do such practices adversely affect morale and motivation, they also inevitably place a ceiling on the advancement opportunities of the local workforce. This requires researchers to challenge the ethnocentric management approaches on the basis of the existence of psychic distance between home and host countries (O'Grady and Lane 1996; Evans, Bridson, Byrom and Medway 2008), considering that the nature of retail business is customer-focused and in view of the fact that social institutions remain powerful in China (Law et al. 2003; Child and Tsai 2005). Furthermore, lack of *guanxi* relations has been addressed as one impediment in foreign firms' effective development in China (Tung and Worm 2001) because *guanxi* is part of a broader cultural influence and is best contextualised in a specific Chinese business systems setting (Whitley 1999). More importantly, the paucity of qualified local managers reduces foreign firms' competencies (Morris, Wilkinson and Gamble 2009). Therefore, an ethnocentric approach that disregards the local context and fails to benefit from local knowledge creates considerable risks for retail MNEs vis-à-vis local firms who control up to 92% of sales of the retail market (Siebers 2011). The foregoing demonstrates that business practices that are at odds with the Chinese local context realities ultimately have a deleterious effect on the management of people. We argue therefore that it is necessary for researchers to pay more attention to the retail sector in order to understand the magnitude of HR and labour relation challenges within the broader context of the Chinese economy.

Much of the debate in transferring management practices has focused on the management of employees, especially factory workers, immigrant labour and dormitory conditions (see Smith and Pun 2006; Liang, Xie and Cui 2010); others have focused on HRM and employment practices of foreign direct investment (FDI) firms in China (see Cooke 2004), an important issue derived from the prevalence of 'ineffective' people management practices (Nankervis, Chatterjee and Coffey 2006). Such a research strand primarily emphasises the alternatives or convergence of localisation and standardisation of global HRM practices in China (Zheng and Lamond 2009). Moreover, an established ethnocentric approach was used to explain IHRM in the context of China, and this promotes the 'dominance of naïve empiricism' and therefore neglects diverse voices, as suggested by de Cieri, Cox and Fenwich (2007, p. 282).

Nevertheless, this 'naïve empiricism' has not been sufficiently developed theoretically. Even though a number of studies have addressed employee and labour relations and various HR practices in China (see Zheng and Lamond 2009), ineffective people management faced by many MNEs requires the refining of existing theories and developing new theories on the employment practices of FDI firms in the Chinese context

(Cooke 2004; Gong, Shenkar, Lou and Nyaw 2005; Gamble 2006). One of the major challenges faced by MNEs in China is the shortage of world-class talent to meet the needs of the fast growing Chinese economy and the large volume of FDI (Ma and Trigo 2008; Hartmann et al. 2010). MNEs require skilled and empowered local managers, yet China is experiencing a brain drain as many who graduate in industrialised countries opt to remain and work there (Hartmann et al. 2010). By 2008, only 30% of the one million Chinese students who studied abroad between 1978 and 2006 returned to China (Tung 2008). The older generation that was educated during the Cultural Revolution lacks the appropriate experience in strategy, innovation, enterprise and empowerment, while the younger generation has received little management training (Iles, Chuai and Preece 2010). The rapid growth of business opportunities has led to a higher demand for managerial talent than the country is able to offer in order to respond to fierce competition; this imbalance is viewed as a key feature of competition amongst multinationals against local firms (Lane and Pollner 2008). Therefore, it is imperative for MNEs to train, empower and retain competent managers. However, it is still commonplace for MNEs to rely on HQ executives and to pursue an ethnocentric approach (Johnson et al. 2006). We seek to understand how this approach is realised and how it acquires legitimacy in the Chinese retail sector.

### *The pursuit of ethnocentric management practices in China*

The literature on managing people in China has mainly considered the manufacturing and production setting with relatively less attention focusing on the retail sector (Wong 2001; Gamble and Huang 2009). This is partly attributable to the fact that the Chinese manufacturing sector has been a much more visible component of the economy, with China earning the title ‘the world’s factory’. By and large, research on HRM in China has made much of the core cultural values in the Chinese society – Confucius philosophy, with over 5000 years’ history and how these values have been ingrained into the Chinese business and management style. Wang, Wang, Ruona and Rojewski (2005) define two groups of relationships: ‘wu lun’ (father–son, husband–wife, elder–younger brothers and friend–friend) and ‘wu de’ (five virtues: Ren – humanity and benevolence; Yi – righteousness; Li – propriety; Zhi – wisdom; Xin – trustworthiness) and discuss how the values represented by such relationships have profoundly influenced HR practices in China and helped create a harmonious society and acceptance of a hierarchical organisational structure. Cunningham (2010, p. 2136) argues that ‘traditional mindsets such as the Confucian value system still have a strong impact on people’s behaviour’. Hence, at the workplace, the relationships of subordination and superiority are considered natural and significant for achieving harmony. It has been argued that having a highly collectivistic culture, as opposed to an individualistic one, in Chinese organisations, individual interests are often secondary to those of the group (e.g. Wang et al. 2005). However, the functional value of the social hierarchy within organisations is now subject to scrutiny. For example, Gamble and Huang (2011) assert that the Chinese norms such as respect for authority have a negative impact on employee participation, satisfaction and further firm performance. Similarly, in order to give face (*mianzi*) to show respect to the social status and reputation of superiors, the initiatives of subordinates have been significantly reduced (Wang et al. 2005). These examples suggest to us that the assumption that tying HRM practices to culture is desirable and necessary for organisational performance must be treated with caution.

With the move towards a more market-driven economy, Chinese culture is constantly evolving – traditional Confucian values are fading out (Chen, Bishop and Scott 2000) and

becoming challenged by, or infused with, capitalist values, the global community, new attitudes and Western practices (Yang 2002; Wang et al. 2005). Recent research suggests there are serious concerns about the HR practices that have accompanied the Chinese 'economic miracle'. In a recent review, Kim, Wright and Su (2010) contend that due to a lack of contextualised research, studies of HR practices in China are 'limited'. The authors raise a number of important China-specific issues that remain unexamined, including guanxi-based HR practices, motivation by political rhetoric, high voluntary turnover rate around national holidays, shortage of skilled labour, skill gaps between generations, intra-national migrant workers, the legacy of the *danwei* (company units) system, dormitory resident workers, intra-national divergence of legal compliance strategies and government-affiliated trade unions. We do not entirely concur with these authors' claim of limited research and are aware that some of these issues have been explored extensively, such as the role of guanxi in business relations and social networks (Tsui and Fahr 1997), or the use of coercive control in the dormitory labour regime which affects millions of migrant workers (e.g. Smith and Pun 2006), as well as the recent discussion on compensation and reward, motivation, HR development and labour relations (see Liang et al. 2010). In this paper, we argue that there has been little effort to articulate these concerns with particular regard to the current HRM issues faced by retail MNEs in spite of the increasing attention that has been given to the retail sector in general. Next, we set out the elements of our analytical lens.

### *Symbolic violence in the transfer of management practices*

Bourdieu's social theory appears appropriate for interpreting the use of ethnocentric practices because it is about the pursuit of organisational control by 'dominant' classes through the complicity of the 'dominated' (Bourdieu and Passeron 1977; Bourdieu 1991). By drawing from 'symbolic violence', we seek to examine how management practices function as 'strategies of domination' and 'structures of legitimacy' (Courpasson 2000) to realise control. Bourdieu's body of work should be seen as a relational theory of sociology which embraces his key constructs, capital, habitus and field (DiMaggio 1979; Emirbayer and Johnson 2008). For Bourdieu, capital manifests itself in various forms and includes the cultural, symbolic, economic, juridical and educational. The possession of capital enables the holder to redefine the configuration of power relations (e.g. Oakes, Townley and Cooper 1998; Mutch 2003; O'Mahoney 2007; Cooper 2008; Kerr and Robinson 2009; McLeod, O'Donohue and Townley 2009; Morean 2009; Townley, Beech and McKinlay 2009). Often, struggles over resources and access take place within fields which Bourdieu defined as networks of social relations, and structured systems of social positions. Fields are always in a state of flux as the social positions within them are constantly negotiated.

While it is plausible to view the retail MNEs in question as fields within which local managers and expatriates are pitted against each other, we opt to focus on the lesser-understood concept of symbolic violence which we believe serves as an important analytical lens for examining how retail MNEs impose a form of domination over their operations in China through the complicity of local managers who become subject to structures of domination. This is a novel way of interpreting Bourdieu's social theory and thus articulating a new contribution within the context of international business and international retailing. For Bourdieu, symbolic violence manifests itself through two mechanisms which appear particularly pertinent to the use of ethnocentric management practices: it changes what is at stake through the 'power of pedagogy', i.e. learning, and it functions through *misrecognition*, i.e. realising while denying social realities (Bourdieu

1977, 1998; Bourdieu and Passeron 1977). Bourdieu and Boltanski (1975, cited in Thompson 1984) illustrate the role of pedagogy by demonstrating how ‘the dominated’ come to accept the legitimacy of a ‘superior’ language even though they might not speak it. In the context of transferring management practices, pedagogy is not simply about learning the strategies/practices as taught and implemented by the HQs. It is about accepting the legitimacy of such strategies/practices, and acquiescing in their putative superiority vis-à-vis the indigenous practices. This paper examines how local managers engage in Bourdieusian pedagogy that ultimately leads them to accept the legitimacy of ethnocentric practices and proceed to implement them even though at the personal level they are deeply apprehensive about the suitability of these strategies/practices. Misrecognition (*meconnaissance*) manifests itself when the dominated mistake acts of domination for something else.

Hence, for Bourdieu, through the ‘superior language’ for example, that has achieved legitimacy through pedagogy, the dominant groups/classes in fact conceal the inherent social stratification and power relations (Bourdieu 1977; Bourdieu and Passeron 1977). Hence, the corporate HQs determine the appropriate way for local managers to ‘behave’ through management practices that reflect an ethnocentric ethos and, through the complicity of these managers, succeed in securing legitimacy for an ethnocentric set of practices and corporate control. In the process, ethnocentricity and corporate control are misrecognised as the defining feature of MNE HQ strategy, not to be questioned, even if manifestly inappropriate. Complicity also works because local managers are able to acquire economic capital; their self-interest ultimately allows MNEs to seek legitimacy for ethnocentric practices. In recent research on symbolic violence, legitimate domination can be misrecognised as ‘charm’, or ‘as the attributes of the “natural leader”’ (Robinson and Kerr 2009, p. 881). Similarly, the phenomenon of organisational spirituality has been interpreted as misrecognising managerial power as ‘customer service’ and ‘service to God’ (Kamoche and Pinnington 2012). Thus, we contribute to the debate on the transfer of management practices by moving beyond the critique of ethnocentricity and the twin concerns with mechanisms and challenges of transferring practices, and, instead, develop a sociologically grounded approach for interpreting the power and legitimation undertones through the analytical lens of symbolic violence.

## Methodology

### *Qualitative research design*

As noted above, the HR and management practices of retail MNEs in China are still a relatively under-researched topic, which underscores the need for exploratory studies as well as more theory building. Thus, we opt for a case study methodology which is considered appropriate for generating novel analytical perspectives, exploring new theoretical relationships and reframing old causal linkages (Eisenhardt 1989). This approach has proven particularly suitable for researching HRM in China. For example, Morris et al. (2009) studied the case of electronics and garment companies in China to address the importance of strategic HRM in the country. McKenna et al. (2010) used a computer manufacturing firm as a case study to discuss how North American HRM practices were accepted or rejected by Chinese management. The case study approach has also been widely adopted by studies of HR issues in China’s retail sector. For example, Gamble and Huang (2009) analysed how one foreign retail store applies two employment systems in the Chinese market and consider the effective HR practices they adopted. Similarly, Xun (2010) analysed the talent challenges in a multinational expatriate-based

management system at Tesco. Case study methods based on qualitative primary sources have also been adopted in recent studies on international retailing (Moore, Birtwistle and Burt 2004; Evans et al. 2008; Bianchi 2009; Wigley and Chiang 2009; Siebers 2012). Thus, a case study approach provides a significant opportunity to advance theory development and is particularly recommended for conducting management research in a Chinese context (Warner 1986). Given the fact that the intention of this study was to explore a new area of research, a multiple case research design was deemed the most appropriate (Strauss and Corbin 1994) and more robust than a single case study (Yin 2003).

### *Selection of companies*

Six case studies ( $n = 6$ ) were chosen by a purposeful sampling process to reduce coverage error (Groves et al. 2004). The top four largest foreign retailers by size and sales worldwide were chosen – Wal-Mart (American), Carrefour (French), Metro (German) and Tesco (British), as well as two large retail firms 7-Eleven (Japanese) and DIY store B&Q (British). These firms were also the largest foreign retailers in China by sales and number of stores (see also Siebers 2012). This sample also represents the major formats of foreign retailers that have transferred into China, according to Goldman (2001): supermarket (Wal-Mart, Tesco), hypermarket (Carrefour), wholesales club (Metro), convenient store (7-Eleven) and DIY store (B&Q). Thus, our sample clearly includes the most significant players in the sector, not just in China but globally, with equally significant implications for the management of human resources in the Chinese economy.

### *Data collection and analysis*

The findings reported here are part of a larger study which began in 2005 to explore the strategies foreign retailers undertake to secure growth in their internationalisation process in China. For the purposes of this paper, we focus in particular on their management and HR practices and how these practices were perceived and interpreted by local managers. Thus, the data collection process involved two approaches: face-to-face interviews with senior executives and experts in the field, and a broad range of archival material. In the first instance, 13 in-depth interviews were conducted at regional and national levels with senior executives who were involved in or thoroughly understood the HR practices of their firms in China and were considered as ‘elite informants’ (Yin 2003). The interviewees were all male except one; they were all experienced, middle-aged executives, Chinese university educated and had come through the traditional SOE route. Having moved into Western MNEs they appeared to have become more Westernised in outlook. In addition, three expert views were sought from the Chairwoman and one senior executive of the China Chain Store and Franchise Association (CCFA) and a major supply company for the majority of retailers in China. The total of 16 profiles of people, positions and location of the interviews are listed in Table 1.

The interview format was open-ended interviews (Gillham 2000), based on a semi-structured questionnaire, with appropriate probing questions, and interviewees were allowed to speak freely. Interviewees were asked to describe the HR activities and practices their firms pursue to achieve growth and respond to the Chinese market environment, and the relevant influential drivers of such activities and practices. They were asked for their views on the motives behind these practices, and the effect they believed these practices had on local management and employees. Therefore, the themes we identified relate primarily to the Chinese retail market characteristics and corresponding HR strategies of

Table 1. Details of interviewees.

No.	Company	Title	Nationality	Gender	Age	Education background	Language	Location
1	Wal-Mart	International Affairs Manager, North China	Chinese	Male	40–45	China	Chinese	Beijing
2	Wal-Mart	Regional Executive, Middle China	Chinese	Male	40–45	China/also planning further studies in the West	Chinese	Changsha
3	Wal-Mart	Regional Executive, Northeast China	Chinese	Male	40–45	China	Chinese	Shenyang
4	Wal-Mart	Deputy Manager	Chinese	Male	40–45	China	Chinese	Beijing
5	Wal-Mart	Operations Executive	American	Male	40–45	Western	English	Shanghai
6	Carrefour	International Affairs Manager, North China	Chinese	Female	35–40	China	Chinese	Beijing
7	Metro	Purchasing Manager, North China	Chinese	Male	35–40	China	Chinese	Beijing
8	Metro	International Affairs Manager, North China	Chinese	Female	40–45	China	Chinese	Beijing
9	Metro	Expansion Manager, Middle China	Chinese	Male	35–40	China	Chinese	Changsha
10	Metro	General Manager	Chinese	Male	40–45	China	Chinese	Shanghai
11	Tesco	International Affairs Manager, China	British	Male	35–40	China	English	The UK
12	B&Q	CEO China	Chinese	Male	30–35	China/the UK	Chinese	Beijing
13	7-Eleven	Deputy Manager	Chinese	Male	40–45	China	Chinese	Beijing
14	CCFA	Chairwoman	Chinese	Female	50–55	China	Chinese	Beijing
15	CCFA	Senior Executive	Chinese	Male	35–40	China	Chinese	Beijing
16	Supply company	Regional Executive	Chinese	Male	30–35	China	Chinese	Changsha

the firms in question, with particular regard to expansion. All the interviews were carried out by the Mandarin speaking authors, those with Chinese managers and officials were conducted in Mandarin Chinese and those with the foreign managers in English. The interviews lasted up to two hours. In order to ensure a high degree of access to the views of the key informants, the interviews were not audio-recorded; instead we relied on note-taking during the interview and generated a more detailed transcript immediately after each interview. Member-check was applied by sending the case reports to the interviewees to verify the accuracy of the data (Morse, Barrett, Mayan, Olson and Spiers 2002).

In the second approach, a wide range of secondary quantitative and qualitative materials were collected both internally and externally to complement the interview data. Company websites have been used effectively to examine marketing strategies (Perry and Bodkin 2000). The internal data and archival reports were derived from company websites, company reports and various archival documents. The external data were collected from newspapers, statistical yearbooks, website articles, press interviews, academic books and articles, using the firm's name as a keyword. In total, about 50 articles per firm were collected, making up about 300 articles altogether ( $n = 300$ ). These secondary data helped define the profiles of the firms and yielded important insights about the internal functioning of the firms. These insights helped achieve some degree of triangulation to verify the consistency of information collected via interviews (Yin 2003). We organised these data by using ordinal numbers as archives.

Data analysis followed an inductive approach as recommended by Lindlof (1995). When analysing foreign retailers' HR practices in China, the cases were treated independently for theoretical replication and pattern matching (Yin 2003). In the interview transcripts analysis, content analysis was applied to search the text for recurring words, themes and core meanings (Patton 2002). The entire data set in the interviews and documents was indexed, and contextual units, analytic units and coding units were applied to code the data as suggested by Mayring (2004). This approach helped us to make sense of the data and to organise the emergent themes. Our analysis was guided by replication rather than sampling logic (Eisenhardt 1989; Dyer and Wilkins 1991; Yin 1994). Thus, following Ragin (1994) we analysed the data using inductive techniques in order to gain in-depth knowledge of a process rather than a static picture. The transcribed responses were subjected to a series of iterations until specific patterns and themes began to emerge. These were checked thoroughly against the field notes to ensure the integrity of the data. This approach is consistent with narrative analysis and interpretation (Gabriel 2000; Pinnington, Kamoche and Suseno 2009). The use of multiple sources of evidence achieved construct validity and consistency of the data (Yin 2003).

### *Discussion of findings*

This section provides a broad and critical overview of the key findings. In particular we examine the scope and rationale for the adoption of ethnocentric practices in the retail firms' use of senior level personnel and their failure to empower local managers. We scrutinise the justifications for the ethnocentric mindset and its ramifications for the local employees and managers, in the process highlighting the value of symbolic violence as an analytical lens.

#### *Local managers' perceptions of ethnocentric practices*

As noted above, ethnocentricity manifested itself mainly in the use of management styles at the top level including the use of 'open-door policies', the reliance on senior executives

from HQs and the failure to empower local managers. Some of the comments by local managers not only illustrate how this ethnocentricity played out but also what they believed inspired it in the first place, how they believed it reflected the retailers' perceptions of the local labour force and culture, and how ethnocentricity adversely affected both motivation and growth.

Our decision makers are from the HQs in Germany. In this way, employees feel that the top management hold particular views on Chinese culture and labour. This not only affects employees' motivation but also reduces our speed of expansion in China. (International Affairs Manager, Metro, North China)

Our corporate culture and concepts are the most important factors that influence employee motivation. This is because the corporate culture and the characteristics of decision makers directly influence how we understand the cultural differences between China and the retailer's home country and how we respond to these differences. (International Affairs Manager, Metro, North China)

Foreign retailers' culture and management styles are the main issues that significantly influence their expansion in the Chinese market ... Wal-Mart's expansion process is relatively slow, because the firm has been trying to keep its own culture. (Senior Executive, CCFA, China)

We mainly adopt an American management style, which to some extent limits our expansion because we did not recognise the great cultural differences between China and the US. A complete American management system does not work well in China due to the cultural differences, and this has affected the potential of our growth in the Chinese market ... Following its own management style with less flexibility in China, our company took a slow expansion strategy. (International Affairs Manager, Wal-Mart, North China)

The CEO of Wal-Mart China has been working in Wal-Mart more than 30 years, and he has been working in China for more than 10 years. In fact, he is too powerful when it comes to making the firm's expansion decisions, wherever the company opens a store, it must be permitted by him, and he needs to go to the new location in person to do the necessary investigations. (International Affairs Manager, Wal-Mart, North China)

The view above sought to highlight the inefficiency of having a highly centralised power structure, which locals understood but could not challenge. The foregoing highlights the paradox whereby local senior management realised the inappropriateness of their organisation's ethnocentric approach but still persisted with it and were powerless to act on it. The MNE has effectively achieved the misrecognition of the process of corporate control. Yet, ethnocentricity is multifaceted, and its triggers must not be seen only from the point of view of the foreign investor. It can find justification from within the context of local employees who value Chinese cultural norms (e.g. *guanxi*) less, as the following quote illustrates:

We deal with less personal relationships here compared to what we would do in a State-Owned Enterprise, because the key focus of the leaders at Wal-Mart is firm performance. (Regional Executive, Wal-Mart, Middle China)

These findings illustrate the effects of symbolic violence whereby local managers became the instruments for the transmission of ethnocentric practices and were in no position to challenge this discourse. The local managers find they are denied a say in decision-making, are prevented from building on the positive aspects of the local culture and the chance to build on local knowledge, all of which negatively affect business expansion and firm performance. In Bourdieusian terms we would argue that these managers succumbed to the power of the pedagogy of the dominant Western management practices which they *learned* and consented to implement. This is a significant element of Bourdieu's theory,

where complicity by the ‘dominated’ provides the legitimacy for the control of their behaviour. What this meant for retailers such as Wal-Mart, as evidenced in materials available to us as well as interview transcripts, is that its late entry in some big cities decreased its competitiveness vis-à-vis other firms that entered earlier. Evidently, the firm could have acquired and/or expanded market share if the CEO had exercised more flexibility in decision-making, including empowering local managers. An ethnocentric approach which aimed at securing control ultimately had costly business performance implications. In Metro and Wal-Mart, important decisions such as expansion plans and opening new stores are tightly controlled by home country top managers, although local managers’ opinions in such decisions are increasingly considered, for example store location and the timing of opening.

An additional rationale for the reliance on top management from the HQs was the perceived shortage of local managerial expertise, which was attributed in part to the institutional difficulties of developing talent from lower level employees into management positions. While there is a strong emphasis on education, social networks play a more important role in the Chinese context in determining career advancement. It is extremely unusual, for example, for shop floor workers to rise into the managerial ranks, in contrast with the practice in Western countries; similarly, junior level managers can encounter substantial obstacles in progressing into senior management, even though the value of training is now increasingly recognised.

We lack good employees in management positions, which is an obstacle for our growth in China. We lack good knowledge of the Chinese market, the distribution systems, familiarity with local regulations, and training [of foreign staff about China’s market] and so on. (International Affairs Manager, Tesco, China)

Training is well provided in the firm; however, it is still not very easy to get promoted to higher ranks. For example, if one is a Corporate Affairs manager, one would find it difficult to improve his/her position to rise to the very top, such as an executive. Similarly it would also be very hard for a cashier to be promoted to be a manager. (Regional Executive, Wal-Mart, Northeast China)

The failure to develop managerial expertise is further exacerbated by the frequent job-hopping and notoriously high turnover in the retail industry (see also Gamble 2010). High turnover particularly at the management level and amongst professionals lends credence to the idea that good expertise is lacking, thus justifying the reliance on expatriates.

#### *Consequences of the ethnocentric approach*

In addition to slowing down the expansion process, the failure to cede some control and empower local managers had a number of unexpected consequences both for the local managers as well as for the firms themselves. Not only did it result in an inharmonious work environment, it also created a form of cognitive dissonance amongst the local managers who felt embarrassed, powerless and culturally inept when prevented from engaging in culturally accepted practices that would have enhanced their effectiveness when dealing with clients. Lacking empowerment to take initiative, being ignored when important decisions were made and being made to internalise a Western ethos and pursue Western values and norms placed the local managers in the difficult position of being denied a voice yet expected to facilitate ethnocentric practices and thus lend them the desired legitimacy.

Our top-level strategy does not really involve Chinese managers. The Chinese executive of our company is mainly responsible for developing and managing the relationships with the government. (Purchasing Manager, Metro, North China)

The American management team tends to take control (in our company). Wal-Mart has three foreign managers, who are in charge of China's market. Even though some of them need to report to Chinese managers who are at higher positions than themselves, sometimes they make decisions in the first place before calling for the participation of Chinese managers. (International Affairs Manager, Wal-Mart, North China)

At times, we Chinese colleagues feel embarrassed by not following the Chinese culture when dealing with local governments. For example, we do not provide any gifts for the local governments even when the managers need to meet the local officials during a festival, such as Chinese New Year. (Regional Executive, Wal-Mart, Northeast China)

Our expansion plan is mainly decided by the Head Office in America. Even the Chinese executive cannot make the final decision on whether to open a store. Therefore we are not very efficient in our speed of expansion in China ... the embarrassment of the relationships with local governments and other officials gives Chinese managers a hard time when dealing with government officials. We do not even provide lunch to people who come to help at times and we have to strictly follow American rules and regulations. (Regional Executive, Wal-Mart, Northeast China)

In contrast, Carrefour and Tesco took a more localised approach by providing a relatively higher level of empowerment which appears to have contributed to a faster pace of expansion and better firm performance.

With a purpose of achieving a better localisation status, we pay attention to regional differences in economic development, culture, consumer preferences and location choices. We empower local employees to get involved in our expansion strategies and this is one of the reasons why our expansion process has been the most rapid among all foreign retailers in China. (International Affairs Executive, Carrefour, North China)

Tesco is very sensitive to cross-culture issues, and always keeps a host country's own culture ... We employ excellent local people in a very flexible way. Local teams have the right to make decisions on the opening of new stores ... The Chinese executive has substantial retail experience and he has built up very good local teams for the company. We have therefore grown very fast. (International Affairs Executive, Tesco, China)

Foreign retailers' empowerment largely depends on their localisation strategies and degree of localisation (Siebers 2012), that is the extent to which they comply with the norms of the local institutional environment. As argued above, an ethnocentric ethos appeared to drive the transfer of management practices. However, a simplistic critique of ethnocentricity does not capture the complexity of the dynamics at work. Thus, on the one hand, these foreign firms might be succeeding in establishing transparency in an economy characterised by serious concerns about the lack thereof, going against the grain in redefining business practices and effectively managing the costs associated with interpersonal relationships, gift-giving and hospitality. As such they would appear to be rejecting received wisdom about the need to conform to the collective norms of the institutional environment and thus secure acceptance, stability and legitimacy as suggested by institutional theory (e.g. DiMaggio and Powell 1983; Roberts and Greenwood 1997), an approach also recommended for emerging markets (e.g. Kamoche and Harvey 2006). This reflects the imposition of a structure of control driven by a belief in the superiority of ethnocentric vis-à-vis indigenous approaches. However, in spite of the transparency gains and move towards a more rationalistic business ethos that eschews personal relationships, gift-giving and so forth, we would question whether the associated loss of goodwill and business-enhancing *guanxi* is a price worth paying. Ultimately this question would require a more incisive study. However, in addition to the implications for expansion and competitiveness noted above, our findings suggest that the powerlessness and sense of frustration suffered by some local managers neither served the organisation's

purpose in addressing the shortage of high-quality local managerial expertise nor did it enhance local–home country business relations. On the other hand, higher levels of empowerment and an appropriate level of flexibility given to local employees have helped retail MNEs to achieve competitive advantage such as Tesco’s fast and successful expansion in China since its entry in 2004 through acquisition.

### *Limits to ethnocentricity*

The adoption of ethnocentric practices cannot be taken for granted. In fact, not every firm in our sample exhibited a decidedly ethnocentric ethos. This highlights the fact that firms’ choices about the internationalisation approach are not necessarily driven by a quest for domination through the imposition of HQ practices. It suggests also that Bourdieusian complicity is achievable not only by the subtle appeal for support for foreign practices but also by demonstrating sensitivity to the local institutional context. A case in point is Carrefour which, unlike Wal-Mart and Metro, applied a contextually sensitive approach and a flexible and decentralised management style based on its international experience and understanding of Chinese culture.

Our company has abundant international experience, accumulated from the 1960s. Before we entered into China, we were operating in Taiwan, where we learned a lot about Chinese culture, consumer behaviour and other useful information regarding Chinese cultural markets. This uniqueness has played a significant role in our successful performance in China. Our decision makers, who have got substantial retail experience, are very open and flexible. We have adapted to the Chinese retail environment in a very effective way, by a high level of empowerment to local employees. This is the main reason why our company has become the biggest foreign retailer in the Chinese market. (International Affairs Manager, Carrefour, China)

However, this ‘flexibility’ and anxiousness to be seen as sensitive to the local context became a double-edged sword which ultimately damaged the firm’s reputation and performance when Carrefour incurred punitive fines and suffered store closures after flouting local laws and regulations, in particular imposing illegal charges on suppliers. This happened mostly in the first 10 years of expansion into China. The following explanation was offered:

We seriously follow central government policies (Article 8). The reason why Carrefour did not strictly follow the central government’s policies at times was because the central government did not always provide clear rules. Since the central governmental policies and regulations became clearer, we have started to follow these policies and regulations strictly. (International Affairs Manager, Carrefour, China)

This scenario highlights the difficulties foreign firms faced in navigating the institutional context in China, which appears to have served as a trigger for an ethnocentric approach. Thus, some firms such as Wal-Mart and Metro approached the internationalisation process with a mindset that conceived of HQ practices as ‘superior’. Others such as Carrefour were prepared to respond to local context institutional demands for conformity by eschewing the ethnocentric mindset, yet found that rather than facilitating the form of ‘efficient’ flexibility they desired, ambiguity in the local legal context instead proved to be a minefield that penalised failure to conform. The common theme revolves around foreign retail firms realising an internationalisation strategy through the pursuit of domination and control with the complicity of local managers who were ill-equipped to challenge the *modus operandi*. In effect, the firms were able to realise Bourdieusian control through misrecognition, i.e. by concealing the purposes that drove the internationalisation strategy.

Institutional factors also conspired to curtail ethnocentricity, in particular when it came to the pursuit of open-door policies.

Wal-Mart tends to apply more open management style, such as American open-door management policies; however, since most positions in the stores are taken by local Chinese people, most of these kinds of policies could not really be implemented. (International Affairs Manager, Wal-Mart, North China)

The fact that the implementation of these everyday policies is by lower and middle level Chinese managers partly explains the failure of open-door policies and such other mechanisms to the extent that these managers remain subject to the exigencies of the local culture. Managers exercised some agency and discretion: whereas they felt compelled to not offer gifts, they chose whether to avail themselves to employees or not. This suggests some scope to challenge the foreign firms' use of symbolic violence and the fact that local managers were not entirely powerless. The constraints imposed by the culture also have implications for expansion:

Foreign retailers such as Wal-Mart are expanding more slowly than Chinese domestic retailers due to two main constraints: cross-cultural issues and HRM issues. We may see in the near future (about five years' time) that foreign retailers' HR management practices are more localised, more Chinese orientated; however, its speed will not be very fast and its progress can only be step by step. This has left a gap for domestic retailers to strengthen their core competences. (CEO, China Investment Consultancy, Archive 10)

The foregoing is an important aspect of the critique of ethnocentricity which has not previously been acknowledged as attention tends to focus on the perceived 'inappropriateness' of foreign practices. Very rarely have researchers concerned themselves with the extent to which the local culture might be preventing the successful adoption of practices that are considered to be ethnocentric. A possible exception is Gamble and Huang's (2011) findings on the negative impact of Chinese culture on employee participation and satisfaction. The foregoing appears to suggest the need for a balance between empowering local managers and retaining ethnocentric practices.

The empowerment is in need because our employees now only do what they are told to do, but without considering and initiating how they could do things better. However, gradually they attempt to follow their own ideas, if empowerment is not in place in time, the firm performance may go to a different direction from original plans. (Deputy Executive, 7-Eleven, Beijing)

We believe that an appropriate empowerment is more adequate because over-empowerment may make our company lose our reputation and identity. We need to maintain a degree of control over our China operations. (CEO, B&Q China)

#### *Constraints on the scope for resistance*

Acceptance by local managers that there were serious concerns about the management practices the retail firms were pursuing suggested to us some potential for resistance, and as the literature would suggest, possibly an effort to express, claim or defend their identity (Clegg 1994; Ezzamel, Willmott and Worthington 2001; Alvesson and Willmott 2002). Courpasson (2000, p. 144) argues that domination 'implies action rather than submission'. Our findings suggest, however, that the scope for any overt form of resistance was limited. We attribute this state of affairs to the retail firms' effective use of normative control through rewards based on internalised values (Kunda 1992; Barker 1993; Robertson and Swan 2003), and a recognition on the part of the local managers of the desirability and appropriateness of certain aspects of the Western way of doing business. They saw these aspects of Western management as preferable and, in our view, functionally superior, particularly because these practices served these managers' personal interests. This assessment echoes Bourdieu's illustration of pedagogy as the acceptance of a 'superior

language' by the 'dominated'. In spite of the frustrations these local managers experienced, they reported that they were generally more satisfied with the good career development, less interpersonal relationships within the company and better salary as compared to their counterparts in SOEs. A Regional Executive of Wal-Mart who previously worked as a senior manager of a SOE and as a senior government official reported:

Wal-Mart has introduced a Western management style to China and provides a relaxed working environment to employees. I feel very comfortable to work here and the training provided as well as my salary is much better compared to state-owned organisations where I used to work. (Regional Executive, Wal-Mart, Middle China)

We would argue therefore that the relatively better pay and the associated attractive career opportunities are more attractive to local managers with a preference for a Western style of management, which they believe can generate self-actualisation internally at the psychological level and external recognition at the organisational level. Formal performance management ensures their productivity is acknowledged and rewarded, unlike in the personnel systems in SOEs (usually referred to as *danwei*), where wages are fixed, and comparably better work performance does not result in monetary reward (see Dittmer and Lu 1996). Thus, these attractive rewards and career prospects to some extent prevented these managers from challenging the ethnocentric practices and thus cushioned the impact of frustration and powerlessness, ultimately rendering successful the exercise of corporate control through symbolic violence won through their complicity. Thus, managers accepted the ethnocentric practices as they were able to acquire Bourdieusian economic capital. It is worth noting that at the time of the interview, the Regional Executive (Wal-Mart, Middle China) was in the process of seeking further studies in a Western country. The Western management practices may be more acceptable to local managers with a more Westernised mindset. This, in turn, demonstrates the effectiveness of ethnocentric practices realisable with the complicity of local managers who perceive them as consistent with their own productivity values and career aspirations, i.e. they tied individual career success to organisational success. This is the essence of symbolic violence.

## Conclusion

This paper has argued that following the opening up of the Chinese economy, research has focused on understanding how Western management practices can best be adapted to the culturally complex context of China. This process has largely been driven by positivist research methodologies that pursue replication, modification of Western-derived theories and incremental knowledge at the expense of a deeper understanding of how the particular circumstances of firms, local managers and employees define the requisite HR practices. Much of this research has also tended to exalt the role of culture while paying little attention to the aspects of traditional culture which are likely to be at odds with the realities of organisations and society today. Furthermore, research on HRM in China has been characterised by poor theorising and the failure to query the nature of power relations, for example between the Western management and the local managers who find themselves required to facilitate inappropriate practices or to disregard their local knowledge in a retail sector which relies heavily on practices such as *guanxi* and gift-giving. While a number of authors have challenged both the orthodox research as well as the ethnocentric ethos that drive the internationalisation process, the emergent critique has not fully engaged with the way local managers themselves have been implicated in the ethnocentric

process. Our efforts in this paper are not a *fait accompli*, and we see a number of ways in which the paper's shortcomings can be addressed. One limitation is the relatively small number of interviewees; however, our pursuit of theoretical generalisation somewhat overcomes this problem. We also suggest that securing the views of several individuals across the case studies effectively captures the scope and nature of the practices in question. We sought the views of the (mostly) Chinese managers as we wanted to understand the effect of Western practices upon those upon whom they are applied. While our decision was also guided by logistical and access issues, the danger of ending up with a one-dimensional picture remains. Further research might target both the local and foreign managers.

In terms of advancing theory, we argue that the internationalisation process that relies on the co-optation of local managers reflects what Bourdieu (Bourdieu and Passeron 1977; Bourdieu 1991) refers to as 'symbolic violence'. Yet, this tendency to rely on local managers to implement ethnocentric practices fails to recognise the damaging effects on the morale of local managers and ultimately the challenge it poses to the competitive advantage of these firms. We argue therefore that there is a need for further research on how to formulate more effective practices through cross-vergence, recognising how suitable Western practices can be blended with local norms and practices consistent with Chinese culture. This is particularly important in the light of the intense competition amongst foreign firms seeking to gain a foothold and significant presence in the Chinese market. We would argue that firms with fairly dominant country-of-origin effects that disregard the contextual circumstances will struggle both to maintain a presence and to retain a competent workforce and local management. As the presence of foreign firms grows, and local retailers learn to attract high calibre managers, the edge that foreign firms enjoy through superior remuneration will not be sufficient to ensure sustainable retention.

We offered 'symbolic violence' as an analytical lens to reassess the logic that underpins ethnocentric practices. We recognise the criticisms levelled against symbolic violence, such as its presumed lack of specificity (e.g. Thompson 1984). However, we suggest that further research using Bourdieu's concepts might consider more specifically the nature of power relations between foreign and local managers as well as the viewpoints of employees who are subject to these practices. Additional questions might include: how might resistance – real or potential – by local management be theorised and understood? how does symbolic violence manifest itself in other sectors and does the application of ethnocentric HR practices differ across sectors, industries and possibly even regions, given the vast geographical expanse of the country? This paper will also hopefully engender further research into the particular aspects of the Chinese culture that are inconsistent with the expectations of a Westernised workforce, and which ironically lend credence to practices that observers deem to be ethnocentric. What a Bourdieusian approach does is not merely to claim that foreign retail firms are exercising control/ domination over local managers in simplistic fashion. Instead it reveals how and why a dominant perspective comes to be accepted and thus acquires legitimacy in spite of strong institutional powers, through the complicity of local managers. Researchers might examine the extent to which the most dominant foreign firms in general have effectively altered the competitive landscape in terms of modifying attitudes such that local managers begin to accept the rationale for foreign practices, be they Western or Japanese.

In terms of practical implications, this paper highlights the need for appropriate training for foreign managers, which goes beyond the more common cross-cultural training awareness and focuses on how such managers might challenge the assumptions that underpin their attitudes towards both corporate-level internationalisation strategies

and the role of local knowledge and local managers in these processes. This paper also hopefully sheds further light on the need for senior expatriate executives to appreciate that tapping into the knowledge of local managers is in the interest of corporate success, and is not a threat to HQ control.

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