

Manage “Globally” in an Overseas Market: Case Study of a Japanese Company in Hong Kong

Zhu, Yi *

PhD Candidate, School of Modern Languages and Cultures, The University of Hong Kong, Hong Kong

Abstract

This paper anthropologically examines the operational problems that a Japanese company, here called *Ichi*, encountered in the Hong Kong market during its practice of globalization. *Ichi* was regarded as a “legend” company since it maintained high total sales along with rapid growth not only in domestic markets but also in overseas. Though there have been a number of publications about *Ichi*’s success, few of them have focused on its overseas operations in detail. While the company stressed the significance of “globalizing” of the company, it especially focused on the future development in Greater China including mainland China, Hong Kong and Taiwan. This paper chooses the Hong Kong market as a research target, which plays the role of human training center within the area. Based on the data from my one-year field work, I argue that labor insufficiency became one of serious operational problems of *Ichi* stores in Hong Kong, which was mainly because *Ichi* expected employees to follow its so-called “globalized” policies that were actually based on their experiences in Japan rather than to flexibly changing policies according to the local situation. In detail, there were three possible causes of the labor insufficiency, which were the company’s less “localized” formula for calculating the labor budget, the labor structure that was “imported” from Japan, and less competitive advantage in terms of their human resource policies. The last part of the case study is about several examples from my experience at the store, which are intended to show how labor insufficiency can result in employees’ poor job efficiencies and compromises on the recruitment requirements.

Keywords: Japanese company, labor insufficiency, globalization, localization, organizational management

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* E-mail: chambord_tour@hotmail.com

I. Introduction

The purpose of this paper is to examine how a large Japanese specialty store, here called *Ichii*, introduced and practiced its policies in the Hong Kong market, and analyze the operational problems they encountered and their possible causes. A number of Japanese companies nowadays expanded overseas to pursue future expansion and cheap labor. There have been a number of early publications that were about organizational management and power relations within Japanese companies. Although it has been hard to find a company to agree on participant observation within the organization, there have been a number of representative investigations. After Abegglen pointed out distinctive characteristics of Japanese companies compared with Western counterparts, such as seniority-based compensation, lifetime employment (Abegglen 1960), anthropologists started to appreciate the organizational research on the Japanese companies (Dore 1973; Fruin 1983; Moeran 1996; Rodney 1979; Rohlen 1973, 1974; Ogasawa 1998; Matsunaga 2000; Graham 2003). Those studies covered various industries, such as banking, retail, advertisement, manufacturing, and so on. They anthropologically analyzed employees' behavior within the company in detail, how the power balance within the organization was investigated, and their deliberate observation provided rich examples of organizational behaviors. There were some studies written by Japanese scholars, especially regarded to this issue (Nakamaki and Hioki 1997, 2007, 2009, 2012, Sumihara, Mitsui and Watanabe 2008; Kishi 2009). Anthropological studies of organization across number of regions and places especially focused on the relations between the religions and the company, and the company myth within the company could be found in their studies.

Besides anthropological approach, a number of scholars conducted research on Japanese companies in overseas markets based on the quantitative and individual interviews. Their research objects included general trading companies, manufacturers (Huruta 2004; Legewie 2000; Seki and Han 2003), and larger retailers (Hu 2003; Yahagi 2007). Some scholars argue that Japanese companies had a strong tendency to send Japanese expatriates to the top position in the local subsidiaries, suggesting Japanese companies are more "ethnocentric" than their Western competitors (Tung 1982; Kopp 1994). As the above, most of them argued that Japanese companies less localized human resource system in overseas markets; however, few scholars examined

the causes and how their practices influenced the local employees. By the participant observation methodology, we might be able to solve above research puzzles. However, we found fewer scholars conducted long-term field work on these issues except publications of Wong and Sedgwick (Wong 1999; Sedgwick 2007).

After the introduction to the company’s history and its human resource system in Hong Kong, I will point out the major operational problem in the market, the causes and possible influences to local employees. All data within this paper was mainly based on my one-year field work at *Ichì* stores in Hong Kong from August 2010 with the head office’s permission.

II. What is *Ichì*?

A. Company’s History

Ichì was viewed as a “legend” nowadays in Japan since the company kept achieving high sales with rapid growth in the apparel industry, which was considered to be a declining industry. According to the official website of *Ichì*, its parent company was ranked in the third among major global specialty share retailers of private label apparel companies by February 2013. Although *Ichì* was now a prestige Japanese fashion giant not only within the domestic market but also in the world; the company started from a small family-owned shop in Japan. After the current founder succeeded the shop from his father, he opened the first store in Western Japan and the store mainly contained casual wear clothing made by a number of different brands. Being inspired by the business model called “specialty store retail of private label apparel (SPA),” *Ichì* started to design and make products by themselves. The fleece campaign in 1998 in Harajuku, Tokyo, was regarded to be the historical even for the company, which changed the image of *Ichì* products from “cheap and normal” to “affordable price and high value-added.” The company released a number of products with “additional” functions, which were welcomed by Japanese customers. Besides distinctive features of products, *Ichì* aimed to create a simple and comfortable shopping environment for customers, which meant that customers were able to achieve their goals without over interacting with staff. Similar to many other Japanese companies, *Ichì* placed emphasis on cleanliness, order, smile, politeness so as to achieve higher level of customer service.

In recent years, *Ichii* seemed to focus more on building the brand image and on the business expansion to overseas markets. The company opened large flagship stores not only in the domestic markets, but also in major cities outside Japan so as to build *Ichii*'s high brand image. *Ichii* has emphasized the importance of "getting out" of Japan so that the company started overseas operation from 2001. Although the operation in U.K, which was their first foreign market, did not go well in the first several years, the company gradually gained high popularity in some major cities, not only in Western cities, such as Paris and New York, but also in Asian cities. By the end of 2011, the top ten *Ichii* stores in terms of total sales were all outside Japan and their share in the total sales was increasing in recent years. In order to become a "real" global company, the company announced the new policy called "Global One." This policy encouraged employees to pursuit the global standard and to share the "best practice" around the world. In order to better practice this policy, the company made certain standardized format for the sales floor or requirements of the human resource system. These changes would be expected to be introduced to every regions and countries in the same time.

In order to better manage every market, *Ichii* divided its overseas operation into several areas. Among all overseas markets, the company especially emphasized the importance of the Greater China area including mainland China, Hong Kong and Taiwan. The company entered into the Hong Kong market in 2005, which was expected to function as a significant human resource development center. It is remarkable that the operational profit in the Hong Kong market was ranked top among overseas markets for several years even though the rent and the labor cost was quite high. The company adjusted its policies based on accumulated "successful" experiences in Japan and introduced those into overseas markets under the policy of "Global One" so as to allow every customer in the world to enjoy same high value-added products in the comfortable shopping environment and same higher level of customer service.

B. Organizational Chart

The Hong Kong subsidiary was under the control of the *Ichii* Greater China headquarter, which was located in Shanghai (see figure 1). Shanghai headquarter was also responsible for the operation in Taiwan and mainland China. Each area had a

CEO and a COO who were also responsible for the operation.¹ In addition, the CEO of mainland China and of Hong Kong was responsible by a Chinese man who started his career within the company from *Ichii* Japan. *Ichii* Hong Kong was mainly divided into two parts: head office and stores. The founder claims frequently that because of the significant role by stores in terms of their contribution to the sales, the head office shall be a support center and its authority should be limited. Based on this idea, the number of workers in the head office was less than other Japanese retailers in Hong Kong and their role was kept simple. Different from the head office in Japan, Hong Kong subsidiary did not run the department for design and production but for the distribution. The head office of the Hong Kong subsidiary was constituted by six departments of: store operation, human resource, finance, *Ichii* University,² merchandising and marketing. Except several workers in the department of store operation were Japanese, all other workers were from Hong Kong.

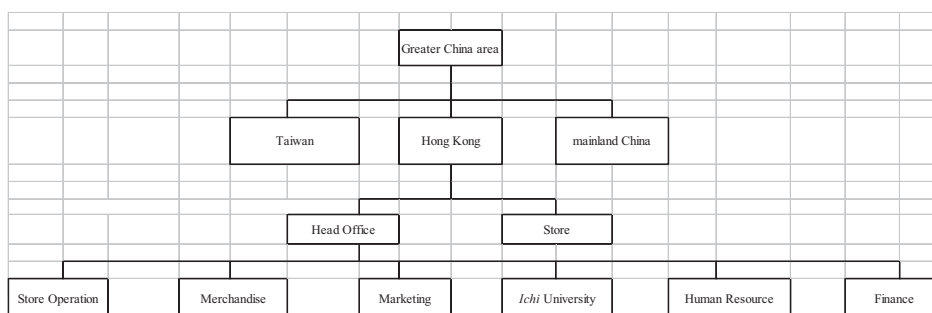


Figure 1 Organization chart of *Ichii* Greater China and Hong Kong, 2011

C. Human Resource System

Human resource system of *Ichii* Hong Kong followed that of *Ichii* Japan, which was based on the practice of “Global One” policy. The ranking system of *Ichii* Hong Kong was basically followed that of Japan; however, there was a slight difference between them (see figure 2). For instance, Hong Kong had three levels in F grade while Japanese system had eight levels mainly because of the different labor structure within the store. In Japan, there were a number of junior employees, “*Jun sha'in*,” who were

1. The Hong Kong region did not have a COO until the middle of 2012.

2. *Ichii* University plays a role as the training institution.

mostly housewives especially in rural areas. The Hong Kong subsidiary did not have such category and employees were normally defined by either the full-timer or the part-timer. The figure also showed that when employees were ranked S3, they could choose to work for either store or office. However, because of the significance of the role by stores, office work was not limited inside the office but also for checking the store operation. For instance, S4 employees were not only required to support store managers but also to do office task. In addition, there were no Hong Kong employees ranked higher than M grade.

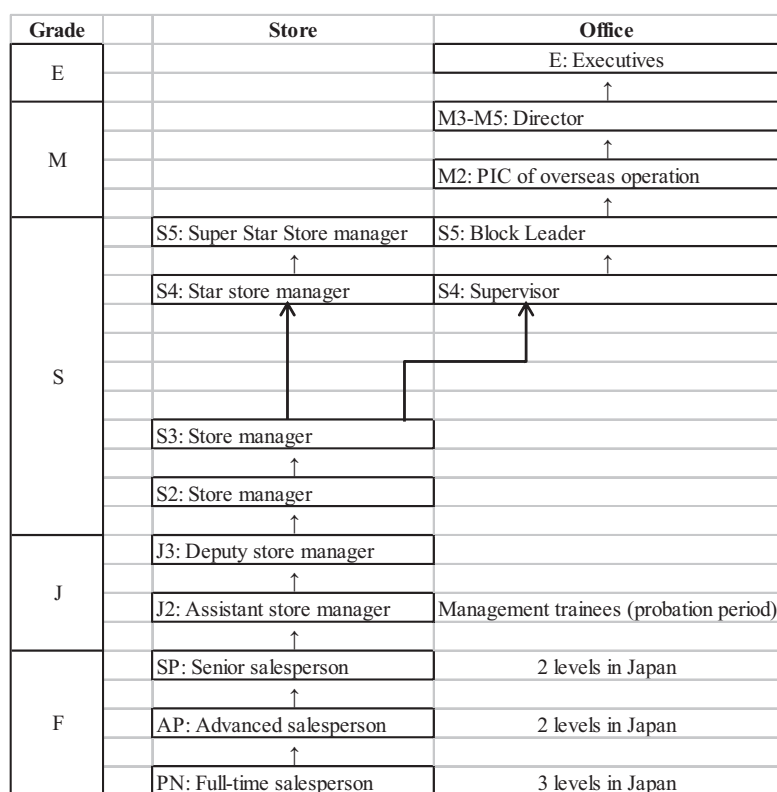


Figure 2 Ranking system in *Ichu*, Hong Kong, 2011

In the recruitment part, although its process and authorized party were similar around the world, eligibility criterion might differ mainly based on the market maturity. The Hong Kong subsidiary recruited mid-careers in the very first years in order to gain sufficient employees on time, nowadays applicants needed start their career path within the company from the bottom of the hierarchy.

When we look the hierarchy at the store, the picture was simpler than the ranking system. There were total eight levels in *Ichi* stores (see figure 3). From top to down, there were: a supervisor, a store manager, a deputy store manager, an assistant store manager, a management trainee, an advanced salesperson and a full-time salesperson, and there were also advanced part-time salesperson and a part-time salesperson. Since the Hong Kong market was regarded as the similar to one block in *Ichi* Japan, there was no block leader there. The subsidiary divided the market into several areas and each supervisor was responsible for a single area. The nationality of supervisors changed from time to time and sometimes the number of Japanese supervisors was more than that of Hong Kong supervisors. It is necessary to mention that although the ranking of management trainees and senior salespersons were supposed to be equal according to *Ichi*'s official “staff handbook,” the former was actually one step higher than the latter. Moreover, they could be promoted to assistant store manager after passing the three-month probation.³

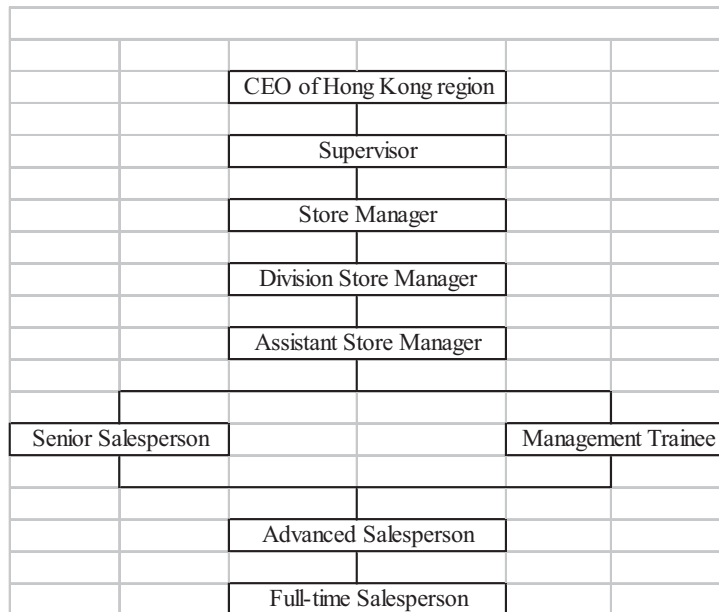


Figure 3 Organization chart of *Ichi* store, Hong Kong, 2011

3. This “policy” is changing because of the limited number of promotional candidates and fewer new opening stores in these years.

*Ich*i is now expanding its business into different places around the world and the company was expected to become a global company under the policy of “Global One.” By the examination of its organizational chart and human resource system, we find that there were differences between *Ich*i Japan and its subsidiary in Hong Kong in terms of the system; however, the gap was not big. With the high profit in the market and similar system in Japan where the company “succeeded,” I shall explain what kind of operational problems that *Ich*i encountered in Hong Kong and what were the possible causes.

III. Labor Insufficiency in *Ich*i Hong Kong

Labor insufficiency gradually became the most serious operational problem for the operation by *Ich*i in the Hong Kong market. Among various causes of the insufficiency of labor force, I particularly point out three factors: its unique formula for calculating the labor budget, “imported” labor structure and less competitive advantage in terms of their human resource policies. The lack of labor force was now regarded as one of serious operational problems of *Ich*i in Hong Kong by both Japanese and local top managers. Japanese top managers who just arrived at Hong Kong normally wondered why the labor insufficiency was so serious there and some of them might name the less loyalty of local employees and their short-term oriented attitude towards the work were main reasons. Besides the flexible labor market and Hong Kong people’s different concept towards job compared with that of Japanese, there was a unique cause for the case of *Ich*i Hong Kong, which was the formula for calculating the labor budget.

The first factor for influencing the labor insufficiency was the unique formula for calculating the labor budget at the store. In *Ich*i, store managers had the authority to set the labor budget for their stores and the procedure was similar in every place. The labor budget needed to be calculated “scientifically” in order to achieve the job efficiency and reduce the labor cost. In order to support this practice, the company standardizes the procedure of each job and set the ideal time for each task so as to achieve the higher level of efficiency. From the company’s point of view, employees who were recruited through same requirements, who received same training programs and on-the-job training, OJT, could perform the same high level of job efficiency.

Although this formula was supposed to be “scientific,” it over simplified the differences of individuals and considered less about the local situation. A number of local store managers agreed that the budget was far from what they really needed because of the formula was too “standardizing” to adapt to the ongoing situation. A female store manager once said to me:

Did you see this budget? We are not able to ‘survive’ this month because this number is too small. As you may know, there are a number of part-timers who resigned suddenly and most of them did the same thing every month. It is not possible to add more budgets according to this formula. You know why? Because Japanese part-timers, I heard that most of them were students, stayed much longer than Hong Kong people do. So they could guess the number. But we cannot! You have no idea who is going to resign tomorrow or even today. Moreover, Hong Kong customers are different from Japanese. They are more rude and impolite. It is not possible to achieve the same as Japanese did.

While local employees appraised the “well” performance by Japanese customers and employees, they also claimed that the company cared less the local situation. This store manager also told me that although this formula was actually revised in order to adapt to the Hong Kong situation, it was still too “standardized” or “Japanized.” When we consider the difference between the Hong Kong market and Japanese one, we for sure need to take into account the aspect of customer behavior. The budget calculating formula seems to pay less attention on the fact that large number of customers uses fitting rooms and their numerous questions and requests. For instance, Hong Kong customers including tourists from mainland China preferred to try products on before actually buying them. They wanted to make sure that the size and the color fit them, which was their custom. There were mainly three factors to examine why customers frequently ask employees questions. Firstly, many customers did not have idea about the size shown on products. It might because of the lower brand visibility of *Ichu* in Hong Kong comparing with in Japan and varied size instruction there, for instance, S size in H&M might be different from that from *Ichu*. Secondly, they wanted to make sure that their understanding of the size was correct. Thirdly, some customers just want opinion from salespersons.

The labor structure was considered to be the second factor causing the labor insufficiency. Hong Kong subsidiary followed the labor structure of the *Ichii* Japan, which was part-timer-dominated model, during certain period of time after entering into the market. During these days, the insufficiency of labor was mainly caused by the high mobility by part-timers. I witnessed the high mobility of employees during the first month of my field work, which was during the summer vacation for most students and for sure it was a peak season. On my first day at work, the store manager introduced me my future colleagues. Most of them were young part-time salespersons and only one of them was over forties. I could not remember all their names in once; however, I remembered their faces and smiles. As the summer vacation closed to the end, I heard a number of part-timers, mostly students, left the company for their new life. I was surprised that I never met most of them even though I had worked five days a week. Some full-timers even said, "There are too many part-timers come and go these days, we could not remember all of them. Actually I do not think it is necessary to remember them at all because they will leave sooner or later."

From local employees' point of view, part-timers were the groups of employees who left the company so frequently and the period of their service of the store was "for sure" shorter than full-timers in general. I heard so many times that managers complained some of their lower motivation and inadequate attitude towards the job. Their mobility did not only influence the stability of the store but also the job efficiency of employees since the store needed to full up the vacancy for them and to train new employees from the very beginning. I was confused why the store was still recruiting such amount of part-timers rather than more "stable" full-timers. I learned from employees there that this labor structure was the "instruction" from the head office and there was nothing they could do but to kept recruiting a great number of part-timers every peak season and to train new employees from the very beginning.

In recent years, the subsidiary announced to increase the number of full-timers and changed the model to full-timer-dominated one. A number of store managers and local top managers agreed with this changes by saying, "Finally they realized one major causes of labor insufficiency is because this structure!" The head office gave them task to recruit certain number of full-timers as soon as possible. Although the mobility of part-timers were improved because of this practice, it was true that it took relatively

long time to be practiced even though there were a number of local managers were aware this necessity.

*Ich*i became less attractive in terms of human resource policies, which was the third factor that influenced the labor insufficiency. In previous years, *Ich*i was attracted to local applicants because of its “humanized” allowance, appropriate salary and most importantly its potential for future development. Local people especially those had worked in local retailers was attracted to the company’s proper number of vacation comparing with other companies. A female manager once told me that when she worked in Giordano, a large local apparel company, she had to work six days a week; however, in *Ich*i she could take two days off every week, which was better for herself and her family members. The salary for *Ich*i was “average” when the company in previous years. However, along with the increase existence of foreign large fashion companies’ in the Hong Kong market, such as Forever 21, ZARA, H&M, American Eagle, GAP, and so on, *Ich*i faced the pressure to increase the salary. *Ich*i was actually increasing its salary in these days; however, the basic salary for managers were less competitive compared with that of foreign giants.

Besides allowance and salary, limited promotional opportunities and slow in promotion speed also resulted in negatively influence. Because of the fewer new opening stores in the market, there was less space for local employees to be promoted. A local manager recalled:

When I joined *Ich*i around 2006, the company needed sufficient managers as soon as possible. I used to work in a store that was located in Causeway bay with a Japanese store manager at that time. The top management expected more local managers in near future and we were all manager candidates. At that time, I was not willing to be promoted because I want to spend more time with my family. But they strongly recommended me to take the examination. So here I am, a store manager! I cannot imagine how the competition is fierce nowadays, especially for full-time salespersons. You may wonder why the promotion is more difficult for them than for managers. As you know, employees in *Ich*i moved frequently for better job; therefore, it was less competitive for managers compared with employees who just entered the company. However, the quota is limited, so they just have to live with it.

I point out in the above section that the labor shortage was mainly caused by three factors. First, by the examination of the unique formula for calculating the labor budget, I found that the company focused more on the “standardized” formula for the budget calculation rather than the localized one. Moreover, its formula seemed to base on their “successful” experiences in Japan. Second, the introduction of “imported” labor structure for relatively long years suggested that the company was inflexible of changing their policies in order to adapt to the local situation. Third, the company’s less competitive advantage compared with other foreign fashion companies also influenced the insufficiency of the labor force. In the next section, I will describe how these problems influenced employees’ work behavior and their job efficiency.

IV. Influences Caused by the Labor Insufficiency

Following three examples show the possible influences to employees, which were the lower job efficiency and compromise on the recruitment. First, I will share my own experience that how labor shortage could result in lower job efficiency. Moreover, this case shows how the formula considered less local customers’ behaviors. Second and third examples are about recruitment interviews for part-timers and full-timers. These examples are intended to explain how recruitment managers had to compromise on their requirement because of the labor shortage and high mobility by local employees.

A. One Day in the Fitting Room

A number of Japanese expatriates felt surprise and strange when they found so many customers using fitting rooms in Hong Kong. This happened when *Ich*i was paid much attention by customers. In nowadays, because of the high visibility of *Ich*i brand and its products, people knew better their sizes and cuttings than before. Moreover, people could use fitting room without interacting with employees, which was different from some foreign fashion companies. In Hong Kong, at least one staff was required to stay in the fitting room in order to prevent unnecessary loss and to better serve customers. Managers generally assigned experienced staff there since customers usually had various kinds of requests and questions regarded to the products. Moreover,

employees were expected to be also experts on how to take the hem up for trousers, which was popular because it was free of charge.

If there was no sufficient worker in the fitting room or in any other work places, the situation could get chaotic. I would like to share my first day working in the fitting room. Among all work places within the store, the cash register and the fitting room were regarded to be the “best” places for employees.⁴ Employees had such an idea mainly because these two places were less “boring” and could interact with people; therefore, they could feel the time passed so fast. Moreover, since employees were required to possess certain level of customer service and other related skill to work in the cash register and the fitting room, these places were only available for ‘experienced’ part-timers or full-timers. Therefore, when I was assigned to the fitting room, I was excited, but also nervous since I was aware that those places had higher possibilities of getting complaints from customers.

On that day, I checked the daily schedule and found my name on the fitting room from 4 pm to 8 pm. My partner was Grace who has worked at the store as a part-timer for more than one year. She had rich experience in apparel companies and had never complained by customers so that I felt secure working with her. Around that time, she was trying her best to be promoted to the full-time salespersons. Besides taking care of customers and cleaning the rooms, we also had another task, which was to replenish the jeans since the corner of jeans was next to the fitting room. It was not that busy around 4 pm to 5 pm so that while I was replenishing the stock, Grace was taking care of customers and the cleaning. The procedure of customer service in the fitting room was manualized but simple. When customers entered into the room, Grace counted the number of products. Since it was not allowed for customers to bring more than three products in once, Grace would keep the rest for them.⁵ Next, after putting the card that shows the number of products into the basket, Grace would bring them to the room before confirming the room was clean. Then Grace will ask customers to move into the room and close the curtain for them or ask them to close the door.

4. Only part-timers and junior full-timers were assigned to fold products at the sales floor besides the special occasions.

5. At some stores, such as store at Kowloon Bay, customers could bring more than three items; however, in general, the number was limited to three.

Grace and I were doing well at the beginning; however, the situation became messy after a male customer requested the alteration of his trousers around 6 pm. I was very nervous that Grace might not be able to come back in a while since the hem up service needed to be processed according to the manual, which had three steps. First, Grace helped the customer to pin the length that the customer wanted. Sometimes it took a while because of the consultation. Second, after the customer gave the trousers that were pinned to Grace, she measured the length of the trousers. Third, she would ask customers for personal information in order to make a temporary receipt. I was afraid that I was not able to well take care of other customers.

When I was all alone there, first, I had to bring customers to the fitting room. When a customer wanted to take the hem up service, I had to ask him to wait since Grace was not available. There was also a customer who wanted to try other sizes and colors. Based on *Ichii's* manual, we call colleagues by walkie-talkie and one of them were supposed to help us. When I called colleagues, I heard a manager said, "Is there anyone who could bring such products to the fitting room?" However, I heard nothing in another five minutes. I was getting confused since the customer repeatedly asked me if she could be able to try products; however, I was not able to leave the fitting room. Even though this customer was still talking to me, there was another customer who just wanted to get their baskets back as soon as possible. I got panicky since I did not know whose request that I should respond in prior. At the same time, I was surprised to find that local customers had so many questions and most of them expected employees to perform "faster." I understood why there were so many employees were afraid of being "surrounded" by customers and hated working in the fitting room even though they said it was one of the "best" places.

After there were fewer customers in the fitting room, I consulted Grace and I expressed how I was shame of my low work efficiency. Grace comforted me and said that this messy situation happened frequently and it could not blame on one person. She said that similar situation had happened since she entered the store. According to Grace, this situation could be improved if we had enough workers. She explained that colleagues did not have intention to ignore my request but they just did not have time to help me because they were also responding to customers' requests. Grace also told me that it was not supposed to assign me to the fitting room because of my short experience; however, managers had no choice because of the shortage of labor.

This type of situation frequently happened in the peak season and it was more serious in stores with less total sales and with a number of customers.⁶ Based on *Ichii*'s formula of calculating the labor budget, employees were supposed to perform with higher job efficiency and all customers in the world behave as Japanese. However, since customers were non-Japanese, local customers mostly perform different from Japanese. The next two examples are about recruitment interviews for part-timers and full-timers at store. These examples show how the recruiters confused between the ideal, what the company wanted, and the local reality. It is necessary to note that since the recruitment policy was changing these years, the number of hireable applicants differed.

B. Part-Timer Recruitment Interview

I shall introduce three rounds of recruitment interview conducted by a senior salesperson, Jack, at A store, in which I personally participated. When the interview was conducted, the store still followed part-timer-dominated model rather than full-timer-dominated one. For the recruiter, managers above senior salesperson had the authority to recruit part-time staff.⁷ The male senior salesperson, Jack, was assigned to conduct interviews that day, and spent total two hours to finish all the interviews. Jack started his career from the part-time salesperson, which was not a common case in *Ichii*. He understood what part-timers wanted since he used to be one of them. Therefore, he was quite sure how to select the “best” from them. However, he was also not happy about the part-timer recruitment, and he said “They will resign anyway. Some of them might quit on the first day. But they are our major labor force so that we ‘have’ to recruit them as many as possible although our budget is limited.” It was true that managers needed to conduct a number of interviews with part-timer candidates since they were high mobility groups of people.

There were three rounds of interviews involving more than 15 applicants that day but he only booked four rooms due to limited budget and the late appointment. During the selection, Jack did not forget to check their appearance. Those who wore short pants

6. It might be harder to find such situation during the off season because of the relatively fewer customers and lower sales.

7. Junior management trainees were excluded.

for the interview were not considered as candidates and this idea was shared among other managers. Jack also told me that he emphasized applicants' smile, their voice and how they expressed themselves. He also considered whether they would arrive on time. Almost all applicants arrived on time or beforehand.

When the time came, Jack asked them to come in. In every round, there were three to five people and most of them just finished their university examination or high school life, and so were called "post-90s." Before officially starting the interview, Jack asked them to fill out their available working dates and times in a paper which was cut to a fourth the size of A4 paper so as to check their available time. While they were filling out the form, Jack asked them to show their Hong Kong identification cards.⁸ After they finished, Jack collected sheets and started preparing for questions. Applicants were waiting for him to finish. There was a standardized evaluation sheet in *Ichii*; however, experienced managers such as Jack tended to prepare questions themselves.

The interview started by Jack saying, "Thank you all for coming today. I am the senior salesperson, Jack. The person sitting next to me is Zoe, today she will participate in this interview as part of her internship. If you successfully become our staff, you will mainly work on the shop floor doing replenishment, at the cash register or in the fitting room. Could you please start by telling us about your prior experience, such as school activities or part-time employment, and how it would be of advantage to your working in our company?" Few of the applicants had experience at apparel companies or in other industries. At this time, applicants could not apply directly to full-time jobs, but had to start as part-time staff. Jack then asked, "From your point of view, what is important for employees at *Ichii*?" Most of them answered, "smiling," "politeness," "thoroughness" and "team work." He concluded the interview by saying:

Our company has higher standards compared with other apparel companies. You need to think carefully about this. We have night shifts that might require you to work overtime until one or two a.m. It is a very tiring job. However, if you join our company, we hope that you will support us by offering many shifts. One last question, there will be a training in head office on 3 May, is there anyone who cannot attend?

8. If they were not Hong Kong permanent resident, the store needed to do additional paper work.

He had to stress that *Ichu* was different from other foreign fashion companies in terms of its working hours and its requirements since some of them might regret on their first day. Jack decided to recruit three men this time who were all fresh from high school. After the interview, he said to me:

Some candidates regarded smiling as a significant point, but they did not smile during the interview. One girl who worked as a teleoperator had great smile, but I do not think she is suitable for this company. Oh, do you remember the girl from medical school? I just...“I love her but I hate her at the very same time (又愛又恨)!” She is really talkative and she might be good at conversing with customers; but, she might also chat with employees.

Jack’s dilemma was over the high ratio of part-timers and the necessity of their existence. He also understood that some part-timers did not come to the store for working but for chatting and hanging around. However, he had no choice but to recruit as many candidates as possible in order to prepare for the coming peak season. He finally chose to recruit her one month later.

C. Full-Timer Recruitment Interview

I would like to share another example of the recruitment interview, which was intended to hire full-time salespersons. The interviewer was the female store managers, Jenny. Sometimes management trainees might join the session for learning the skills although store managers made the final decision. I also personally participated in this interview and A store was required to increase full-timers so as to support change from part-timer-dominated to full-timer-dominated model.

There were total three applicants for the position on that day. Each interview was conducted face-to-face, which was different from part-timer recruitment interview, and it lasted fifteen to twenty minutes per person. Before the interview officially started, Jenny collected the Hong Kong identity card from each applicant to confirm the personal information. Different from Jack, Jenny filled out the form prepared by the head office while conducting interviews. She asked each applicant three questions: why

they resigned the previous job, what their future career plan was, and how their join would benefit to the store operation.

The first applicant had university degree and used to work as a sales executive at a chemical firm. He changed the job because he had to take care of the death of his family and he also wanted to try working in the new industry. Although he had little experience in the apparel company, he conducted research on *Ichi*'s history and the considerable development SPA business model in advance, which was his motivation to choose *Ichi*. It was actually rare for *Ichi* applicants who conducted research thoroughly on the company in advance. Most of them only knew *Ichi* was a brand; however, they usually had little knowledge about its business model or its company history.

The second applicant used to work at Lafuma, a French based apparel company, as a senior manager. Although he worked at Lafuma for more than five years, because of the poor benefit and promotional chance, he would like to try at *Ichi* where seemed to have better offer. He also mentioned that even though the job title was senior manager, he had to do any kind of work. Jenny told him the amount of salary and stressed that *Ichi* was different from another Japanese retailer MUJI since *Ichi* did not allow employees to chat on the shop floor and *Ichi* expected employees to be able to work overtime.

Third applicant used to work at a restaurant as a waitress and she was proud of her high level of customer service. Her situation was special compared with the other two since she was introduced by a friend of Jenny, who worked at another store. It was common phenomenon in Hong Kong that local employees ask their friend, classmates or relatives to join the company, especially for part-time position or full-time salesperson. According to Jenny, she basically accepted all referrals if they were qualified.

After finishing all interviews, Jenny told me that she was not willing to recruit the first candidate because he was a degree holder. In Hong Kong, people change job according to their skills and education level so that Jenny was afraid that the first applicant was easier to change job compared with the other two applicants whose academic qualification was high school. Jenny preferred the second one since he kept working at one company for more than five years even though the company did not satisfy him. The third candidate did not have positive conclusion. However, several months later, I found all three of them at store. Jenny said, "I have no choice since

we did not have enough staff. We have to train them in order to prepare for the peak season.” Same as any other store managers, Jenny continued recruiting full-time salespersons.

The behavior of Jack and Jenny showed that the reason that they recruited “unqualified” candidates was mainly because A store was eager to get people as many as possible because of the insufficient talent. With my field work experience working in other stores and interviews with employees, I found that this phenomenon was not confined to A store but was shared among other stores.

V. Conclusion

This paper took a prestige Japanese fashion company, here called *Ichii*, as a research subject and examined how the company operated its global policies in the Hong Kong market, analyzed the operational problems they encountered, and how these problems influenced local employees. I argued that labor insufficiency at the store was one of the major operational problems. There were three possible casual factors, which were the company’s unique formula for calculating the labor budget, the “imported” labor structure and the less competitive advantage in terms of its human resource policies. I concluded that the company added less localized elements for their policies, changed policies inflexibly and adjusted human resource policies more slowly than its counterparts. In the last part of this case study, I gave three examples to show how the labor shortage influenced local store employees. The first example indicated that employees were assigned to a work place where they were not qualified, mainly because of the labor shortage at the store, which resulted in poor job efficiencies. The latter two examples showed that managers had to compromise over their standards and requirements to recruit “ineligible” employees even though they knew it might lower the quality of employees.

This case study provided a picture of a Japanese company in the Hong Kong market and presented examples that allow readers to understand more about the company’s operation in the local situation and how local employees felt towards their practices. I hope this case study will not only make a contribution to academic study but also to the business world.

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企業在海外市場的「全球化」管理： 在港日資企業為個案

朱藝

香港大學現代語言及文化學院博士候選人，香港

摘要

本論文從人類學的角度去探討在港日資企業是如何實踐其全球化方針。作為本文個案研究的企業被稱為 Ichi。該企業不僅能維持高銷售額，同時也能在日本及海外市場迅速擴張，在日本被視為一家「傳奇」企業。該企業強調「全球化」管理的重要性，特別是注重包括中國大陸、香港和台灣在內的大中華地區的發展。至今為止有關該企業成功之路的研究成果為數眾多，但，詳細探討其在海外運營的研究卻是鳳毛麟角。本論文將以該企業在香港的運營為研究對象，因為，香港市場在大中華區內扮演著人才培訓中心的角色。通過在該企業香港店鋪一年的田野調查，筆者發現人才緊缺已經成了香港運營中極為嚴重的問題之一。此問題主要是由於 Ichi 要求本土員工也要遵守其所謂的「全球化」方針，而不是根據本土情況去適當調整其方針而引起的，因為這些「全球化」方針是該企業根據在日本的市場經驗而制定出來的。具體來說，人力緊缺主要有三個原因：第一，店鋪計算人工預算的程序中本土成分較少；第二，店鋪的人力結構是從日本「進口」的；第三，公司的人力資源方針缺乏較強的競爭力。本文最後列出的三個具體實例將說明，人才緊缺會導致員工在店鋪中的低工作效率，以及雇用低素質員工來應付等結果。

關鍵詞：日本企業，人力緊缺，全球化，本土化，組織管理

