

**THE RHETORIC OF THE CONSUMER AND CUSTOMER CONTROL IN CHINA**

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Dr Jos Gamble  
Reader in Asia Pacific Business  
School of Management  
Royal Holloway, University of London  
Egham, Surrey  
TW20 0EX  
United Kingdom  
Telephone +44 (0)1784 414094  
Fax +44 (0)1784 439854  
E-mail [j.gamble@rhul.ac.uk](mailto:j.gamble@rhul.ac.uk)

**Abstract:** This paper explores the extent to which the rhetoric of the sovereign consumer and the use of the customer as a device of managerial control have been transferred to the subsidiaries of multinational retail firms operating in China. Based upon data drawn from over two hundred interviews conducted at UK and Japanese multinationals' stores, in this rapidly internationalising context it was evident that the notion of the sovereign consumer was ubiquitous and procedures designed to inculcate management by customers or consumer control had been implemented. However, it was equally apparent that the rhetoric of the consumer not only served managerial ends, but also provided a rich and fertile resource for shopfloor workers. Meaningful, socially embedded relationships could also play a crucial role in transactions. Moreover, with respect to discipline and control, employees were fully aware that power lay with their managers, rather than disembodied consumers or even actual customers.

Key Words: China, consumer control, service sector, HRM, retailing, customers

## **THE RHETORIC OF THE CONSUMER AND CUSTOMER CONTROL IN CHINA**

Not only in business, but also in contexts as diverse as politics, health care and education the rhetoric of the sovereign consumer has become pervasive in Western societies (Keat *et al.* 1994). The dissemination of this notion received impetus and vitality with the rise to dominance of neo-liberal economics in the United States and Britain in the 1980s and is closely entwined with characterisations of the consumer as a rational, maximising individual. Ensuing the spread and increasing hegemony of this notion, researchers interested in customer-orientated workplaces have adumbrated the extent to which the rhetoric of the consumer is utilised by management, both to reinforce and 'mystify' their control over workers. Despite this theoretical inclination, few studies have explored these practices in actual workplaces.

This paper contributes to this debate through an empirical study of foreign subsidiary retailers in China. In pre-reform China, consumption was downplayed and constrained. Production focussed upon heavy industry rather than consumer durables, incomes were low and egalitarian, product range was limited and purchase often required ration coupons. Meanwhile the prevailing ideology valorised the productive worker as hero, while excess consumption was considered wasteful and even politically suspect (Gamble 2003a: 140-1). Thus focus upon China also provides the opportunity to explore the extent to which such concepts have taken root as long-term structural changes transform that nation from a producer-orientated economy to a consumer-orientated society. Additionally, study in China enables exploration of how management by customers might operate differently in novel institutional and cultural contexts.

### **Control in Customer-Orientated Workplaces**

In service industry environments the provision of quality service work is considered essential to attract and retain customers (Schlesinger and Heskett 1991). Concurrently, management seeks to monitor and control the performance of each employee to ensure that they provide service of the appropriate quality in the most efficient manner (Sewell 1998). Obtrusive bureaucratic controls would, though, undermine employees' readiness to provide consistently 'a good-natured, helpful

and friendly attitude toward customers' (Fuller and Smith 1991: 3). Additionally, as a Japanese store manager interviewed for this paper expressed it, 'if the employees are unhappy, the customers will not come.'

The public nature of retailing also precludes heavy-handed approaches to the control of interactive service workers (Benson 1986). In contrast to manufacturing operations, where the customer is distant and generally cannot view the labour process involved, retailing is a relatively public spectacle. An unduly harsh management style could create adverse reaction amongst customers. Additionally, the relatively dispersed nature of employees in retail stores, compared to a production line, can make it difficult in practical terms for managers to exert detailed control over them.

In response to the dilemmas involved managers in such environments have turned to 'cultural solutions' to bolster and complement bureaucratic and technical controls (Kunda 1992; Rosenthal 2004). Du Gay and Salaman (1992) and Du Gay (1996), for instance, explore the pervasive notion of 'consumer sovereignty' and argue that the customer is increasingly used as a key source of legitimacy within organisations. This approach has particular resonance in service industries where the figure of the rhetorical customer collides with their corporeal, embodied counterparts. Moreover, customers constitute not only the most numerous witnesses on the shopfloor, but are often the closest and most acute observers of interactive service workers' performance (Rafaeli 1989).

Fuller and Smith (1991) delineate mechanisms through which managers have sought to implicate these extra eyes and ears in the labour process. They argue that firms increasingly utilise consumer feedback to manage employees, an approach they term consumer control or management by customers. They identify three categories of mechanism for gathering customer feedback: company-instigated, company-encouraged and customer-instigated. Examples of company-instigated feedback include focus groups and the use of mystery shoppers, individuals employed by management to pose anonymously as customers. Company-encouraged feedback includes use of comment cards and customer-initiated mechanisms include unsolicited phone calls or letters from customers. Feedback about specific employees derived from customers is utilised in employees' evaluation and discipline. The ideal is that workers internalise the appropriate customer-orientated values so that management by customers contributes to 'continuous, unobtrusive control systems' (14). In this way, management 'achieve control without *appearing* to control' (Sewell 1998: 403).

Fuller and Smith (1991: 11) outline three implications of this approach to control. Firstly, 'consumers' reports broaden *managerial* power, augmenting it with *customer* power. Conflicts between employers and employees may thus be reconstituted as conflicts between employees and customers.' Secondly, 'customer management may make organizational power a constant yet elusive presence. The fact that customers potentially can evaluate the service interaction at any time may serve as a continuous, though invisible, check on service workers' interactions with the public.' Thirdly, 'customer management may mystify power by enveloping managerial practice in a mantle of objective, rigorously accumulated and analyzed data.'

Although Peccei and Rosenthal (2000) suggest that workers are broadly positive towards interventions designed to instil customer-orientated attitudes and behaviours most accounts emphasise the malign effects of cultural approaches, with workers portrayed as either docile or exhausted and emotionally drained (Rosenthal 2004). While Du Gay and Salaman take a measured stance, arguing that these new forms of control are not more oppressive than

traditional bureaucratic and technical forms but are 'oppressive in new ways' (1992: 621), other writers are less cautious. Gabriel observes a tendency to view cultural controls as having an overwhelming efficacy and to constitute 'pervasive controls that colonize the individual from within' (1999: 185). Typically, space for resistance, let alone the potential for pleasurable or fulfilling moments in the workplace, is perceived as lacking (Bolton and Boyd 2003). Overburdened and overwrought, emotional labourers even run the risk of alienation from one's 'true self' (Hochschild 1983).

It is possible, however, to raise criticisms of the notion of consumer control. One may start by questioning its novelty. Use of the customer to enhance control and discipline in service sector workplaces is not unique to the contemporary world. Benson (1986: 156-8) cites examples of consumer control in 1930s American department stores. This included the practice of service shopping in which undercover employees posed as customers and reported on the service they received. Moreover, this approach was far from unobtrusive, 'service shopping impressed workers with their subordinate status and their bosses' distrust of them' (ibid.: 158).

More generally, Gabriel criticises the tendency in many contemporary accounts to generate images of individuals, organisations and societies that are 'overmanaged and overcontrolled' (1999: 198). Rosenthal (2004) adds that workers can use management's own attempts at bureaucratic, technical and normative regulation to further their own control and influence over managers and customers. Similarly, Bolton and Boyd (2003) critique Hochschild's approach to emotional labour for the way it excludes space for the expression of private emotions in the work environment.

The perspectives delineated by Du Gay and Salaman (1992) and Du Gay (1996) have also been criticised for their weak empirical underpinning (Korczynski 2002). Fuller and Smith's (1991) data too, as the authors acknowledge, is derived solely from managerial informants. Over a decade later, Rosenthal observes that phenomenological workplace level accounts of dimensions such as employees' experiences of consumer control are still 'largely missing in contemporary critical analyses' (2004: 602). This paper seeks to provide such an account. Moreover, the focus is on just the non-professional 'emotional proletariat' Rosenthal describes as 'understudied' (ibid.: 603).

Despite these criticisms, writers on 'cultural' controls do articulate more concerted and integrated attempts by companies to reify the sovereign consumer and to imbricate and utilise customer feedback in the labour process. Moreover, these developments are extending beyond Western economies (Sturdy 2001). Stearns (2001) observes the globalisation of 'the consumer apparatus' as many retail firms extend their presence overseas: the rhetoric of the consumer might be taken as a significant dimension of this trend. As the world's largest and most rapidly developing market, China is arguably the most important of 'the new terrains of consumerism' (Gabriel and Lang 1995: 20) and a key target for many multinational retailers (Dawson *et al.* 2003).

This paper, then, explores three main questions. Firstly, to what extent have the rhetoric of the sovereign consumer and measures designed to implement control by customers been transferred to China? Secondly, how does consumer control operate in practice in the retail sector? Thirdly, investigation of this topic in a non-Western context permits exploration of the degree to which management by customers might play out differently in novel institutional and cultural environments. In-depth anthropological accounts often indicate how indigenous peoples make their own sense of imported 'global' products (Miller 1997; Watson 1997). If the practice of

consumer control were transferred overseas by multinationals, it might be subject to similar transformations. This paper seeks to answer these questions by focusing on Chinese interactive service workers at Japanese and UK subsidiary firms and their encounters with actual embodied customers.

### **Research Sites and Methodology**

In Western contexts the service sector is no longer the poor relation in the study of human resource management (e.g. Sturdy *et al.* 2001; Korczynski 2002; Deery and Kinnie 2004), including a few excellent workplace centred accounts (e.g. Leidner 1993). The burgeoning literature on HRM in China has, though, paid little attention to the service sector (although see Gamble 2003b, 2006a, 2006b). This neglect, perhaps indicative of the perception of China as the 'world's factory', overlooks the rapid rise of the service sector, including retailing, in that country. Foreign companies have only been allowed to participate in China's retail sector since 1992. Despite this, by June 2004, there were already 268 foreign-funded distribution enterprises operating 4,502 stores in China (China News, 25 Feb 2005). This internationalisation is likely to increase. Under China's World Trade Organisation accession agreement its retail sector was further opened to foreign entrants in December 2004. The rapid development of a highly competitive retail market has been paralleled by the emergence of a vigorous and re-energised consumerism.

Research at four stores owned by the British multinational retailer, 'UK-Store', was undertaken in two Chinese cities in 1999, 2000, 2002 and 2003. Semi-structured interviews were conducted with a cross-section of 140 local employees and expatriate staff. Research at the Japanese-owned firm, 'J-Store', was carried out in 2002, 2003 and 2004 at three stores in two different cities: 67 semi-structured interviews were conducted with local and expatriate staff. Both firms had an explicit strategy to replicate as closely as possible their parent country HRM practices and customer service. Interviewees were selected from a range of departments and every level in firms' hierarchy. While not a native-speaker, the author's facility in Chinese permitted interviews with employees to be conducted on a one-to-one basis without a translator. Interviews were transcribed directly, without tape-recording, to enhance interviewees' readiness to talk openly.

The data for this paper derives from a broader project that focuses on the transfer of organisational practices by UK and Japanese multinational retailers in China (see Acknowledgement). The specific topic developed here derived in an inductive fashion as employees were asked to elaborate upon their interactions with customers, methods of persuading customers to purchase goods, the tactics for and impact of dealing with difficult customers and so forth. Open-ended questions allowed employees to elaborate upon their experiences rather than impose the researcher's pre-determined categories. Repeat visits and use of the target language, without the presence and mediation of an interpreter, helped to develop a basis of trust. The author also has extensive research experience in China, including long-term anthropological study (Gamble 2003a), and is alert to body language and speech patterns that indicate reluctance to speak openly. In practice, most employees displayed a willingness to talk frankly about their work, including dimensions that could have created problems for them if revealed to their superiors.

## The Rhetoric of the Consumer at UK-Store

The customer is king and the king can do whatever he wants (UK-Store, Store Manager).

In June 1999, a British multinational retail firm opened its first mainland China decorative materials warehouse store, UK-Store, in Shanghai. By 2005, the firm operated 50 stores in various cities. Customer service was perceived as a key factor that attracted customers. Employees with work experience in state-owned stores considered UK-Store's approach to be different: whereas it was 'customer-orientated' their former workplaces were 'employee-orientated'. A building materials department assistant, formerly employed in a state department store, commented that it had been 'the old style, eating from the big pot (*chi daguofan* - a synonym for a poor work ethic), not going out of your way to help customers. We didn't stress customer service like we do here.' Customers' expectations with regard to service appeared to be rising steeply. A store manager observed that 'Chinese customers used to be concerned only about price, now they want customer service and respect. They want it to be, "I'm your owner, you do something for me".' A receiving section supervisor remarked astringently 'in China, if somebody spends one *yuan*, they want one thousand *yuan* worth of service.'

UK-Store introduced various procedures that could involve the cooption of customers to discipline and control employees. Stores provided customer feedback forms and, since individuals' names appeared on their uniforms, specific employees could readily be distinguished. . At one Shanghai UK-Store, an average of 25 forms was received each week. However, most related to products, while those focused on service issues contained more positive than negative feedback, with fewer complaints than in a comparable UK store. In part, this may have been because the scheme was novel in China, it also appeared to reflect a reluctance to make written complaints. A customer assistant explained that 'few customers write feedback. Chinese people don't have this custom, they rarely write things.' This reluctance might derive from the historical and political context. During the Maoist era, changes in political movements could expose those who had expressed the 'wrong views' to criticism or worse. This legacy might serve to dilute the effectiveness of this means of consumer control.

The stores did not openly employ mystery shoppers. Managers explained that employees would construe their use as an indication of lack of trust in them and detrimental to morale. More generally, the monitoring of Chinese workers in foreign firms is a sensitive issue and this might preclude the use of mystery shoppers. Off-the-record, one store manager admitted that he occasionally employed such shoppers, but given its furtive nature the results could not be made known to employees or even other managers. Focus groups were conducted infrequently, typically annually, and centred upon products and generalised perceptions of service, rather than identifying particular employees for praise or sanction. Levels of surveillance by those in the firm's hierarchy were, though, greater than in state-owned enterprises. Former state retail firm employees reported that managers in them rarely left their offices (although interviewees added that this was changing, as market pressures forced these firms to reform). By contrast, UK-Store's managers frequently patrolled the shopfloor and departmental supervisors could also readily observe staff.

### *Recruiting and Developing Customer-Orientated Values*

As in Western contexts, managers sought to recruit those who held customer-orientated values (Korczynski 2002). Recruiters at UK-Store emphasised that, while educational qualifications and experience were important, personality was crucial (cf. Callaghan and Thompson 2002). The desired values were reinforced and refined through induction and post-induction training, performance appraisals and general socialisation (see also Gamble 2006b). As in call centres studied by Frenkel *et al.* (1999) in Australia, Japan and the USA, the emphasis on customer empathy was persistent with workers exhorted to ‘stand in the customer’s viewpoint’ (*zhan zai guke de jiaodu*). Basic elements of appropriate customer service were often taught using role-play exercises in which employees took the part of customers. A training video shown to new recruits during induction reminded them to ask themselves in all situations, ‘Am I doing this for the customer?’. Similarly, a showroom supervisor stated, ‘I always remind employees in my section, “If you stood in the customer’s position, what would you think?”.’

From the interviews, it appeared that training messages had reached home. A paint department deputy supervisor, previously employed at a private store, remarked that ‘here you need to face the customer, there you could ignore them or be haughty.’ Unasked and without prompting, employees made frequent reference to the customer as god or emperor:

Some employees get upset by customers. I tell them not to argue with customers as, after all, the customer is god (Flooring and Tiles Department, Deputy Supervisor).

We’re patient with the customers, as the customer is god. Even if the customer is unreasonable, we’re still patient (Decorative Materials, Deputy Supervisor).

Once I argued with a customer, then I controlled myself and walked away, as the customer is the emperor and is always right. When you’re wearing this uniform even if they’re wrong, they’re still right (Decorative Materials, Customer Assistant).

Although reinforced during training, the message was one that employees could have brought with them to the workplace. During the 1990s, local media introduced Chinese citizens to the ‘Western’ notion that ‘the customer is god’ (Gamble 2003a: 143). This phrase has become part of the prevailing *zeitgeist*.

In some instances, customers actively appropriated the role of ‘god’ and sought to exert control over sales staff. A showroom deputy supervisor reflected that ‘customers are unreasonable because there are lots of competitors, some treat us like servants.’ A service desk supervisor encountered several ‘unreasonable customers’ each week, adding that ‘sometimes the customer feels s/he is god and goes beyond the bounds of what we can do. They feel “I’m god, you’re just here to serve me”.’

As some of these quotes suggest, there was a substantive difference between treating the customer *as if* they were god and actually believing this rhetoric. While the customer was encouraged to consume the myth of sovereignty (Korczynski and Ott 2004), in practice steps were taken to constrain and regulate them. Both employees and managers acknowledged that customers could make unreasonable demands: they were people who, literally, ‘do not speak with reason’ (*bu jiang daoli*). The returns desk witnessed the largest proportion of unreasonable customers. Perhaps emboldened by the company’s comparatively lenient returns policy, customers sought to gain material advantage from this. Every employee had his or her favourite story of unreasonableness. One checkout worker recalled the customer who returned a defective

light bulb and sought compensation for the taxi journey they had made to return the product, employees also described how customers tried to return goods bought in other stores. In Israeli supermarkets, Rafaeli (1989) reports a similar 'struggle for control' between cashiers and customers. Because they were buying products, customers considered themselves to have a right to control their encounters with cashiers. Meanwhile, cashiers sought to exert control over encounters in order to carry out their role effectively and efficiently. In UK-Store, as in these Israeli supermarkets, employees needed to retain control, not least since they would be held responsible for stocktaking errors. The situation is indicative of the dual and potentially contradictory logics at play in service work (Korczyński 2002). On the one hand, is the logic of routinisation and efficiency and, on the other hand, that of customer orientation. Employees could easily be caught between conflicting demands to minimise costs *and* deliver high-quality customer service. The inherent ambiguity emerged clearly in a showroom assistant's explanation that, to make a sale, 'it's vital to persuade the customer.' Moments later he remarked 'you have to do what customers say.'

Employees knew they risked dismissal if they argued with customers:

There are lots of unreasonable customers. All you can do is be patient, you can't argue. Customers know we won't argue back. If we argued the store manager would get rid of us. The service sector is all like this, the customer is god (Flooring and Tiles Department, Customer Assistant).

Although this employee refers to customers' exalted status (we cannot, of course, be certain how far he actually 'buys into' this rhetoric), he is clearly aware that power and discipline is dependent upon the firm's formal hierarchy.

Inevitably, having reified the customer the rhetoric of the consumer becomes the most legitimate means whereby employees can assert their rights (Rosenthal *et al.* 1997). For instance, employees voiced requests for increased staffing levels - which would, of course, reduce individual workloads - in terms of 'the customers want more staff to be on duty'. This logic applied equally to managers, as exemplified by an assistant store manager who bemoaned the absence of managerial signifiers:

Everybody here has the same uniform. In local firms managers wear a tie to make a difference. Here it's confusing for customers. If a customer looks for a manager and they see me dressed like this, they won't believe I'm a manager and they'll think 'you're lying, you don't look like a manager.' I know the company's purpose is to show that everyone is equal, but the image is not right, managers should be more formal *for the customers*. [Emphasis added]

In such instances, employees' invocation of the customer as the final arbiter constituted a mirror image of managerial attempts to displace the locus of power and control onto the sovereign consumer. As managers exercised discipline in the name of the customer, so workers sought benefits for themselves in the name of the customer. It is, though, a moot point to what extent either managers or workers were 'mystified' by these dual displacements of agency. It would also be misleading to overemphasise this appeal to the customer. Employees could equally express demands for improved salaries and welfare benefits in terms of their rights as citizens or workers; rights they considered enhanced by virtue of their employment in a foreign subsidiary. While the firm sought to develop a strong customer-orientation among employees and

implemented measures to imbricate customers in the control and discipline of employees, these methods seemed to rest lightly on their shoulders. In addition, as shown in the subsequent section, relations with customers provided a gamut of rich and meaningful experiences. Moreover, the construction of actual or surrogate social relationships involved was often essential to create the basis of trust from which a transaction could ensue.

#### *The Shopping Process at UK-Store: Reports from the 'Front-Line'*

Each year China's Consumers' Association sets a particular annual theme. Trust has been a recurring topic; implicit recognition that this element is in short supply in China's retail markets. In 2004, for instance, the theme was 'trust and consumer rights protection'. A consistent feature of sales staff-customer interactions was the degree to which a particularistic style basis of trust was invoked. These findings mesh with the noted importance of *guanxi*, 'connections', in Chinese society (Gold *et al.* 2002). Employees often characterised the relationship between themselves and customers as one of friendship:

In doing business, first you make friends, then you do business (Receiving Section, Supervisor).

We aim to make friends with the customer (In-Store Design Department, Manager)

Creating an actual or a surrogate friendship could provide a basis of trust and help bind the interactees into the norms and expectations of this relationship in Chinese society.

Customers could also be negotiators, opponents or parasites. A British expatriate manager found 'selling here is much more used to negotiating'. Customers could become opponents particularly with respect to returns. Another expatriate manager remarked that 'customers really get on their high horse over refunds. We can easily get a crowd of fifty people... customers are so much more demanding here.' Customers also appropriated store space in ways that verged on the parasitical. Showing the researcher around his store, one store manager motioned to a group of customers relaxing on a display of garden chairs. It was, he complained, a common occurrence for customers to convert this zone into private space and to linger for two or three hours. In such circumstances, the chasm between the rhetoric and reality of consumer sovereignty became all too visible.

#### **Japanese-Invested Stores: J-Store**

In Japan, they put the customer first, but in China to put the customer first is a new concept. The Japanese stress customer service, standing in the customers' viewpoint. Before, at Chinese stores, staff ignored customers. Each time we get paid, they tell us the customers pay our salary (J-Store, Personnel Manager).

J-Store opened its first Chinese store in 1997 and by the end of 2004 had five stores in China. Like UK-Store, J-Store sought to transfer its parent company retail format, employment practices and customer service. One Japanese store manager admitted that he had considered using mystery shoppers, but believed it too difficult to find reliable recruits for this role. As with UK-Store, customers were encouraged to make written comments and suggestions. One store received about ten letters per week, the store manager prepared a written response to each one

and these were displayed on a store noticeboard. As at UK-Store, this feedback was used not so much as a disciplinary mechanism, but to help select 'outstanding workers' (*youxiu yuangong*) who received a bonus. If this form of consumer control lacked rigour, there was still ample possibility for supervisors and managers to maintain surveillance on sales staff. A checkout assistant who had worked in a state store remarked:

People there were lazy, we often ignored customers. The atmosphere wasn't good because of the poor management style. Supervisors and managers stayed in their offices reading the newspaper and didn't come out, not like the bosses here.

J-Store's emphasis on customer service as a source of differentiation was even more marked than at UK-Store. The firm's chief executive described 'politeness to customers' as critical to attract and retain customers. Despite the high customer volume (up to 40,000 each day at weekends), for example, employees were expected to bow and welcome each one. Like UK-Store, role play exercises were used to instil customer-orientated values. Disciplinary rules were often implemented in the name of the customer: yawning, leaning on the counter or eating meals while on duty were all prohibited as being discourteous to customers. In a distinct step towards the cult of the customer, during a storewide morning briefing session I attended, the Japanese store manager told the assembled staff 'the customers are our parents, they give us our salary.'

During interviews, it was evident that employees' perception of self-as-customer was deeply ingrained. Unprompted, and often with real pride, employees referred frequently to the necessity to 'see things from the customer's perspective' and provided this as the rationale for their actions. This orientation was facilitated by the fact that, not only were they customers themselves in other contexts, but often in this specific context. Many had shopped at J-Store before recruitment and most shopped at the store outside work hours. A checkout assistant asserted that 'customer service is very different at J-Store. The customer is never at fault. Even if they're wrong, you should always apologise.' One employee recalled that 'during induction training we're told two rules: Rule One, the customer is always right. Rule Two, when the customer is wrong please refer to Rule One'; an echo across time and space from late nineteenth century Philadelphia, via Tokyo to, in this case, Western China, of John Wanamaker's slogan 'the customer is always right' (Benson 1986: 93).

Korczynski (2002: 148) notes the widely held view of HRM advocates that when commitment and emotional labour are required rather than just compliance 'soft HRM policies will come to pervade front-line workplaces.' The evidence from J-Store does not support this view. The firm sought compliance *and* commitment and utilised a combination of both hard and soft HRM techniques in pursuit of these aims. Similarly, Fuller and Smith (1991: 3) argue that 'Quality service requires that workers rely on inner arsenals of affective and interpersonal skills, capabilities which cannot be successfully codified, standardized, or dissected into discrete components and set forth in a company handbook.' Japanese expatriates would be unconvinced of this statement. J-Store did its utmost to codify and stipulate the behaviour required in detailed training manuals and the employee rulebook, with fines imposed for transgressions.

### *Customer Service Interactions at J-Store*

To some extent the categories of customer-sales staff interactions at J-Store overlapped with those at UK-Store. Differences can be attributed to the reduced contact time per customer compared to UK-Store and the fact that the products were usually familiar to customers, although this depended on the section involved. Although weaker, the perception of customers as friends was also present. A menswear section assistant explained that ‘I treat customers like friends and then introduce the products. In this way, you reduce the distance between yourself and the customers.’ A womenswear assistant remarked that she treated customers as friends rather than as ‘god’. Elaborating on the difference, she explained that ‘god is very distant, but a friend is very close. It’s easier to find common ground with a friend’.

Categories that appeared more common at J-Store were the notion of customer as guest or family member. A houseware section assistant explained that if you showed politeness and warmth, including smiling, to customers this would give them ‘a feeling of closeness (*qinqiegan*) as if they’re at home and like you’re their closest relative.’ A checkout assistant remarked that ‘some customers are prejudiced, they feel that “by coming here I’m giving money to the Japanese”,<sup>1</sup> but they also feel that customer service is very good. It gives them a feeling as if they’re returning home (*huijia de ganjue*).’ Sales staff clearly found provision of this emotional labour exhausting, but they also took pride in providing what they considered the best customer service in the city. Convinced of this superiority, they were aware of both locally-owned and other foreign stores’ attempts to mimic their company’s customer service and astute critics of their failure to live up to J-Store’s high standards.

Work on the checkout was particularly stressful, a situation exacerbated by high staff turnover that frequently left the section understaffed. In 2003, one checkout assistant recalled that of fifty new recruits who had joined with him in 2000, just two remained. Significantly, these roles were amongst the most Taylorised in the store and, like the cashiers’ situation described by Rafaeli (1989), allowed the least space for meaningful interactions with customers or other employees. In China, as in Israel, these factors undoubtedly contributed to the high staff turnover.

As at UK-Store, returns were a source of stress. A returns section deputy supervisor remarked that products such as underwear could not be returned and explained that ‘if you stand in other customers’ viewpoint, you can’t return them.’ This comment indicates the elasticity and flexibility of the rhetoric of the consumer and here it serves to differentiate one customer from another. There was also an ongoing battle over the store’s plastic bags. A checkout assistant described her experience:

We control bags and packing. To save costs we shouldn’t let customers take too many plastic bags. Some ask if they can have extra bags to use as rubbish bins. They can be uncivilised (*yeman*). If we refuse to give them more bags they say ‘Japanese people are really mean!’. Twice because of this I’ve been really upset by customers, they cursed me and said I was a Japanese running dog. We do our best to satisfy their requests. So we must both save the company’s costs and avoid complaints.

This quote illustrates once again the dual and potentially contradictory logics at play in service work (Korczynski 2002) and the thin line between them. Customers could also use the rhetoric of the consumer against staff. Employees, such as a cosmetics counter assistant,

encountered disgruntled customers who complained ‘you’re not standing in my viewpoint’. Nevertheless, the rhetoric of the sovereign consumer also provided an important resource for employees in demanding and stressful jobs. In a discussion on difficult customers, a houseware section deputy supervisor explained, with a heavy touch of irony, ‘you have to constantly remind yourself that the customer is always right. Provided you keep this idea in your mind, you can stay here. If I lost this, I’d have to leave.’

## Discussion

In the rhetoric of enterprise culture, the customer is king: as master and sovereign he (or sometimes she) rules over all s/he surveys. Service sector employees have been predicated as the subjects of this rhetorical claim to power. This paper has explored the extent to which the rhetoric of the sovereign consumer has been disseminated to subsidiaries of multinational retail firms in China and with what consequences.

In the Japanese and UK subsidiaries investigated, there was ample evidence of the transfer and implementation of practices that could involve the use of customers to discipline and control employees. The rhetoric of the sovereign consumer was pervasive and reinforced through the selection and recruitment of those with customer-orientated values and subsequent socialisation. However, the political sensitivity of foreign firms monitoring Chinese workers appeared to militate against the use of mystery shoppers. While firms did collect customer feedback, its impact as a mechanism for consumer control appeared rather meagre in the Chinese context. Moreover, if objectively workers were subject to a degree of management by customers, subjectively they appeared relatively unconcerned by this.

Consumer control paled in comparison with more ‘traditional’ methods of control. At most, normative controls served only to bolster existing technical and bureaucratic controls (Thompson *et al.* 2004). Employees had to abide by objective and readily enforced means of control such as dress codes and time cards for clocking on and off. There were also positive sanctions such as financial incentives and promotion. At UK-Store, customer related targets such as politeness were considered as a part of employees’ annual appraisal. Whilst appraisal did not correlate with salary, results from them were considered in making decisions about promotion. Both UK-Store and J-Store operated schemes to reward employees who provided high quality customer service. At UKStore, selected workers received one-off monthly payments and, at JStore, outstanding employees received recognition.

When encouragement failed, sanctions could be imposed. For instance, at J-Store, as in US department stores up to the 1930s (Benson 1986), fines were imposed for lateness. Korczynski (2002) notes the difficulty for one supervisor to observe concurrently the labour process of several individual workers. At J-Store and UK-Store, though, monitoring by supervisors was extensive. Moreover, as noted above, unlike state enterprise managers or their earlier American counterparts, managers in foreign subsidiary stores regularly patrolled the shopfloor. A piece of Chinese rhyming doggerel advises: ‘Don’t fear the county official, fear only the person who’s actually in charge’ (*bu pa xianguan, jiu pa xian guan*). Similarly, even though their employers might seek to inculcate consumer control, Chinese retail employees were in no way mystified as to the source of power and authority, this lay with their superiors in the firms’ hierarchy. The evidence from J-Store in particular, which had the most strict regulatory regime, also calls into question Du Gay and Salaman’s (1992: 621) assertion that in service industries ‘traditional

methods of control (*i.e.* bureaucratic control) are too overtly oppressive, too alienating and too inflexible to encourage employees to behave in the subtle ways which customers define as indicating quality service’.

In the scale of things, the rhetoric of the sovereign consumer appeared quite positive for sales staff. Chinese retail store employees, like their counterparts around the world (Benson 1986; Rafaeli 1989), were often attracted by opportunities for social interaction. Additionally, as in Western contexts (Callaghan and Thompson 2002), firms actively sought to recruit those with such personalities and to develop further the skills involved (Gamble 2006b). Time and again in the interviews, as in other service work contexts (Tolich 1993; Korczynski *et al.* 2000), interaction with customers and playing an active part in ensuring customers’ satisfaction were key elements that brought employees both pride and pleasure. In these moments, workers could meet emotional agendas that were as much, if not more, private as those defined for them by the organisation (Bolton and Boyd 2003). A typical comment was one made by a UK-Store deputy supervisor that ‘the greatest sense of achievement comes from when a customer arrives knowing nothing and through my explanation they buy something and are happy.’ A key frustration for front-line workers is when their job is structured in a way that precludes them delivering the form of emotional labour they would like to (Korczynski 2002). Such a disjuncture was evident among cashiers at J-Store, where the time and space available for interaction with both colleagues and customers was most attenuated. The lack of potential to engage in meaningful social interaction may be closely related to their high turnover rate.

In the findings it can be problematic to disentangle what is generic about the consequences of customer control and what is specific to the Chinese institutional and cultural context. The satisfaction staff often derived from interactions with customers appears generic to customer-orientated roles. By contrast, the rhetoric of customers as friends and its relationship to trust seems more context specific. In-store customer-employee interactions are a microcosm of human relations outside the workplace: trust, for instance, must be built in similar ways. Employees’ encounters with customers were socially embedded and both parties could seek to create, or at least replicate, generally understood, valued and accepted categories of interaction. The relationships portrayed at UK-Store, appeared generally to have more ‘depth’ than those at J-Store. In both firms, though, the creation of meaningful relationships was common and significant, with differences in them attributable to factors such as the nature of the job role, the extent of consumers’ existing knowledge about products, the cost of products and their relative importance to customers’ life project, the duration of employee-customer contact, company policy with regard to customer service and the gender, age and social status of customers vis-à-vis employees.

Management by customers can be implemented in various ways and these parallel distinctions between ‘soft’ and ‘hard’ HRM. The harsh imposition of consumer control would alienate employees just as effectively as any other HRM practices similarly imposed. Just as displays of emotional labour might be alienating or non-alienating (Tolich 1993), so too might management by customers. Employees with a strong customer-orientation were likely to welcome the emphasis upon customer focus. The rhetoric of the sovereign consumer could also provide staff with a psychological ‘safe haven’ in stressful encounters with customers. This dimension was most evident at J-Store, where many roles were intrinsically more stressful and anti-Japanese prejudice could exacerbate the unpleasantness of encounters with unreasonable customers. Additionally, when the rhetoric of the sovereign consumer drenches an organisation,

employees start to 'play the game' and vocalise their demands in terms of providing better customer service. It is, though, a moot point whether these demands differ in substance as a result. As a final resort, employment in foreign subsidiaries enhanced employees' market value and the 'quit option' was a potent threat, especially given that firms' expansion plans were predicated on strong internal labour markets.

The notion implicit in Fuller and Smith (1991) of a management/employee dichotomy is inadequate to capture the complexity of these workplaces. In the retail sector the presence of a third party, the customer, constitutes an essential element in the labour process. The two-way interaction between workers and managers familiar in manufacturing firms becomes a complex triangle of sales staff, managers and customers. The potential relationships involved are more fluid and unstable than Fuller and Smith appear to envisage. Benson's (1986: 284) depiction of these relationships as involving 'shifting coalitions' captures well the inherent complexities, ambiguities, contradictions and shifting balances of power, including in ways that Benson herself does not articulate.

A range of fluid and shifting allegiances was possible in the customer-sales staff-management triangle and which was most salient at any given time was contingent upon the specific context. Sales staff might ally against other sales staff, as in the case of departmental rivalries. Secondly, customers and sales staff could unite against management. This included incidents where workers told customers 'we'd like to do this, but management (or 'the company') would not allow it'. Sales staff might welcome this as a defence to provide protection for themselves. Thirdly, customers and management might join against sales staff. This formation could derive from customer complaints about service.

In a fourth coalition, management and sales staff might ally against customers. The rhetoric of consumer sovereignty notwithstanding, in practice management were ambiguous about employees *always* standing in customers' shoes, as demonstrated in conflicts over returns and plastic bags at J-Store. Returns and customer complaints formed the most frequent form of customer-instigated feedback. The inherent unpredictability and unmanageability of consumers (Gabriel and Lang 1995) ensured that this feedback could be as equally unwelcome to managers as to employees. In such instances, management might appear to take customers' side but actually support sales staff, as in cases when customers' complaints against employees were considered unreasonable or unfounded. A J-Store checkout assistant, for instance, described how a customer reported her to the store's Customer Relations Section for being impolite and demanded she apologise and be financially penalised. An investigation showed the assistant to have acted properly. To placate the customer, the checkout supervisor told them that the assistant's bonus had been cut 'to fool them'.

Finally, customers and sales staff might ally against other customers. This allegiance could involve staff standing in the shoes of disembodied customers, when embodied customers' actions were detrimental to other customers. An assistant at J-Store's fast food restaurant recalled an occasion when a customer had pushed to the front of the queue:

When I didn't take his cash, he cursed me and said "why don't you take my money?" and complained that J-Store's customer service was no good. The supervisor came over and took his payment. The other customers felt sorry for me and said that it was okay to take his payment first.

Korczynski (2002: 129) argues that managers prefer workers to identify with a collective, disembodied concept of the customer in order to increase efficiency, whereas front-line workers 'may be more likely to identify with embodied individual customers, because interactions with specific customers are an important arena for meaning and satisfaction within the work.' This might generally be the case, but sales staff could identify with disembodied customers when faced with difficult and unreasonable embodied customers. If these Chinese interactive service workers were not afraid of metaphysical abstractions such as 'the consumer', awkward and troublesome embodied customers could be a source of real heartache.

### **Concluding Remarks**

This paper has indicated both the complexities of cultural controls and the inherent ambiguities of interactive service worker-customer encounters. Comparison between the subsidiaries of UK and Japanese firms in China has demonstrated the extent to which shopping might be 'divided into a series of "genres", each of which lends itself to distinct forms of social relations and symbolic systems' (Miller 1997: 301). Gabriel and Lang (1995: 174) observe how both Marx and Simmel perceived the cash nexus to dissolve social bonds: 'the former to criticize it as the root of alienation under capitalism, the latter to praise it as the liberation from the fetters of the gift economy'. In these Chinese workplaces, though, customers and sales staff sought frequently to re-embed these exchanges in social relations and to bring in at least a weak or surrogate version of meaningful social bonds. Representations of consumers as victims (Ibid.: 117-36), are also called into question. From this perspective, consumers and workers in non-Western countries are perceived as particularly vulnerable. In the workplaces examined in this paper, it would be difficult to portray either consumers or workers in this transitional economy as victims of globalisation, nor as powerless in the face of multinational corporations.

### **Notes**

<sup>1</sup> There is widespread anti-Japanese sentiment in China. During April 2005, this erupted into nationwide protests. In one incident the author witnessed, a crowd of two to three hundred demonstrators surrounded and threw projectiles at a store included in this research.

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