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**POWER, ACCOMMODATION AND RESISTANCE: A
FOUCAULDIAN PERSPECTIVE ON HOW INTERNAL
MANAGEMENT CONTROLS ARE COMPROMISED IN
CHINESE HOTELS**

A thesis

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ABSTRACT

Purpose

The purpose of the thesis is to consider elements of internal management controls employed in hotels in China, specifically with respect to accounting and behavioural control. Accounting and behavioural controls involve mechanisms used to motivate, monitor, measure and sanction the actions of managers and other employees. Internal management control is part of a system of integrated elements (people, structures, processes and procedures) acting together to provide reasonable assurance that an organisation achieves its business goals. The thesis concentrates on internal management control. Accounting controls, being a subset of internal management controls, suit tasks that are routine, familiar and certain; where few exceptions are likely to challenge routines. Examples of mechanisms studied involve highly standardised production models where: costing, budgeting and targeted performance outputs are applied. In contrast, behavioural controls are used to target similar objectives, except those which require tasks that are transparent in terms of input-output, familiarity and routine. The essential difference between accounting and behavioural controls being timeliness; behavioural controls are to be preferred where tasks are to be monitored in real-time rather than after the event. The latter being the territory for accounting controls.

While research shows culture effects control few researchers have adopted a qualitative Foucauldian approach. This thesis employs a Foucauldian approach to investigate how internal management controls have developed within the Chinese hospitality industry.

Method

Two approaches are employed to investigate the research question: ethnographic observations and interviews with staff. The decision to employ an ethnographic approach arose because the researcher had previously worked in the hospitality industry where she was trained as a manager. Interviewees were staff who worked in the hotel industry in China.

Findings

The thesis details incidents involving various forms of accommodation with managers that resulted in breaches of internal management controls. Such accommodation may simply be a means to preserve job security, reduce work load, or obtain a promotion; in all these cases its effect is to compromise internal management controls.

Contributions

This study makes a contribution by applying Foucauldian theory in a Chinese hotel organisational context. The findings disclose not so much overt resistance to controls, but rather resistance by means of accommodation.

Second, the thesis explains how internal management controls may be compromised in spite of the use of disciplinary techniques, such as surveillance, enclosure, discourse, and examination. The thesis illustrates accounting's evaluating and disciplinary aspects.

The thesis tries to acquaint the reader with an environment of subjugation and control where accommodation with superiors becomes a necessity. Workers seek to please their supervisors and managers through gift-giving and favours, but in so doing they corrupt the control and performance standards that the managers should protect.

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CHAPTER 1

Introduction to the Research

1.1 Introduction

This thesis is concerned with the behaviours of staff and management in relation to the use of management control mechanisms in Chinese hotels. Employing a Foucauldian analysis, its overall objective is to consider, with respect to Chinese hotels, how a structure of internal management controls may be compromised by behavioural responses to managerial authority. With respect to internal management control, Abernethy and Brownell (1997) identify three subsets of control: accounting, behavioural and personnel controls. They argue that where tasks are highly analysable and exceptions are few, reliance on both accounting and behavioural controls will be the preferred choice for performance management. The other element of internal management control, personnel control, is applicable where performance is not analyable and there are many exceptions. Personnel controls cannot be programmed into routine operations and into procedures which can be monitored by supervisors. Professional training and socialisation is a feature of personnel control where behaviour is regulated through self and peer group processes. The latter is not the case with regard to hotel internl management control where performance is based on routines and analysable procedures.

Under the umbrella of internal management control, accounting controls suit tasks that are routine, familiar and certain, where few exceptions are likely to challenge

routines, and where targeted performance outputs can be applied. Behavioural controls set similar objectives requiring transparency in terms of input-output, familiarity and routine. The essential difference between accounting and behavioural controls being timeliness, that is behavioural controls are to be preferred where tasks are to be monitored in real-time rather than after the event. The latter being the feature of accounting controls (Merchant, 1989).

Many business scholars consider that Chinese organisations provide a different operating environment to that found in 'the West'. The Chinese business environment is distinctive in that it hosts a culture of authority and obedience, coupled with relationship obligations based on *guanxi* (*guanxi* refers to a Chinese sense of obligation between two parties, whereby favours received must be reciprocated; see chapter 2 section 2.4) and gift-giving (Lau & Young, 2013; Luo, 2011; McDonald, 2011; Miles & Goo, 2013; Romar, 2002; Wu & Wokutch, 2015). The recent Toshiba fraud case involving millions of dollars in false reporting was, according to *The Economist* (2015), the product of an East Asian Confucian legacy of obedience and respect for authority. This study offers a contribution to the research literature by adopting a qualitative, micro approach to understanding of management control in Chinese hotels. It explores this issue from a cultural perspective that takes authority, obedience, and relationship obligations into account. It is argued from the evidence gathered that staff within Chinese organisations, strive – whether from fear, respect or preference seeking – to accommodate (in the dictionary sense of to adapt, adjust, and harmonise with) themselves to managers; this accommodation may weaken the effectiveness of internal management controls. Internal management control weaknesses (IMCW)

exposed in this thesis are behavioural pathologies which also undermine accounting controls.

This chapter provides an introduction to management accounting practices in the Chinese hotel industry, and an introduction to this thesis. Section 1.1 provides some understanding of Chinese culture. Section 1.2 explains the motivations behind the research. Sections 1.3 and 1.4 provides background information on the Chinese hotel industry, the nature of the problem, and the gaps in the literature. Section 1.5 states the objective of the research. Section 1.6 introduces the methodology and method. Section 1.7 provides an overview of this study's contribution. Section 1.8 addresses the scope and limitation of the research, and the final section summarises this chapter.

In order properly to understand this study, it is useful for its readers to have some understanding of Chinese society. The next section explains the motivation for the study, and the following section provides a background.

1.2 Motivations for the Research

For some time accounting academics have drawn attention to how accounting underpins the structure of organisations and, in so doing, transforms behaviour (Hopper & Macintosh, 1993; Knights & Collinson, 1987; Miller & O'Leary, 1987; Roberts, 2014). Tinker (1985) claims that all management accounting controls are ideological. These writers also maintain that accounting functions to allow managers to dominate. Such domination may induce various forms of passive resistance, or accommodation. Organisations, such as hospitals, hotels, universities,

and large corporations, are structured around a web of budgets and internal management controls aimed at producing a good 'bottom line' (Abernethy and Brownell, 1997; Parameter, 2013). These budgets and controls are managed through key performance indicators (KPIs) whereby staff must achieve goals (Spitzer, 2007). Managers have the power to determine the KPIs for staff and thereby assess their performance (Spitzer, 2007). Activities structured around calculations allow various types of managerial domination and staff behaviour. The objective of the proposed research is to explore staff behaviour in terms of resistance to, and accommodation in the hotel sector in China.

All hotels provide a fairly labour-intensive service, especially so where a large part of the pool of labour enjoys no wage protection (Sherman, 2007). However, one feature of the Chinese hospitality-labour market is that it encourages a mass immigration of people who come from the countryside to the cities in search of employment (The Economist, 2014). These internal immigrants (known as *waidiren*, i.e., people who are residents of the countryside but work in a city) lack a city identity and, as a result, have little legal protection; consequently they are subject to lower rates of pay (The Economist, 2014). By exercising their power over migrant labour, managers may maximise profitability. This authority can result in the encouragement of accommodation with management. Accommodation may reward staff at the expense of weakening internal management controls.

Foucault (1979) shows that by measurement through calculative systems, discipline can be imposed on staff. Accounting is a calculative system and, as such, it can be used to enclose through cost centres, conduct surveillance by quantification, and review performance standards by examination (Mennicken & Miller, 2012). The

importance of accounting in measuring and controlling staff has been frequently researched by academics who have drawn on Foucault's writings (Sharma & Irvine, 2016; Sharma, Lawrence, & Fowler 2012; Gelfand, Lim, & Raver, 2004). Some of these studies have focused on the effects that managerial authority has on staff behaviour with respect to avoiding established internal management control systems (Foucault, 1977a, 1979, 1980b, 1983). A Foucauldian analysis is the lens chosen through which to view the objectives of this research.

Foucault's work has relevance to the 'new' management situation in China. However, Chinese society still retains management practices (derived from Confucius), which have served Chinese society for thousands of years. Since Deng Xiaoping's economic reforms, were instituted in the 1990s, subsequent Chinese have found it difficult to understand how they 'should' behave, as they find the business environment in China a confusing place. Reading Foucault's analysis of how workers are controlled in the Western world enabled the researcher to realise she had seen some of the practices there described in her own Chinese management training. Hence, the researcher opted to explore this area in her master's thesis (2014). Since completing it, she has come to realise that two separate forces are currently pulling against each other in China's contemporary business community: the one described so interestingly by Foucault, and the other initiated long ago by Confucianism which still influences Chinese business practices. This situation shapes problems when an individual attempts to learn how to be a 'good' manager in China. As an academic, the researcher felt that it would be interesting to explain how difficult life is for many in present day China, where the two approaches to business practice coexist, and sometimes conflict. Moreover, given that the 'level playing field' demanded by the economic theorists certainly does not exist, this

thesis, aims to provide an understanding of the tension between these two elements for its readers.

In her master's thesis, the researcher demonstrated how a theoretical exposition drawing on the work of Foucault could throw light on the Chinese environment. On completion of her master's degree, the researcher felt it would be exciting to apply the thinking of Foucault to her own experiences as a young woman in China, where she had been trained to become a hotel manager. At that time, she was living in a society which had been dominated by Confucian thinking for thousands of years but which was also then having to incorporate modern Western business practices into its management thinking. Consequently, there was a tension between Confucian thinking and Western business thinking which made it hard for many young people in society to properly understand how they 'ought' to be behaving.

Foucault's theories and Confucian thinking have much in common. Both consider power and discipline. Confucian thinking is about establishing order and obedience, while Foucault focuses on the nature of power and its effects within organisations especially with regard to resistance. As a trainee manager working under an authoritarian manager, the researcher witnessed both how power is exercised, and how it can be avoided through accommodation.

The researcher felt that Foucault's theoretical approach to understanding organisational life might help her understand her experiences in the Chinese hotel industry, and perhaps also help others better to understand. The researcher recognised that the feature which links Foucault's and Confucius' thinking is their concern with the resistance of employees to domination. 'Accommodation' by

workers has become a form of obedience which contains an element of resistance. Thus, while ideas of hierarchy and obedience remain, these can be mitigated by workers reaching accommodation with their managers.

1.3 The Background of Chinese Culture

The Chinese government makes a major contribution to the economic management of the country's economy. It both directly and indirectly supervises China's business enterprises (Liu, 2010). In China, the state controls most industries and usage of land (Chen, Jubb, & Tran, 1997; Davidson, Gelardi, & Li, 1996; Graham & Li, 1997; Li, 2010). State-owned enterprises (SOEs) have political objectives and these may take priority over commercial goals. It is also likely that 'underperforming' state-owned enterprises will be assisted by the government (Wong, 2006). Hence, the Chinese market is influenced by government participation (Liu, 2010; Xiao Weetman, & Sun, 2004). It is a socialist market (Institute of Chartered Accountants of Scotland, 2010). Most large Chinese hotels are either government-owned or part-government-owned.

Compromises, relationships, authority, and domination are affected by social standards as to what is appropriate (Yates & Lee, 1996); appropriate standards are drawn from the culture (Roxas & Stoneback, 1997). Culture and customs influence relationships, authority, and the extent of power (Fleming, Chow, & Su, 2010).

Hofstede and Bond (1988) offer theory-based interpretations of cultural differences relating to business behaviour in various places. Hofstede (1980) describes Chinese culture as being 'collectivist'. Chinese workers have weak work rights as a result

of a traditional authoritarian structure (Lau & Young, 2013; Miles & Goo, 2013; McDonald, 2011). Managers are likely to show 'face' (in the sense of maintaining dignity) by exercising power (Lau & Young, 2013). In the social sciences literature, such power is sometimes termed 'actor agency', which can be defined as where 'a person acts to produce a particular effect or achieve an end'. In this thesis, face is referred to as 'exercising managerial discretion'. Often managers find themselves in positions where it is acceptable for them to 'bend the rules' to some extent, and they will do so to display their power.

Reliance on Hofstede (1980) has been challenged by Harrison and McKinnon (1999) and McSweeney (2002) who suggest that Hofstede's analysis has methodological flaws and is too simple because of the limited dimensions of his research. Patel, Harrison, and McKinnon (2002) researched audit conflict as a factor in cultural difference. They found that Australia prioritises the individual and a culture of egalitarianism. Asian cultures emphasise harmony with authority and realising one's position in society before challenging authority (Lau & Young, 2013; McDonald, 2011; Miles & Goo, 2013; Baskerville, 2003). In accordance with Hofstede (1980), Patel, Harrison and McKinnon (2002) suggest Asian cultural values are different from those of Australian values. What is more, the cultural environment impacts how organisations function (Christie, Kwon, Stoeberl, & Baumhart, 2003; Baskerville, 2003).

Traditional differences may produce differences in judgement and conduct. Lin and Zhang (2011) note the practice of Chinese managers using under-the-table incentives. By creating reciprocal obligations in business, *guanxi* (see chapter 2 section 2.4) was also found to be a necessary way to do business.

The culture of *mianzi* (face) demands loyalty, so that Chinese are reluctant to point out the bad behaviour of others if those behaving badly are senior to them. Hwang, Staley, Chen, and Lan (2008) point out that Chinese people (in Taiwan) do not report on those they have good *guanxi* with, even if they know they are involved in cheating.

China's economic reforms have upset many traditions, especially with regard to China's economy and market practices. Competition in the market place has changed people's thought patterns, encouraging them to re-examine their values (Whitcomb, Erdener, & Li, 1998). Competition in the economy has made people more materialistic and revolutionary (Redfern & Crawford, 2004; Woodbine, 2004). Tang (1999) maintains that since the reforms of the 1980s (which refers to Deng Xiaoping's introduction of a market economy which wiped away Chairman Mao's communist collectivist country), China has undergone great change. Old values have been weakened without new values appearing. Becoming rich through work is the new goal, replacing the goal of serving the people (Tang, 2000). The pursuit of wealth may explain many questionable business practices seen in recent years (The Economist, 2014). Chui, Ting, Tso and Cai (1998) and Lin and Zhang (2011) maintain that China's social changes have altered social standards within the last few decades.

Research traces a movement from an ethical base that reflects traditional culture to a materialist ethic (Redfern & Crawford, 2004; Giddens, 1993). Ahmed, Chung, and Eichenseher (2003), for instance, conduct research on the attitudes of business students to business practices. What is interesting is that they found that Chinese and Russian students, compared to Western students, appeared to be more tolerant

of unethical business conduct. What Chinese and Russian students have in common is that they are from countries which have shifted from command economies to ones employing some market systems.

It may be argued that Chinese business ethics are in a development stage. The profit motive now represents a challenge to the traditional values involving harmony and respect. The transition to a system of competitive markets focused on gain has invaded most areas of Chinese business. Such a transition encourages a focus on budgets and performance expectations (Mennicken & Miller, 2012).

1.4 Performance and the Hotel Industry

Although Chinese hotels have enjoyed commercial success, over the years their disciplined uniformity has made them into symbolic failures in the sense of being very functional but lacking in warmth. Their impersonal blandness has resulted in frequent-travellers displaying little loyalty (The Economist, 2013). While those who patronise Chinese hotels often may have a whole collection of Chinese customer preference cards for numerous hotels the service and quality these guests receive from each hotel is almost identical (The Economist, 2013).

Trying to provide an intimate service is a difficult challenge for hotels; adopting this practice promotes an increasing level of obsequious behaviour. Where the hospitality industry used to rely on the grandeur of its premises, it now seeks to draw custom through emotional and symbolic gestures (The Economist, 2013). Receptionists now consult stored information on guests. Wang (2014) suggests that

obsequious and grovelling behaviour from migrant hotel workers has become common.

The mechanisms of accounting are employed everywhere because they facilitate measurement and enclosure, thereby disclosing performance (Gleeson-White, 2011). Being labour-intensive organisations, hotels provide many illustrations of how accounting concepts such as those used in management control systems are undermined.

The issue of the mechanism and application of power is central to Foucault's work (Foucault, 1980b). Disciplining of staff is achieved by what Foucault describes as a threefold function (Foucault, 1980b). Foucault (1980b) suggests that discipline reigns over the productive function – by determining outputs; over the symbolic function – by making staff conform to represent the brand; and, over the dressage or discipline function – by imposing constraints and sanctions.

Classical economic theory has directed managers to focus on outputs (The Economist, 2013). McFadden (2013) rejects the classical view of consumer choice, in a paper entitled “The New Science of Pleasure”. Taking up McFadden's (2013) challenge, this thesis maintains that it is equally important for managers to focus on both the productive and the symbolic functions. Creating a brand image is becoming of great importance, and brand image is achieved by building relations between staff and guests.

As discussed in chapter 2, the literature is scant in respect of the application of Foucault's concepts to the problem of internal management control with regard to accounting and behavioural weaknesses regarding the Chinese hotel industry. This

research aims to make a contribution to this area by demonstrating how much managerial discretion may, by way of accommodations, may undermine control.

Accounting can be about calculating profitability and advancing efficient management practices. It facilitates performance measures used to owners and managers alike (Mennicken & Miller, 2012). In order to satisfy shareholders by enhancing profits, managers may exploit labour and the natural environment, unless regulations are in place to provide safeguards (Gleenson-White, 2011). The extensive use of migrant labour in the cities permits managers to employ staff for long hours at low rates of pay. Lacking city identities, migrant labourers are denied city labour rights; hence, it is easy to dismiss them summarily.

Accountants and management set goals in hotels by providing budgets linked to internal management controls and performance targets. The current study examines the structures that these accounting goals create and determines the extent of managerial authority within such structures. The literature (Roberts, 2014) shows that worker performance is shaped by internal management controls and the enforcing authority. The focus of this thesis is to investigate how such shaping impacts upon the behaviour of Chinese hotel staff.

While accounting provides a structure to make visible, to provide internal management controls, and to measure performance, traditional operating practices within hotels may be more influential in determining the set rules for practice (Sherman, 2007). Managerial discretion in overseeing staff functions may be subject to staff accommodation and managerial authority, influenced by accommodation, may, in turn, result in compromising standards.

1.5 Objective of the Research

This thesis investigates the generic problem of how a structure of internal management controls, including both accounting and behavioural controls, that govern staff performance may be accommodated, and weakened, through managerial discretion within hotels in China. It identifies the concerns and gaps in the current literature. Employing a Foucauldian analysis, the study aims to consider, with respect to Chinese hotels, how internal management controls may be compromised by management discretion employed in response to accommodations. It explores three research questions:

- 1:** How do staff use accommodation to resist management control of their workplace behaviour?
- 2:** What ‘tools’ of accommodation do staff use to confront managerial authority?
- 3:** To what extent is contemporary internal management control associated with the Confucian legacy of respect, obedience, and accommodation in the workplace?

Given that managers will interpret the financial objectives driving internal management controls in different ways and that staff behaviour will vary according to local accommodation practices and managerial discretion, these research questions are designed to investigate the extent and effectiveness of accommodation on managerial authority within the financial structures.

1.6 The Methodology and Method

While the method employed to undertake this research is explained in chapter 3, this section gives a brief overview of the qualitative approach adopted. The thesis adopts a qualitative or naturalistic methodology. As such, the beliefs about knowledge that underpin the methodology concern human intention that requires interpretation and agreement between actors. In this context, ethnographic studies, enhanced with participant observations, are appropriate. The belief that reality is created and is a subjective construction underpins naturalism. By using a theoretical lens, actions may be explained and understood, so that a better appreciation of how a particular social order prevails is achieved. Thus, this research seeks a greater (deeper) understanding of control mechanisms operating in the hospitality industry in China and how resistance and accommodation may serve to weaken such controls. The study takes a mixed approach. Ethnographically, it draws on the researcher's personal historical observations made when she was working in Chinese hotels; this approach is augmented by interviews with current participant observers: managers and other hotel staff.

The ethnographic data are drawn from the documented perceptions of the researcher, who as a requirement of her training schedule trainee-manager kept a diary of events. The researcher's personal observations are as recorded; they relate to subjective experiences.

This study involved interviews with over 60 managers and staff in Chinese hotels, including four and five-star hotels partly owned by large hotel chains. When analysing the data in 2017, the researcher realised that it did not properly reflect the

gender of hotel employees, in that no senior female managers had been interviewed, even though the Chinese hotel industry does have a small number of successful female higher managers. Furthermore, the junior staff who had provided data were almost exclusively female. To address this perceived imbalance in the data, the researcher arranged a further trip to Beijing and Shanghai to collect additional data. The researcher was able to interview a senior female manager in a four-star hotel and some additional junior male employees currently working in the Chinese hotel industry. Semistructured interviews involve informal meetings loosely structured towards obtaining information and the semistructured interviews in this study followed guideline research questions but also allowed various subquestions to be developed in order to obtain the best data from each interview (Mason, 2002). The interviews lasted between one and one and a half hours each. The researcher conducted all of the semistructured interviews in China. The protocols around the interviews (i.e., interview preparation, arranging access, the interviews themselves, and the recording of interview data) are explained in section 3.4.2. While many researchers (Cassell & Symon, 1994; Ghauri & Gronhaug, 2005; Lincoln & Guba, 1985; Oishi, 2003; Taylor & Bogdan, 1998) provide varied descriptions of how to approach the data gathered, this research primarily follows the recommendations of Lincoln and Guba (1985) in that the researcher analysed the data by means of a careful selection of observational themes.

1.7 Outline of the Thesis

Chapter 2 reviews the published research relating to internal management control weaknesses. In particular, recent accounting literature on internal management

control weaknesses is discussed in the light of the concentration on macro probabilities of weaknesses such as those published in the literature (Harington, 1994; Amaratunga, Baldry, & Sarshar, 2001; Phillips & Louvieris, 2005; Parmenter, 2013) rather than on micro considerations such as those in this thesis. Contemporary features of Chinese society are considered with reference to this thesis.

Chapter 3 considers the nature of qualitative research, and the method adopted. It explains how organisational reality is emergent and is subjectively created by the interviewees. The aim is to show that the data obtained have meaning and portray intention that is grounded in social and historical practices. Using a Foucauldian theoretical lens helps provide an understanding and explanation of how prevailing practices come about. The ethnographic part of this study comes from the researcher's observations and interviews with regard to staff accommodation.

Chapter 4 reviews the literature that deals with how Foucault's writings have been adapted in the accounting literature and shows how many prominent accounting researchers have utilised Foucault to show how accounting mechanisms have functions that engender visibility, power/knowledge, and discipline. The chapter concludes by relating these visible functions of accounting to a Chinese context and demonstrates that such visibility enables superiors to achieve discipline by means of 'shaming' which involves a merger of new and old Chinese management systems.

Chapter 5 draws on the researcher's experiences as a trainee manager and advances a series of case studies drawn from her journals that depict aspects of discretion, accommodation, and the pursuit of performance objectives.

Chapters 6, 7 and 8 set out the observations of the participants in this study. The participants are mostly junior hotel staff, but some managers were interviewed to capture their perspectives. The focus of these chapters is on how accommodation is widespread and is a means of circumventing internal management controls.

Chapter 9 presents the thesis' conclusions. It contains a discussion of the findings and sets out to show how this thesis contributes to the literature on Foucauldian theory, Chinese organisations and worker resistance to controls. The boundaries and limits of the thesis are explained and recommendations are advanced for further research. The concluding chapter finishes with the researcher's final thoughts.

1.8 The Extent of the Research

The extent and field of reference of the thesis embraces government-owned and part government-owned hotel chains in Beijing, Shanghai, and Guangzhou. The hotels used for this study represent large four - and five - star hotels which employ a full range of staff and have 20 to 40 floors. Although such hotels cater for tourists, most guests stay for business reasons. These hotels hold frequent conferences for government and corporate employees and this service represents an important part of the hotels' marketing and income.

The gender divide in hotels is a matter of interest and it raises the question of why most hotel managers are male, while the junior staff are mostly female. While exploring question of this gender imbalance is beyond the capacity of this study, the issue could be the subject of further research.

1.9 Chapter Summary

Chapter 1 identifies both the problem to be researched and the current gap in the extant accounting literature. The overall objective is to offer, with respect to Chinese hotels, a Foucauldian analysis of how management authority and internal management controls of staff performance may be weakened by accommodation. The chapter outlines the environment of the Chinese hotel industry. It details the study's contribution and methodology and explains the scope of this inquiry and the limitations that must necessarily govern its boundaries. The next chapter will look at the recent management supervision and control literature with respect to the hospitality industry.

CHAPTER 2

Literature Review: Internal Management Control

2.1 Introduction

Hotels' internal management control mechanisms may be understood by way of Foucault's (1980b) observation that staff perform three functions: the productive; the symbolic; and the dressage function (see pages 41-50 for a full explanation of these). This chapter comprises four sections. The first section, section 2.2, deals with features of contemporary Chinese society. Following on from this discussion of the essence of the structure of control, section 2.3 explains traditional Chinese self-subordination. Section 2.4 explains the concept of guanxi, which is a common practice in China. Section 2.5 considers the literature around internal management control weakness, especially the purpose, features, and importance of internal management control systems. Section 2.6 explains the problems of internal management control weaknesses with regard to accounting controls. Section 2.7 is the chapter summary.

2.2 Features of Contemporary Chinese Society

Contemporary Chinese society is deeply influenced by the teachings of Confucius (551-479 BC). Confucius is the best known Chinese philosopher; he lived in China at a time of social chaos. He tried to promote a return to social harmony by recommending the pursuit of an ethical 'good life' involving a respect for justice

and propriety. His ideas concerning how people should behave had an immediate effect on Chinese society and they became widespread; they continue to influence the behaviour of many Chinese people today. They require individuals to have a respect for the 'natural' order of society where certain people (generally older) have a status which must be accepted, and respected. Such individuals should not have their ideas on societal propriety challenged with a view to destroying their authority in favour of an alternative view of life favoured by some innovative individual, or those seeking to adapt to a more global culture.

An enduring Chinese social practice, which extends into contemporary life, is *guanxi* (see chapter 2 section 2.4). It involves business relationships and is a crucial part of business life in China. Many business people believe it is impossible to be successful without employing it (Lin & Zhang, 2011).

Another social difference between China and the societies of the Western world is the concept of 'all men being created equal'. Perhaps stemming from Confucianism, it is recognised in China that all people are not created equal. For example, it is accepted that men have more rights in society than women and that people who are 'state registered' as living in the cities enjoy greater privileges than those who are registered as country dwellers. Inequality in China is also evidenced by substantial pension and income differences among Chinese provinces.

In 2008, 35% of migrants were aged between 21 and 30; they were the young workers' generation. By 2015, according to a new survey by the health and family-planning commission the share had fallen to 29%. Over the same period, the proportion of migrants over 50 rose from 11% to 18%. To some extent this reflects the ageing of migrants who have lived in cities for years. But that cannot be the whole explanation. The number of migrants over 60 more than

doubled, to 19m, in just seven years. Many, like Mrs Liu, have moved to cities after a lifetime in the countryside.

This survey by the health and family-planning commission found that 22% of migrants over 50 have jobs. Almost 60% of older migrants, and 70% of older migrant women, never went to school or only to primary school. They cannot do skilled jobs: 70% of those in employment work in services, often as cleaners, with long hours and low pay. The survey found that half work more than 56 hours a week, while average earnings for migrants over 50 are only 2,500 yuan a month-1,000 yuan less than the average for all migrants. One older migrant in the capital explains how she used to make window frames on construction sites in Shandong province. “It became harder to get jobs, so I went to Beijing and became an hourly cleaner. We were still able to work. There was no point just sitting at home” she says.

She counts herself lucky in being healthy. Medical care for China’s retired migrants is patchy to non-existent. Over 90% have some form of medical insurance. But those who are part of locally based plans can get medical attention only in the place where they joined – usually the village they left. Many therefore say they will have to leave the city when they can no longer look after themselves. A few local hospitals and clinics offer care to people from other areas. For example, the medical system in Sanya, a tourist resort in the far south, has an arrangement to treat people from the city of Harbin in the north-east. But such provisions are rare. (The Economist, 2016, 24 May, p. 56)

In the Chinese hospitality industry, relatively old male hotel managers interact with young workers coming into the cities in search of employment. The incoming juniors are state registered as country dwellers and thereby are inclined to accept that they are somewhat inferior to the registered city dwellers; city dwellers automatically qualify for much better state benefits than they do. These juniors recognise how important it is, when they arrive in the cities, for them to obtain work. They must behave in ways that will ensure they are able to retain that work. They must plan hard if they want to gain promotion in their work. Chinese society places their managers in a dominant position over these junior workers, many of whom are female.

Two terms that are used throughout this thesis are explained here because they are central to the purpose and understanding of the thesis. The terms relate to practices found in Chinese society; they are ‘accommodation’ and ‘managerial discretion’. Accommodation is used to describe how staff seek advantage in terms of reduced workloads or job security by supplying their supervisors and managers with gifts or personal services. Managerial discretion is used to refer to the power that managers have to enforce existing rules and regulations, or choose to ignore them, when making operating decisions. Often the exercise of managerial discretion will affect working conditions and the ongoing contributions of the workers whom the managers control.

When an unskilled worker from the countryside – which correctly describes most junior staff in hotels – first obtains a job she/he will often be interacting with a male manager at the hotel (The Economist, 2014). These staff must decide how to behave in order to keep their job and hopefully gain promotion, or ameliorate their working conditions, over the longer term. This aspiration inevitably involves having an interpersonal relationship with a senior staff member whom they will wish to keep happy. In this thesis, the process invoked in order to achieve this condition is referred to as the ‘accommodation’ of management. Whenever a request is received from, (or implied by) management, the young worker must decide how best to ‘accommodate’ management. Junior staff may engage in forward planning in an attempt to ensure that any demands coming from management are ‘reasonable’, and perhaps to encourage managers to make their ‘normal’ workload as ‘comfortable’ as possible. Such forward planning will require consideration of guanxi (see chapter 2 section 2.4). The junior workers are required to learn how to manage this practice

at an early age. The Confucian legacy in contemporary Chinese society places hotel managers in positions of power from which they can dominate junior workers.

In the Western world, managers are formally provided with the opportunity to discipline and punish (dominate) subordinates in the pursuit of efficiency and effectiveness. This is described in the management literature as a necessary part of being a manager (Chan & Ng, 2012). The management literature describes how best to construct internal management control systems to allow for the efficient and effective control of the working environments (Chan & Ng, 2012). In recent decades, Western management practices have become well-embedded in the Chinese business environment, including the hotel industry. Modern workers in the Chinese hotel industry are subject to two sets of pressures: the traditional pressures embedded in Chinese society by Confucianism, and the modern management pressures embedded in the best of management practices (Chan & Ng, 2012). This thesis explores how workers in the hotel industry manage life in an environment where the two societal systems may sometimes compete to prescribe the 'right' way to behave. Both systems contain rules about how life should be lived to obtain harmony in society, and both systems recognise it is necessary for one group of people (managers) to dominate another group (workers). This study investigates how effective the extant internal management control systems developed in Western societies are in an environment still influenced by a Confucian approach to 'good living'. The Confucian approach is based on harmony-with-authority and respect for seniors.

Accommodation may enable staff to 'earn' compromises, but thereby undermine performance standards and lower profitability. The thesis describes the roles of staff

in the Chinese hospitality industry by drawing on Foucault's (1979) study of disciplinary techniques, making observations, supervision, enclosure (i.e., confining employees within a specific workplace), speech and communication, examination/confession, and 'efficient bodies'. The thesis contributes to knowledge about accountability-and-behavioural controls within the boundaries of an accounting structure. It argues that internal management control compromises arise as a result of managerial discretion and staff accommodation in Chinese hotels.

Many researchers (Sharma & Irvine, 2016; Sharma et al., 2012; McKernan & Kosmala, 2011; McKinlay, Carter, Pezet, & Clegg, 2010) have used Foucauldian concepts as a lens through which to analyse accounting mechanisms from a behavioural perspective. In the same vein, this thesis will explore the Foucauldian issues relating not only to the application of power, but also its mechanism (Foucault, 1980b). The thesis seeks to understand how resistance by accommodation is exercised. In order to do so, this study reveals the structure of authority in China and demonstrates how this differs from such structures in Western countries. As Hu (2013) observes, the Chinese have a long history of both authoritarian organisation and acceptance of obedience to authority.

The thesis draws on the theory and the history of China to show how authoritarian structures work today. It also explains how techniques from accounting may be used to make levels of performance visible. It shows how staff in the Chinese hotel industry can derive satisfaction from subjugation, as suggested in Foucauldian theory (Foucault, 1980b). It describes the use of accommodation by junior hotel staff as a way to deal with managers; such accommodation can be conceived of as illustrating a form of staff resistance.

The Confucian tradition of governance has been compromised by the advent of globalisation, which has resulted in the introduction and growth of international brands. Tang (2002) argues that some view Chinese cultural values as so deeply held that they are unlikely to be abandoned. Others argue that China's values derive from an agricultural society and that as China becomes more industrialised old values will be rejected. As a result of emulating international brands, the management of Chinese hotels has become less relational; it is now governed more by predetermined objectives and norms of performance. This internationalisation of China's hotel sector has shaped a growing use of measurements to identify outputs. By contrast, the literature (Sherman, 2007) provides evidence that globally there is less focus on outputs (measurable targets denoting efficiency) and more on outcomes (effectiveness) in the hospitality industry. However, in spite of internationalisation, Chinese practices continue to be authoritarian and concerned with staff behaviour.

2.3 Chinese Self-subordination

Hu (2013) maintains that what has been distinctive about China is the structure of the judicial punishment system, which is directed at inducing shame and public humiliation. For this reason, corporal punishment officially lasted up until 1911 but unofficially, for longer. Acceptance of inferiority through self-subordination required accommodation from workers, particularly from women. Foot binding of the latter was a physical means of publicising such accommodation and inferiority. The ideal of harmony based on a Confucian hierarchy involves social status. Within that hierarchy, females are viewed as belonging to a specific male figure (Yao,

2000). In other words, as in the other cases cited in this chapter, ‘proper’ behaviour has been internalised. Fan (2010) explains that children should be taught to bow and kneel before their elders so that they automatically come to respect their elders.

Rituals to support the practice of *ren*, such as bowing to seniors, have value in Chinese society. Rituals have value in that behaviour is governed and channelled; unexpected forms of activity with respect to behaviour are forbidden (Fan, 2010). Even today, bowing to senior staff is expected. The ideal is to cultivate self-subordination.

Rainey (2010) explains that protests to superiors should be made using a gentle voice and if such protests invite punishment then the punishment must be borne without resentment, even if blood flows from being whipped.

Inferiors are expected to be obedient to their superiors, even when their superiors are in the wrong. Inferiors are expected to accept punishment without protest and with reverence. To question a manager’s authority is, in cultural terms, unthinkable. For migrant staff, who have an inferior status, such questioning would invite dismissal.

Another important concept that is embedded in Chinese behaviour is *mianzi*; this translates literally as ‘face’. Face still shapes Chinese behaviour. Loss of ‘face’ is very important to Chinese people, as recent surveys have verified (Shan, 2005). While status, and how others see us, is important to everyone, it is arguably of greater importance in China (Hwang, 1987; Kirkbride, Tang, & Westwood, 1991).

Harmony in relationships is very important (Ho, 1976; Hwang, 1987). Loss of face is very important in a group situation. Inferiors can be effectively punished by shaming techniques such as a manager shouting at a receptionist for some trivial deficiency (Kirkbride et al., 1991).

To maintain harmony and face, criticisms and direct speech should be avoided and indirect approaches practised, while not attracting too much attention (Hwang, 1987). Telling lies is permissible if the alternative is a loss of face (Bond, 1991). To maintain face and assist others to maintain face, particularly seniors, is considered polite practice (Chan, Denton, & Tsang, 2003).

While since 1949 the Chinese government has constructed a recognised and wide-reaching judicial system, that system is subordinate to China's authoritarian structure. As Jacobs, Gao, and Herbig (1995) maintain, managers in China – whether in politics or business – have few restraints on their authority. As a result, such authority is not open to questioning or critical evaluation. Furthermore, whether in politics or business, there is no mechanism through which appeals against unfair decisions or abusive use of power can be heard.

Superiors may use the power of numbers to shape performance, and in China, with its distinctive Confucian culture, self-subordination to superiors has a long history. With regard to feminine identity, Foucault argues that it “is better approached as an historically and culturally specific construct rather than as an innate phenomenon” (Mc Nay, 1992, p. 6). Confucian culture laid down specific constructs as to how people were identified. Labourers and women in the countryside were commodified as property. Women in particular were construed as always belonging to a male:

father before marriage, then husband, and finally son. Moreover, women were not seen as needing any special talents, a notion summarised in the folk saying: a woman without talents is virtuous. The Confucian thinker Zhu Xi (1130-1200) observes that wives cannot do wrong or right as long as they are obedient (Chan, 2002). For both rural men and women workers, obedience is the chief virtue.

In modern China, such a history, when coupled with the authoritative power of numbers in contemporary management, becomes powerful in helping to achieve disciplined results. Respect for superiors and fear of being shamed in public remain powerful influences which, at the organisational level, give managers power to raise productivity. The numbers may drive the managers, but they may see no need to divulge such information to their staff to justify their actions. It is the strength of these cultural influences that needs to be kept in mind when reading this thesis. The Confucian tradition that superiors should not be questioned allows a manager, at a micro level, to apply a range of rewards and punishments that may not be tolerated elsewhere.

2.4 Guanxi

The word guanxi in Mandarin refers specifically to a personal relationship. More broadly it is used to describe informal networks that a person may accumulate, similar to groups of 'Facebook friends'. However, guanxi relationships differ from such informal contacts in that they involve trading mutual obligations, in a manner that is similar to a market, where what is owed must be repaid. Businesses in China, and the other Confucian cultures of East Asia, maintain this exchange of favours, which originated in growing wider family relationships, but has extended to

dominate all business activities (Kao, 1993; Lovett, Simmons & Kali, 1999). The practice of guanxi goes back to Confucius. For over 5,000 years it has been influential and provided a means of doing business (Hwang & Staley, 2005). Confucius determined a structure of social order for China based on the harmonious regulation of society. The emphasis was on regulating relationships into superior and inferior rankings: ruler/subject, parent/children, husband/wife, etc. As a result, everyone knows their place in society and who they must obey and strive to please. Based on the enlarged family, guanxi evolved into a continuously expanding network, involving friends and, more recently, business associates (Hwang & Staley, 2005).

Fundamental to guanxi is the shared belief in mutual obligations. Favours must be reciprocated and obligations cannot be ignored. Guanxi binds people to a working network and all must be obedient to an unspoken code (Luo, 1997b). Responsibilities in the guanxi network must be acknowledged. An individual's reputation is at stake and anyone failing to uphold the code is dishonoured. Trust, which is vital among business associates, can be lost within the guanxi network by anyone shunning his/her responsibilities. The individual's family will also suffer a loss of prestige (Hwang & Staley, 2005).

Far from becoming obsolete in the modern business environment, guanxi may be seen to have become more acceptable and more widespread. It has become an important means of conducting business within China (Luo, 1995). Those in business must seek guanxi with their stakeholders. Without such a network business growth and opportunities will be difficult. Interestingly, by belonging to a guanxi network the normal expenses of doing business are reduced. A network of mutual

trust facilitates better communication with stakeholders. Guanxi encourages businesses to engage with other businesses in the network. Being part of a network allows for more trust, and members can reduce the need for expensive legally binding contracts required to address the risk of debtors who will not pay (Hwang & Baker, 2000).

Interestingly, research by Yeung and Tung (1996) show that guanxi was identified as the major and necessary factor for foreign firms seeking contracts in China. Moreover, research conducted by Luo (1997b) finds that a firm's level of guanxi connections is a correlating factor with sales growth in China. According to Hwang and Baker (2000), the Chinese government has persistent problems dealing with audit firms and their inability to uncover fraud and corruption, the reason being that guanxi has, in this regard, a negative side. Influential economic and social pressures preserve and bind a wide range of business interests in a web of guanxi. Such a web may involve the very powerful and enable the frustration of regulations imposed by the lawmakers in China. Hwang and Baker (2000) also maintain that guanxi is a major reason why so many Chinese auditors appear to lack independence.

2.5 Internal Management Control Mechanisms in Hotel Industry

“Management control” is part of a system containing accounting and administrative mechanisms used by an organisation to control its managers and other employees (Abernethy & Brownell, 1997). The mechanisms are used to motivate, monitor, measure and sanction the actions of employees, so that an organisation achieves its business goals. In contrast, “internal control” involves a system of integrated

elements (people, structures, processes and procedures) acting together to provide reasonable assurance that an organisation achieves its business goals (Abernethy & Brownell, 1997). The thesis investigates internal management control. Employing the analysis of Abernethy and Brownell (1997), the thesis considers three aspects of management control: accounting controls, behavioural controls and personnel controls.

Accounting controls suit tasks that are routine, familiar and certain; and where few exceptions are likely to challenge routines. Examples would be highly standardised production models where costing, budgeting and targeted performance outputs can be applied (Abernethy & Brownell, 1997). The essential difference between accounting and behavioural controls is timeliness, meaning that behavioural controls are to be preferred where tasks are to be monitored in real time rather than after the event. The latter is a feature of accounting controls (Merchant, 1989). Personnel control cannot be programmed into routine operations and procedures that can be monitored by supervisors (Abernethy & Brownell, 1997). Professional training and socialisation are the features of personnel control where behaviour is regulated through self and peer group processes.

Abernethy and Brownell (1997) argue that where tasks are highly analysable and exceptions are few, reliance on both accounting and behavioural controls will be the preferred choice for performance management. Hotel management control exemplifies these choices. However, Berry et al. (2009) point out that it is appropriate to recognise the link between culture and control, while Scott (1995) argues that culture dominates control: norms, cognitions and modes of order shape control structures and procedures.

2.5.1 Accounting and Behavioural Controls - Measurement

Outcomes that cannot be measured, or are difficult to measure, may be of little significance because, from a managerial point of view, their impact on profitability is hard to ascertain (Harrington, 1994). Revealing the extent to which profitability dominates the management of staff performance in Chinese hotels, (such as by hiring cheap migrant labour) is one of the contributions of this study.

Measurements are essential management tools for measuring performance (Amaratunga et al., 2001). Both outcome measurement and driver measurement should involve a managerial strategy (Hwang, 1987). Ideally, hotel staff should be trained and become skilled in pleasing customers. They may even become able to provide suggestions on how performance could be improved (Phillips & Louvieris, 2005). Phillips and Louvieris (2005) further point out that a lot of organisations include their employees in the design of strategies to measure outputs, but in more authoritarian cultures (in accordance with Hwang's (1987) and Hofstede's (1986) research) where power/distance hierarchies are greater, the likelihood of staff consultation diminishes.

With respect to calculative systems, it may be that the measurements are less about profitability directly and more about control (Spitzer, 2007). However, Kohn (1993) argues that rewards and penalties to encourage performance may trigger evasion and deliberate distortions in reporting results, which upset the reliability of what is being assessed.

Spitzer (2007) observes that hotel staff will seek and respond to rewards and, like labour everywhere, avoid sanctions. That which is inspected will be performed

when there is a range of tasks to perform. Or to put it in another way, Spitzer (2007) argues that staff will do what is inspected but not always what is expected.

However, KPIs for the most part bring about the results managers want and are effective at channelling staff behaviours, as KPIs are seen as the product of structure rather than authority (Parmenter, 2013). International comparisons are difficult because the influence of culture should not be underestimated (Phillips & Louvieris, 2005). China has a long and distinctive history of traditions that exist nowhere else and the legacy of such traditions can be seen in social mechanisms such as guanxi (Gao, Herbig, & Jacobs, 1995; Hwang, 1987, 1999, 2001).

2.6 Internal Management Control Weaknesses (IMCW) – Accounting Controls

Internal management controls should reduce accounting risk and help to guarantee the quality of the accounting structure by reducing managerial discretion. Internal management controls are designed to confirm the dependability of the accounting process, thereby providing external users, shareholders, and owners with financial statements that are reliable (Ogneva, Subramanyam, & Raghunandan, 2007).

However, Ge and McVay (2005) comment that areas around personnel problems feature in many internal management control weaknesses and so bring into question the extent of managerial discretion. By contrast with recent macro approaches to the problem of internal management control weaknesses, Foucault (1980b) recommends that researchers investigate the micro elements of discipline and control rather than the macro approaches outlined above, which identify likely

variables that could indicate the presence of internal management control weaknesses. Foucault (1980b) refers to ‘subjugated knowledge’ – memories that are disqualified for being unscientific. Such an approach, according to Foucault (1980b), “allows us to establish a historical knowledge of struggles and to make use of this knowledge tactically today” (p. 83). The personnel problems that Ge and McVay (2005) refer to as being at the root of internal management control weaknesses are central to this study. To get to this root, it is necessary to adopt a micro approach, because macro approaches involving sampling for probabilities cannot expose these roots. Foucault (1980b) recommends that researchers should entertain local, discontinuous, and illegitimate forms of knowledge so that subjugated knowledge becomes a legitimate source of investigation.

Internal management control weaknesses may involve all levels of an organisation and indicate poor governance and managerial authority; what Ge and McVay (2005) term “tone at the top” (p. 163). For example, poor supervision or improper supervision of employees will impair accounting quality (Rice & Weber, 2012).

This study involves a Chinese hotel framework. The investigation is directed at the microelements of internal management control concerned with the supervision of hotel staff. It has the aim of ascertaining the degree to which poor supervision, involving staff accommodation of managers, may be responsible for internal management control weaknesses.

2.7 Behavioural Controls

This section explains the role of internal management controls in Chinese organisations, with particular reference to Chinese hotels. It sets the scene for the subsequent sections on interviewee responses. It links with the observations made in the previous chapter so as to elucidate the generic research question: how may a structure of internal management controls be compromised by behavioural responses to managerial requirements in hotels in China?

The section explains the form of internal management control that prevails within the Chinese hospitality industry. Such an analysis sets the scene not only for a better understanding of how the responses of interviewees may have significance, but also how such a structure of controls may be compromised.

2.7.1 Definition

The management of efficient practices that comply with policies of the organisation is the focus of chapter 7. Internal management control as an operation involves a process that refers to rules, policies and regulations adopted by an organisation. Participants, people in management and other participants such as supervisors, are responsible for implementing internal control procedures (Chan & Ng, 2012; Abernethy & Brownell, 1997). Their ostensible aim may be, as shown, to avoid misappropriation of assets: for example, employees stealing assets from the company, such as cash and inventory and making false expenses reports. In addition, control procedures may seek to avoid fraudulent financial reporting; for instance, managers make false entries so that the company appears more profitable and in so doing deceive investors and creditors (Chan & Ng, 2012).

The main objectives of behavioural controls, as shown above, are to encourage employees to follow policy, comply with routines, and promote the effectiveness and efficiency of operations (Abernethy & Brownell, 1997; Berry et al, 2009; CPA Australia, 2008). Achieving these aims requires obedience to the internal regulations that apply in the organisation. In this way, real-time control of staff behaviours is achieved, as opposed to accounting control through budgets and KPIs that look backward at what was achieved.

2.7.2 Key features of behavioural control

Establishing and delegating responsibilities are the key features of managerial internal control (Chan & Ng, 2012). The hotel staff interviewed for this study represented a range of different responsibilities, including housemaids, concierges, and receptionists. Their workloads are established by management and the efficiency with which these workloads are performed is overseen by supervisors appointed for their knowledge of what is required.

As will be illustrated later in chapter 6, technological controls in the form of cameras and calculative performance standards may be applied to supplement the oversight of supervisors. From such sources of information, management may more effectively perform regular and independent reviews of staff and their operations (Abernethy & Brownell, 1997; Berry et al, 2009; CPA Australia, 2008).

It can be seen that these different features of internal control not only interlock, but also flow in a circular and reinforcing process. They include monitoring, risk assessment, control of activities, control of the environment, and the ability to

communicate such control (Abernethy & Brownell, 1997; Berry et al, 2009; CPA Australia, 2008). Central to the process is risk assessment; there is a strong element of managerial authority in this area. It is this central aspect of managerial authority that this chapter, and the interviews that follow, bring into question. For example, allowing a receptionist to depart from wearing the regulation uniform in favour of an expensive fur coat risks comment from guests and resentment from the other, less privileged receptionists. Such toleration of staff departing from internal rules and regulations risks the loss of effective control of the organisational environment. Further examples are supplied in chapter 6. This section seeks to supplement that chapter by revealing the ubiquitous practice of gifting within the hotel industry in China. It is suggested that the effect of this practice is to allow staff to 'steal' control of the environment from management. We might therefore ask: how does management discretion in risk assessment impact on financial reporting? The answer is that when staff 'steal' control it is likely to detract from efficiency and, in the long run, raise costs and reduce profitability. Moreover, there is a symbolic stakeholder effect in that departures from established organisational practices may be observed by guests and give the impression of a badly managed organisation.

Behavioural and accounting control involve monitoring of controls. More generally, examples of control activities include segregation of duties, authorisation of transactions, retention of records, and IT application controls. Awareness of what is going on is an important feature of environmental control (Draz, 2011). Chapter 6, for example, cites instances where members of staff were found to be relaxing and smoking in unoccupied guest rooms. The enforcement of ethical values in business organisations may be more cosmetic than substantial, especially when management, to achieve cost savings, employ low-wage migrants who can be easily

dismissed without giving a reason. Again, chapter 6 provides illustrations of management's disregard of ethical considerations in pursuit of profitable outcomes.

Risk assessment refers to the recognition and analysis of risks and the formulation of a basis upon which those risks should be managed. In Chinese hotels – the subject of this investigation – risk (in terms of cost and litigation) mitigation is managed by the extensive employment of migrant labour. Migrant workers are not only cheaper – which means less risk of overpayment – but are also more easily dismissed and replaced, which allows greater management authority. As most hotel positions are basically unskilled there is little risk of losing skilled and irreplaceable labour. Another feature of management's control is the means employed to identify information, such as record keeping and establishing performance standards. Monitoring may relate to IT and accounting systems that reveal costs and performance. Such systems should reveal changes and evaluate any potential risks that may arise (Chan & Ng, 2012).

2.7.3 Purpose of internal management control systems – accounting and behavioural

Systems exist in order to safeguard assets and maintain profitability. It can be argued that good internal management controls reduce auditing costs and reduce the risks of control weaknesses without wasting resources on overmonitoring. Formal organisational and operating plans may contribute to better outcomes; often, however, managers can override formal plans and operate with a wide range of discretion. Controls are important for business management and to ensure that specific objectives are met. They also help in the prevention of economic losses.

Economic losses can arise from fraud, employee theft, dishonesty, and embezzlement. These are ranked as the most common crimes in United States companies (Chan & Ng, 2012).

Another concern of management is the need to promote the effectiveness and efficiency of staff functions, whether these be in terms of outputs or outcomes (see chapter 3). So, while the outputs of housemaids are subject to performance measures, it is also necessary that their appearance, behaviour, and uniforms are subject to control. Such control is necessary to ensure that outcomes for hotel guests are maintained and guests are given the impression of a well-managed and disciplined hotel environment. Control is also necessary to make sure business activities are compatible with both national and organisational policies and regulations (Draz, 2011). If managers are not vigilant, illicit staff activities may remain undiscovered.

To enhance control, management should hire staff with sufficient education and training to perform particular duties. There should be a commitment to staff competence. However, as this thesis shows, many Chinese organisations and hotels use unskilled labour and prefer to draw staff from a pool of migrant labour willing to accept lower wages and tough working conditions. Competence and qualifications may be sacrificed in favour of cost and ease of dismissal. Finally, in imposing a regime of internal management controls, managers themselves should exhibit high levels of ethical conduct and integrity and be in a position to communicate and enforce ethical values throughout their organisation (Draz, 2011).

2.7.4 Weakness and limitations of internal management controls – accounting and behavioural

With regard to human error, managers sometimes make mistakes or, under pressure, fail to give due consideration to the information available to them. In such cases, performance reviews may be missed or supervisors may allow staff too much discretion. Of greater concern – as is the case in this thesis – is the problem of management discretion. Whatever the case, management discretion where managers compromise standard policies to accommodate staff as a result of gift-giving compromises internal management control standards (Chan & Ng, 2012). Chapter 6 provides examples of how this problem occurs and shows further instances of management discretion resulting from the practice of gift-giving. By such means, staff may achieve an easier workload or gain promotion where it is not deserved.

Internal management controls may be compromised because there is a conflict between cost and desired performance. At busy times some standards of performance may be waived to ensure output and outcomes, especially when staff are required to do overtime as, for example, when the hotel hosts a large conference. Another weakness may result from failure to adjust to change, for instance, new health and safety or new labour regulations. Failure to establish policies to meet such new obligations can result in higher costs, although Chinese hotels are seldom checked in this respect.

Weakness may result from the quality of management employed and some managers may gain a poor reputation among staff due to their lack of competence and/or knowledge, or by exhibiting favouritism to some of the staff they supervise.

If they know of weaknesses, some staff will set out to exploit their managers to seek a favoured result for themselves; the previous chapter provided examples of this type of occurrence. Situations such as these often arise in Chinese organisations because the appointment process is influenced by *guanxi*. Appointments made as a result of powerful external influences can lead to management employing incompetent or inexperienced applicants in senior or inappropriate positions. It is not uncommon for hotel managers to appoint several deputy managers as a result of such external influences. The deputy managers appointed in such circumstances may be inexperienced and their roles ill-defined. Failures in organisational structure resulting from a lack of policies and communication lead to negative outcomes, such as encouraging staff misconduct and abuse of workplace time and facilities (see chapter 6).

2.7.5 Management visibility and internal management control

In order to be seen by staff, managers and supervisors need to be outside their offices as much as possible. Visibility serves to signal ethical oversight to employees and removes temptation from employees to engage in nonproductive actions (Drucker, 2006). Management should know their staff and be able to assess their competence levels for particular jobs (Drucker, 2006). Assessing the level of employees' commitment and requisite skills is an essential element of control (Abernethy & Brownell, 1997; Berry et al, 2009; CPA Australia, 2008). Apart from establishing responsibilities and maintaining adequate records, staff should be subject to regular reviews of their performance to allow managers to provide positive and negative feedback in such a way that employees feel that they are trusted, and worthy of development by the company, and that their opinions are

valued. Good worker performance should be acknowledged, because discontented workers will put less effort and attention into their duties if they perceive their efforts to be unrecognised (Draz, 2011).

2.8 Chapter Summary

This chapter introduced in more detail the concept of internal management control, with particular reference to the application of accounting and behavioural control. Abernethy and Brownell's (1997) analysis of internal management controls is relevant to the hotel workers studied in this thesis. This is because a combination of backward-looking accounting control and real-time behavioural controls are appropriate in an industry where low skilled work is routine, familiar and few exceptions to procedures are encountered.

The chapter is later connected with the two empirical chapters 5 and 6. It serves to remind the reader of how the ethnographic observations to be described in chapter 5 link with the interviewees' data, which follow in chapter 6.

CHAPTER 3

Methodology and Methods

3.1 Introduction

The thesis is qualitative and interpretive. A summary of its research questions can be found in section 3.2. The methodology follows the naturalistic method; section 3.3 describes the elements, which are classified as beliefs (ontology) and knowledge (epistemology). Section 3.4 illustrates the research method employed in this study. Section 3.4.1 explains ethnography and shows how the study's ethnographic inquiry uses the researcher's own observations gained from working in hotels. Section 3.4.2 and section 3.4.3 outline the research method adopted in terms of qualitative interview methods and examine the literature on interviews. Section 3.4.4 explains the meaning of 'qualitative document analysis'. Section 3.5 documents the detailed research process. The method for analysing the empirical data is discussed in section 3.6. Finally, ethical considerations are briefly explained and a review of the chapter is presented.

The ethnographic data relate to the period between March 2005 and March 2010 when the researcher worked as a trainee manager for a large hotel group, participating in every area of the hotel industry. Part of her job was to complete a daily journal, recording events and reflections. The journal was a reflective exercise that helped the researcher assess staff performance, as well as to consider her own reactions and experiences (Wang & Hooper, 2017). The initial interviews took

place in 2015 and 2016. A further set of interviews to deepen and confirm the findings, with new interviewees, took place in 2017. The interviews in 2017 involved a female manager and additional male employees.

3.2 Research Question

The three generic questions to be explored were:

1: How do staff use accommodation to resist management control of their workplace behaviour?

2: What ‘tools’ of accommodation do staff use to confront managerial authority?

3: To what extent is contemporary internal management control associated with the Confucian legacy of respect, obedience, and accommodation in the workplace?

This research involves engagement with two main groups of research subjects in selected Chinese hotels: managers and staff. These groups exist in a hierarchical relationship within a Chinese disciplinary structure. In order to be acceptable within an authoritarian institution structure, the following two management questions are of importance for both management and staff: “What are its [power’s] mechanisms?” and “How is power exercised?” (Foucault, 1980b, p. 89). The following section considers the choice and application of the naturalistic research paradigm in this study.

3.3 Research Methodology

This work involved a qualitative research study. It adopted a naturalistic approach. A qualitative approach is necessarily interpretative. The naturalistic research inquiry and its relevance for this thesis are discussed here.

Foucault (1980b) maintains that people can experience power positively and enjoy subjugation. The thesis explores how hotel employees, while cooperating in their own subjugation, can influence internal management control structures to their own advantage. To discuss the naturalistic paradigm employed, the thesis refers mainly to the research methodologies described by Tashakkori and Teddlie (2003) and Lincoln and Guba (1985).

Lincoln and Guba (1985) maintain that naturalistic research involves perspectives on such axioms as ontology, epistemology, generalisation, causal linkages, and axiology. Such axioms can be defined as unchallenged starting points or innate beliefs that are acceptable everywhere and approved in practice as providing the underlying foundations for theorisation. Lincoln and Guba (1985) suggest, and show from their analysis, that qualitative research follows different axioms to quantitative research. They draw attention to the difference that more subjective naturalistic principles have with those of the scientific (positivist) approach and, in fact, challenge the concept of objectivity. Qualitative research is inextricably subjective (Sharma, 2009; Hopper, Annisette, Dastoor, Uddin, & Wickramasinghe, 1995). Laughlin (1995) maintains perceptions are subjective because observers see differently and their powers are not uniform.

Denzin and Lincoln (2005) explain that the qualitative approach is an interpretive, naturalistic approach to the world. Likewise, the questions in this study involve interpreting interviewees' perceptions of reality, as opposed to tangible reality that exists objectively.

Qualitative research cannot support statistical generalisation. However, this research does closely examine four axioms: ontology, what counts as knowledge, generalisation, and causal linkages. These four axioms are discussed in the following sections.

3.3.1 Beliefs about reality (ontology)

Ontology may be defined as our belief in how nature and being are constructed. It is concerned with such questions as what can be said to exist and what are the meanings of being (Lawson, Latsis & Martins, 2013). Lincoln and Guba (1985) suggest that the ontological position that underpins a thesis such as this one accepts that realities are "multiple, constructed and holistic"; such a position contrasts with positivism where reality is seen as being "single, tangible and fragmental" (p. 37). Ontologically, positivists hold beliefs that are "objective, empirical and rational" (Covaleski, Dirsmith, Heian, & Samuel, 1998, p. 549). While qualitative research can be positivist and/or non-positivist in nature, qualitative researchers believe different backgrounds serve to produce different, individual experiences, beliefs, opinions, and understandings in society; the various perspectives of hotel employees are likely to be subject to various interpretations (Lincoln & Guba, 1985).

Leicht and Fennell (2008) conclude that organisations develop beliefs that become concrete. The research question explores how staff use accommodation to resist management. Responses may differ according to personal histories. Lye Perera, and Rahman (2006) claim that qualitative methods enhance understanding by going deeper than just requiring yes or no answers. Such depth leads to the objectification of a subjective reality (Chua, 1986).

Consequently, perceptions explain that, while there is a perceived reality, one cannot know it other than as a perception. Perception is explained as a representation of something that is unknown in itself, but is capable of interpretation (Lincoln & Guba, 1985). Thus, various positions require multiple realities to improve understandings within different settings.

3.3.2 What counts as knowledge (epistemology)

The positivist approach is objective and conducted by an independent and unbiased researcher. By contrast, the naturalistic approach acknowledges the connection between the interviewer and the interviewee is interactive and inseparable (Lincoln & Guba, 1985). Being female and familiar with hotel work it was possible for this researcher to establish relationships with the study participants and she did so in an attempt to gather the best information available. By contrast, as Giddings and Grant (2002) point out, positivist researchers maintain an objectivity and independence. Positivists hold that objectivity is crucial and that without it the data collected can be distorted.

Hammersley and Atkinson (1995) maintain that being in the world there is no way we can stand outside it as scientists to investigate it. Observations derived from the

researcher's findings as a former trainee-manager are likely to frame the researcher interpretation of the responses of the interviewees. Rossman and Rallis (2003) agree; they argue that some kind of communicative bond always exists in interviews.

One of the core aspects of Chinese institutions is relationships and relationship building. In particular, building a relationship (literally *guan xi* in Chinese) plays an important role in Chinese relationships (Tung, Worm, & Fang, 2008; Weidenbaum, 1996). By creating relationships, researchers can better communicate with interviewees (Fontana & Frey, 2005). According to Luo, Huang and Wang (2011):

The concept of *guanxi* originated from a Chinese social philosophy - Confucianism - that has been influencing the belief systems of Chinese society for more than 5,000 years. Confucianism holds that human beings are fundamentally relationship-oriented and that building a strong and orderly hierarchy of relations can help achieve social and economic order in society. Such a hierarchy of interpersonal relationships with an emphasis on implicit mutual obligations, reciprocity, and trust, has formed the foundation of *guanxi* and *guanxi* networks in China. (p. 142)

It was helpful that an ethnic Chinese person familiar with the culture, rather than a non-Chinese researcher, conducted this research. Merriam, Johnson-Bailey, Lee, Kee, Ntseane and Muhamad (2001) believe that being an insider not only means gaining access to key respondents, but that it also allows the researcher to ask more pertinent questions, read faces, and develop a better understanding of the responses acquired.

The researcher has connections with staff, speaks Mandarin, and is Chinese. Access and language promote trust and permit a deeper inquiry. A better interpretation of the perspectives and experience of the interviewees comes from sharing the same

language. However, some argue that closeness prevents critical appraisals and encourages an avoidance of hard questions. In a friendly and close atmosphere, hard questions could be viewed as penetrative and negative by interviewees (Bishop, 2005; Smith, 2005), but in this context it is argued that the benefits outlined outweigh the negatives that the researcher tried to avoid. Hence, the researcher's preference was for a research approach that was interactive and used the relationships established in such a way as to promote interviewee cooperation (Lincoln & Guba, 1985).

3.3.3 Generalisation

Lincoln and Guba (1985) discuss generalisation. They point out that the objective of qualitative study is to form from each phenomenon a hypothesis that captures enough information to create a field of knowledge. On the other hand, positivists argue that generalisations can be created from objective research. Although case studies may not be appropriate for providing statistically valid findings, Stake (1978) nevertheless points out that case study research findings may count as knowledge, because they accord with what is experienced and can be suitable for opening theoretical generalisation.

Such generalisations are difficult to replicate because of the limitations of qualitative approaches (Bryman & Bell, 2007). Stake (1978) claims that to sharpen understanding is to provide interpretation appropriate to how most people experience it. That is, case studies provide knowledge that is within the experiences of readers, who can thus appreciate it. Thereby understandings of phenomena can be achieved (Lincoln & Guba, 1985).

3.3.4 Causal linkages

Relationships and interactions take place within Chinese hotel organisations. These interactions include those between hotel managers, departmental managers, supervisors, and frontline staff, such as concierges, housemaids, and receptionists. Hotel managers control both departmental managers and frontline staff. Departmental managers and supervisors exercise power over frontline staff, who are in turn disciplined by hotel managers. Hotel managers manage the whole organisation, but they do not watch frontline staff directly. Departmental managers are thus the bridge between hotel managers and frontline staff. In this study, it is recognised that all staff and managers are shaping and influencing each other. What is cause and what is effect cannot be easily identified. This study, by highlighting the practice of gift-giving and other forms of accommodation with managers, shows how the practice of mutual simultaneous shaping takes place and results in managerial compromises.

3.4 Research Method

Chua (1986) argues that a correct research method produces an outcome showing how truth is defined. Taking a Chinese perspective, truth is related to managers' and workers' values and to their cultural beliefs. Patton (1990) argues that naturalistic approaches provide the means to learn about people by observing, interviewing, and analysing documents. In this thesis, a mixed method strategy is employed, involving ethnography and in-depth interviews. According to Lounsbury (2008), a mix of qualitative analytical methods helps to explore broadly power relationships, while interviews permit a deeper understanding of the

motivations and benefits involved. For this project, mixed methods (ethnographic observations, interviews, and document analysis) facilitate deeper inquiry into the dynamics of the productive and symbolic functions and the control mechanisms employed in the hotel industry.

3.4.1 Ethnography

Ethnography is a well-recognised methodology used in qualitative research (Atkinson, 1988). Commenting on ethno-methodological approaches, Podsakoff (1987) makes the point that there are numerous advantages associated with direct observation. As a former hotel employee (2005-2010), the researcher has adopted an ethnographic methodology in the form of action research. Sherman (2007) points out that ethnography enabled her to gain many insights and captivating anecdotes.

On the other hand, with regard to the accounting literature, Dey (2002) maintains that such literature offers less guidance than might have at first been thought. Moreover, the accounting literature has failed to have any influence over the actual design and development of the accounting systems involved (Dey, 2002). Dey (2002) further argues that, "If one can change an organisation's accounting systems, one can change the organisation" (p.117). However, Dey (2002) later concedes that the task is more difficult than previously thought. Dey (2007) concedes that only a narrow section of social bookkeeping outputs had actually been used in the case study that was the subject of his critical ethnography.

The researcher's experiences allow her to provide interesting anecdotes about managers with relevance to this thesis, and staff anecdotes about accommodating themselves to a system of internal management controls. Such stories form one part

of the data provided in this thesis, and, thus, may be seen as helping to provide a triangulation of findings. Methodological triangulation involves using more than one method to gather data: “Researchers may gather evidence from interviews, participant observation, written documents, archival and historical documents, public records, personal papers, and photographs” (Rothbauer, 2008. p.893). In this study, interviews, observations, and documents all form part of the research. Such combinations add to the reliability and believability of the findings.

3.4.2 Interviews

The reason the interview method played such a significant role in conducting this study is that the researcher wished to corroborate her observations of specific events and interpretations by asking different individuals to recount their own observations of similar states of affairs. Questions were formulated during periods of observation, so that one specific event was sometimes brought into question with several interviewees.

Taylor and Bogdan (1998) point out that interviews provide the best possible understanding of how people act and react. Seidman (2006) comments that interviews permit researchers to learn about actions in context and to better understand such actions. This investigation sought to collect interviewees’ views and experiences through interviews. Using interviews, researchers can document the deepest understandings possible (Lincoln & Guba, 1985; Patton, 2002).

Naturalistic methods use semistructured questions that permit respondent differences in reply (Patton, 2002). Interviews afford the advantage that makes such a method of data collection relevant for this thesis. Interviews allow social empathy

between the participants and permit the interviewer to draw out the interviewees' personal observations and experiences (Lincoln & Guba, 1985).

Interviews that involve semistructured questions are framed around a set of broad enquiries and generally last about 60 to 90 minutes (Johnson & Turner, 2003). A semistructured interview technique provides for flexibility in questioning (Bryman & Bell, 2007; Taylor & Bogdan, 1998). For instance, Knox and Burkard (2009) maintain that interviewers can seek in-depth responses regarding a specific context. Opportunities to explore such depths arise during each interview. Another advantage of semistructured interviewing is that researchers can focus on key issues and avoid being side-tracked by experiences or observations that are not relevant (Fontana & Frey, 2000; Moll, Major, & Hoque, 2006). An interview guide was prepared (Bryman & Bell, 2007; Lofland & Lofland, 1984), which is shown in Appendix 3.

Informal interviews are used to relax respondents and allow them to answer questions better (Patton, 2002). Such informality allows respondents to relax and be more forthcoming. This study used such relaxed conversations. The researcher worked in the Chinese hotel industry for 5 years and knows many people, so it was easy for her to engage in informal interactions and analyse data gathered in the semistructured interviews. These relaxed conversations, involving semistructured interviews, enhance the credibility of the responses.

An interview plan or guide can ensure that common lines of inquiry are followed and any different responses weighed (Qu & Dumay, 2011). Modifying the original guide also allows the researcher to decide which question to probe more deeply

(Patton, 2002). Open-ended interviews provide space for expanded and friendly conversation, something that is not possible when respondents are required to select only fixed responses (Bryman & Bell, 2007). An open-ended interview may be seen as preferable because it allows the interviewer to be more flexible and to explore different responses freely.

However, this choice of method does carry a few possible weaknesses which should be noted. First, semistructured interviews take a lot of time (Robson, 1993). The time involved in interviewing is acknowledged by many researchers (Seidman, 2006; Sekaran, 2003). Interviews involve contacting possible respondents, travelling to see them, and then the business of transcribing recordings. To minimise the risk of compromising the data with unreliable responses, researchers should, therefore, establish a friendly rapport with respondents (Taylor & Bogdan, 1998). Knox and Burkard (2009) maintain that by establishing a good relationship with respondents' interviewers may obtain more valuable insights from the interview. Numbering interviewees maintains anonymity for ethical reasons prior to the transcription of the interviews (Bryman & Bell, 2007).

3.4.3 Observation

Having worked in various hotels and formed friendships with a range of personnel, the researcher was able to access the hospitality industry easily in Shanghai and Beijing. The researcher was acquainted with some hotel staff she interviewed, as she had worked alongside them as a trainee manager (Wang & Hooper, 2017). The study's observations are based on a journal she kept of her experiences during the period 2005–2010, as explained in chapter 1. The journal comprised 10 notebooks

written in Mandarin, retrieved from an archival source. The diaries were not produced with any original intention of attaching them to this research project, but they now provide valid documentary research data. The references made to the diaries in the thesis keeps individuals' identities confidential and therefore no individual is likely be harmed by the information provided in the thesis.

The researcher worked in several departments (Wang & Hooper, 2017) and she learnt a lot from working with frontline staff. As a result of her experience of working with frontline staff, the researcher was able to gather and record a wide and comprehensive assortment of data, observations, and insights (Wang & Hooper, 2017). The researcher's former working connections allowed her to obtain easy access to frontline staff.

The researcher gained access to three human resources directors of five-star international hotels located in Beijing. She explained her interest in how their hotels established performance norms and maintained internal management controls. These issues interested managers and the researcher was able to gain their approval for access to conduct ethnographic research in these sites.

During the course of her normal duties, the researcher was an unpaid intern, although she was permitted to keep tips. Ethnographic research may be criticised for being subjective and even biased. It can be said to lack the objectivity of positivism. It is true that replication of this study is not possible because the hospitality industry is subject to continuous change. Nonetheless, reliability can be improved when the researcher is known to her interviewees and not seen as a distant observer, or as an authority figure (Magoon, 1977). Additionally, reliability is

enhanced when the data are gathered from various sites, where similar functions are performed. The researcher's involvement in multiple sites increases the reliability of her findings (Wang & Hooper, 2017).

Validity of the authenticity of the observations is also increased when the observer has lived and worked in the industry from which interviewees are selected (Le Compte & Goetz, 1982). By researching several hotels within the industry, the researcher validates her observations (Le Compte & Goetz, 1982; Wang & Hooper, 2017).

In a positivist sense, such methods can never be validated as scientific but, nonetheless, it is argued that a high degree of reliability can be obtained. The aim is to show that the research is credible because it is ethnographic and also to show that it does possess comparability and creates a dependable version of what is going on (Wang & Hooper, 2017).

3.4.4 Document review

This section explains the method of documentary appraisal adopted in the current thesis. Altheide (2000) claims that, similar to other qualitative approaches, documentary review provides an opportunity for discovery, interpretation, and a revelation of underlying meanings and themes.

The current study involves analysing a wide range of sources; in particular, internal policies that govern staff conduct and behaviour. Bryman and Bell (2011) suggest that researchers can draw on documents that are freely available in the public domain. Following their suggestion, some of the documents used in the thesis were

found in the public domain; for instance, annual reports and articles from tourist magazines. Such material provides background detail regarding the hotels under investigation and enables the identification of relevant issues in the study. However, Bryman and Bell (2011) also maintain that “the difficulty of gaining access to some organisations means that some researchers have to rely on public-domain documents alone. Even if the researcher is an insider who has gained access to an organisation, it may well be that certain documents that are not in the public domain will not be available to him or her” (p. 561).

Various documents were reviewed to provide an understanding of hotel backgrounds, including hotel brochures and codes of conduct, where available. This background information allowed the researcher to shape the interview questions to be used in the semistructured interviews.

3.5 The Research Process

3.5.1 Purposeful sampling

Nonprobability relates to purposeful sampling where the aim is not to generate statistical significance but to inform; thus, adopting this method is especially useful in qualitative research where the population may be small or unknown. The sample is not random (Ritchie, Lewis, and Elam 2003). Nonprobability samples are usefully small and purposefully chosen (Patton, 2002). Purposeful sampling is necessary where informed observers are required to elicit an explanation; hence, they must be experienced within the field of study (Bryman & Bell, 2007; Patton, 2002).

Patton (2002) explains snowball or chain sampling. As a method it can produce a uniformity of interviewees. However, the uniformity can be overcome by the context (Ritchie et al., 2003). For the thesis, the researcher chose a range of various knowledgeable observers ranging from housemaids to senior managers. Some of these employees in turn recommended various other staff in other hotels as useful interviewees.

3.5.2 The research participants

The research questions shown in section 3.2 guided the selection of interviewees used in this research. Interviewees were chosen on the basis of purposeful sampling; information-rich key informants were chosen. Patton (2002) suggests that interviewees must be informed by their work experience in the inquiry area. To draw on wide experience within the research field of study, interviewees were chosen to include both managers and frontline staff: key stakeholders from each level of the Chinese hotel industry.

Patton (2002) explains that the number of interviewees to be involved in the research is not subject to any strict formula. Selecting the number of participants depends on what is useful, what is credible to make a case, and what is possible within the constraints of time. The participants involved in this thesis are shown in the table below. The study set out to interview a total of 50 participants between June 2015 and May 2016 (including follow-up phone calls). An additional 11 participants were interviewed in July 2017 in order to enrich and further confirm the findings. Table 3.1 presents the categories of participants the researcher interviewed from the Chinese hotel industry (i.e., stakeholders that either have

direct interests, or are involved in, or have observed and worked in the hotel industry in China). The number of individuals interviewed in each group is shown. The interviews were held in safe and comfortable places. The table below shows the number of interviews conducted with the purpose of finding evidence of ‘accommodation’. Interviews with senior staff were generally focused on matters pertaining to the disciplining of junior staff and how they dealt with resistance. The interviews with frontline staff were focused on ‘their resistance to discipline and management controls’. In particular, where possible, the question of accommodation was raised. With respect to the interview table below, the number of precontacts refers to the number of times potential interviewees were contacted. Some follow-up contacts were necessary to confirm meanings, as a result of transcription and ambiguities.

Table 3. 1 Categories of stakeholders interviewed

Interviewees	Number of Interview Meetings	Number of Precontacts	Number of Follow-up Contacts
1.CEO in BTG Hotel Resort in Beijing, China	1	1	2
2. Managers who also have many years' work experience as professional managers in four-/five-star hotels	6	7	4
3. Current hotel managers in specific hotels in Beijing, China	2	4	3
4. Frontline staff in hotels e.g., waitresses, housemaids, receptionists (visible group)	28	15	26
5. Frontline staff in hotels e.g., waitresses, housemaids, receptionists (semi-visible group)	14	3	17
6. Frontline staff in hotels e.g., waitresses, housemaids, receptionists (invisible group)	10	2	7
Total	61	32	59

There were three reasons for selecting the above-mentioned groups for interview. First, interviewee types 1, 2 and 3 would be familiar with the structure of staff control. Second, types 4, 5 and 6 interviewees would have experienced and observed the control systems exercised by managers in hotels in China; as a result, their information provides first-hand knowledge of management in hospitality. All staff were sensitively questioned, with the interviewer asking not about what they had necessarily experienced personally, but about what they had witnessed, especially with respect to staff resistance and accommodation. Triangulation was possible based on the interviewer's own experience and reflection of accommodation and gift giving as evidenced in Chapter 5. Also the interviewees confirmed these common practices in Chapters 6, 7 and 8 (Hoque, Covaleski & Gooneratne, 2013; Hoque & Hooper, 1997).

3.5.3 The research

Interviews were undertaken primarily in Beijing and Shanghai; these are the biggest cities in China by population and the majority of China's luxury hotels are located there (Wikipedia, n.d.). The researcher used to work in Beijing and so has connections with the luxury hotels in that city; thus, many of the interviews took place in Beijing. However, the researcher also travelled to Shanghai and Guangzhou following suggestions from other interviewees that such staff would be helpful and had sufficient experience of the hotel industry. The next section describes the process of data analysis.

3.6 Data Analysis

This section outlines the method of analysis used and provides a detailed discussion of the analysis of the interview evidence in section 3.6.1. Credibility is addressed in section 3.6.2; the question of transferability is dealt with in section 3.6.3, while sections 3.6.4 and 3.6.5 are concerned with the dependability and confirmability of the data.

3.6.1 Data analysis procedure

The initial analytical task requires the detection of themes that may help the researcher to understand the phenomena disclosed by the data (Hammersley & Atkinson 1995). Sharma, Lawrence, and Lowe (2010) make the point that “These multiple data sources helped provide a more comprehensive and valid portrayal of the phenomenon compared to a single data source” (p. 196). Llewellyn (1993) considers that qualitative research has a way of seeing that emerges through its integration of the subjective and objective realms of experience. However, the deficiency of qualitative research is that it cannot resolve the problem that any research picture portrayed will be partial. Such is the weakness of interpretive work because, as Berger and Luckmann (1966) point out, reality is a social construction.

The researcher established a framework developed from the themes identified (Taylor & Bogdan, 1998). For the current research, this data reduction analysis was performed manually. The researcher grouped the findings into a higher level of patterns. Themes were established and checked to provide consistency (Gendron, Bedard, & Gosselin 2004; Taylor & Bogdan, 1998). Themes were determined by reference to Foucauldian theory in respect of resistance, accommodation and power,

the latter being linked to Confucian behavioural expectations. The chosen themes were link with the theoretical chapters and checked against the concepts described. Translation took place after analysis and after identification of the themes. The translation process relied on understanding the context of the relevant sentences, phrases, and relevant concepts as opposed to direct translation by word only (Braun & Clarke, 2006). The iterative stages of this method resulted in a convincing and well-structured analysis of the data. This analysis is presented in chapters 6, 7 and 8.

3.6.2 Believability

Believability is the qualitative alternative to the positivist's claim of validity (Lincoln & Guba, 1985). The purpose of providing believability is to determine that the findings and interpretations are seen as credible. Triangulation and prolonged engagement will increase the probability of the findings being accepted. Denzin (1978) points out that triangulation is achieved by employing different methods (e.g., interviews, observations) and prolonged engagement means spending more time with each respondent and may involve a series of meetings.

The observations in Chapter 5 link well with the accounts of resistance, accommodation and authoritarian expectations described in Chapters 6, 7 and 8. Judgement about what was to be believed was based on triangulation with accounts from the observations and responses featured in the empirical chapters.

3.6.3 Transferability

Lincoln and Guba (1985) claim that transferability becomes the subjective alternative to the positivist's objective goal of confirmation by replication. For positivists, replication involves applying the same sampling techniques over the same population. By contrast, with a qualitative approach, it is the reader who must make a judgement, and the reader should be sufficiently informed to be able to weigh the evidence (Lincoln & Guba, 1985). Saturation and triangulation were the basis for making judgements and weighing the evidence. Bringing different sources and different accounts into common themes is the basis of saturation.

3.6.4 Dependability

Lincoln and Guba (1985) recommend a triangulation of methods to gain believability, noting that when a sufficiency of believability is achieved, that is enough to satisfy dependability. Adequate reliability of results should thus be established. Lincoln and Guba (1985) suggest other approaches to establish dependability in principle; for example, adopting an interview guide (see Appendix 3), as was done in this investigation.

Following a guide enables the researcher to maintain the consistency of the questioning of each participant and can, therefore, satisfy comparability (Patton, 2002). Careful assessment of the interviews is another approach that can be used to search out any bias (Denzin & Lincoln, 2005). Out of respect for interviewees, the investigator always permitted them to finish their statements without interruption (Lincoln & Guba, 1985). However, the disadvantage of holding back on probing questions is that the moment may be lost and the context of the interview may have

moved on. An interview guide can be helpful in bringing the interview back to topics warranting further questions.

3.6.5 Verifiability

Lincoln and Guba (1985) comment that confirmability is the subjective equivalence of the scientist's goal of objectivity. Scriven (1971) gives a naturalistic explanation of positivism as that which is "Reliable, factual, confirmable or confirmed" (pp. 95-96). For qualitative research, confirmability is the criterion that satisfies the reliability and logic of the data (Lincoln & Guba, 1985). They maintain that agreement from several sources provides a means of improving the confirmability of findings and interpretations in that "Multiple sources may imply copies of one type of source" (Lincoln & Guba, 1985, p. 305). That is, interviews with different participants in different places and at different times serve to confirm credibility.

Parker and Northcott (2016) maintain that some qualitative researchers are apologetic about their lack of generalisability, "listing among the study's stated limitations a claimed inability to generalise" (p. 1108). Others argue that their findings may not be applicable to other organisations or that further studies of other organisations may be needed to replicate the findings (Parker and Northcott, 2016). "The impression is clearly one of methodological uncertainty" (Parker and Northcott, p. 1109). The latter argue that verifiability is a process that emerges over time admitting the relevance of multiple voices: those of actors, researchers and the readers" (Parker and Northcott, p. 1117).

3.7 Ethical Implications

The study required ethical approval because, according to the ethical guidelines published by the University of Waikato's Management School Ethics Committee, this research involved human participants. The ethics application was approved by the Management School Ethics Committee on 4th December 2014 (Appendix 4).

The reference number of the ethics application is 14/237 (Appendix 4). The ethics application also included a number of documents: The Participants Information Sheet (Appendix 1), the Consent Forms (Appendix 2), and the Interview Guides (Appendix 3).

3.7.1 The participant information sheet

The Participant Information Sheet (see Appendix 1) was prepared before the interview phase. It states the research's objective, and specifies the target interviewees and the length of the interviews. The sheet makes clear to participants that they can view the results of the research from the thesis, and any academic papers, and conference presentations arising from it. The sheet provides for respondent confidentiality, because names and occupations and employers are not divulged or reported. This thesis uses only generic job titles.

To protect their privacy and confidentiality, the researcher ensured that interviewees' wishes were respected by careful selection of venue and time. Participants were advised of their rights as to confidentiality and the protection of their identity. To achieve this end, a code was allotted to each participant and to each corresponding transcript. Third, the researcher's former status in the hotel

industry was that of a junior trainee. The researcher's relationship with those senior to the researcher was remote. That is, the researcher knew them by name and by sight, but was not on conversational terms with them. The researcher was more familiar with fellow junior employees, but she had neither worked with them for several years nor maintained contact with them since. Although these participants knew the researcher by name and sight, they owed no obligation to the researcher, nor did the researcher owe any to them.

Lastly, Chinese culture is marked by a certain degree of uncertainty avoidance (Hofstede, 1986) which means that people often become confused by ambiguity. The researcher is familiar with the culture of China and so did not foresee any problems regarding the sensitivity of participants' reporting on their observations rather than on their personal experiences. As a young Chinese researcher, with a friendly disposition, it is unlikely that the participants felt culturally unsafe or found the researcher offensive.

The researcher first approached potential participants in writing, outlining the objectives and the knowledge being sought. The initial contact was then cemented by a telephone call to explain the purpose and reassure the respondent.

3.8 Chapter Summary

This chapter explains the research methods adopted in this investigation. The research is qualitative. This chapter explains how a Foucauldian theory can be employed in explicating the Chinese hotel industry. The concepts of power, authority, resistance and accommodation as described by Foucault supplied the direction of the research and became the themes by which the research could be

analysed. This chapter first considered qualitative research and the underlying principles involved. Second, the methodology section began by explaining ethnography, and then dealt with interview, observation, and qualitative document review as research methods. Third, the literature relating to documentary review was considered, in order to explain the data gathering process. Finally, the chapter illustrated how the interview data were evaluated. The aim of the chapter was to show how the investigation was carried out and interpreted so that in the next section the theorisation of this study can be understood in context.

CHAPTER 4

Using Foucauldian Theory

4.1 Introduction

The thesis draws on the writings of Foucault, in particular his 1977 and 1980 books (*Discipline and Punish*, and *Power/Knowledge*). Foucault's scope is very Franco-centric, focusing as it does on French institutions (church, prisons, hospitals, workhouses, schools, factories, etc.). He shows how, by means of modern disciplinary mechanisms, the French managed the transition to industrialisation in the 19th century.

Unfortunately, Foucault does not always translate well into English, largely because his written French style is difficult and convoluted. Foucault (1980b) was the first to confess to his disorganised prose, fragmentary research, and lack of organisation. However, Foucault is widely acknowledged by accounting researchers, who have used his theory extensively in spite of this confession (Armstrong, 1991; Loft, 1986; Miller & O'Leary, 1987).

Though these researches were very closely related to each other, they have failed to develop into any continuous or coherent whole. They are fragmentary researches, none of which in the last analysis can be said to have proved definitive, nor even to have led anywhere. Diffused and at the same time repetitive, they have continually re-trod the same ground... It is tangled up into an indecipherable, disorganised muddle. In a nutshell, it is inconclusive. (Foucault, 1980, p. 78)

Foucault (1970) challenges the sciences and their claim to objectivity by pointing out that all our perceptions of reality are representations and that subjectivity is unavoidable.

The other consequence is that the human sciences when dealing with what is representation (in either conscious or unconscious form), find themselves treating as their object what is in fact their condition of possibility... They proceed from that which is given to representation to that which renders representation possible, but which is still representation. So that, unlike other sciences, they seek not so much to generalize themselves or make themselves more precise as to be constantly demystifying themselves...On the horizon of any human science, there is the project of bringing man's consciousness back to its real conditions, of restoring it to the contents and forms that brought it into being. (p. 397)

With relevance to China's recent modernisation away from control through physical punishment, Foucault's concept of disciplinary punishments explains how, by means of controlling the mind, punishment shifted away from concern with the body. Tracing how these disciplinary controls are applied, and more importantly, how they are resisted by means of accommodation, is the focus of the following chapters.

This chapter is organised to consider, first, the Foucauldian use of genealogy as a method of bringing to light the forgotten, unscientific stories of how society has been shaped for continuous industrialisation. Second, it aims to show how power and discipline have their genealogical roots in forms of physical punishment, a notion which is particularly relevant to China's industrial transition, where forms of physical punishment persisted into the 20th century. Foucault's book *Discipline and Punish: The Birth of the Prison* (1979) opens with several pages depicting judicial torture. He shows how such practices served to humiliate the accused; and how, by working on the mind, the practice of possible humiliation came to be

included in disciplinary practices (Wang & Hooper, 2017). Section 4.2 and 4.3 mirror the opening of Foucault's book by detailing judicial punishments meted out by local magistrates in Imperial China. As Foucault has demonstrated, aspects of the heritage of corporal punishment have become embedded in new disciplinary practices. Section 4.4 provides the connection between accounting and managerial power. There it is argued that accounting provides a mechanism that individualises, encloses, measures, and controls (Wang & Hooper, 2017). The chapter introduces the broader, inter-linked Foucauldian concepts of power, truth and discipline. An overview of accounting as a mechanism of power and governance follows, and is followed by a review of how various accounting researchers have applied aspects of accounting as a control mechanism.

Section 4.5 considers discipline in a Chinese context as both a productive and symbolic function and how the literature reports on the authority of managers in China (Wang & Hooper, 2017). In section 4.6, various concepts of the Foucauldian analysis are considered with relevance to this study. The final sections of the chapter more specifically explain the principal Foucauldian concepts and examples are provided to show how some accounting researchers have recognised these concepts.

4.2 Genealogy and Subjugated Knowledges

Foucault referred to his method of seeking out how power is exercised as a genealogy. That is, to explain the transition in the means of controlling industrial workers, he accumulated stories recording what he called the micro evidence of

subjugated knowledges that show how such a transition emerged. As Miller and O’Leary (1987) explain:

The notion of genealogy is deceptively simple. It concerns centrally a questioning of our contemporarily received notions by a demonstration of their historical emergence. The point of history in this sense is to make intelligible the way in which we think today by reminding us of its conditions of formation. (p. 237)

The stories presented in chapter 5 are concerned with tracing the disciplinary rationales that evolved from earlier physical methods of discipline. Miller and O’Leary (1987) point out that:

The emergence of our contemporary beliefs is viewed rather by reference to a complex of dispersed events... This is one which does not entail looking for a single point in history which would be the point of origin of our current practices. Genealogy does not lead us to solid foundations: rather it fragments and disturbs what we might like to see as the basis of our current ideas and practices. (p. 237)

Thus, some of the stories presented in chapter 5 might prove to be disturbing because the application of internal management controls and expectation of performance standards may be so easily compromised. This thesis, in this respect, contradicts “a portrayal of accounting as a merely technical matter; as a factual and objective form of knowledge untainted by social values or ideology” (Loft, 1986, p. 137).

According to Foucault (1980b), ‘genealogy’ is subjugated because its contents have been buried and ignored. Knowledge is present, but it requires scholarship to reveal its significance. Such knowledge involves local popular stories, a rendering of anecdotes that do not meet the requirements of scientific objectivity. These anecdotes are unacceptable to modern science, but Foucauldian genealogy wishes to recognise them. Subjugated knowledge is concerned with tracing past and

contemporary struggles. Foucault (1980b) explains that “In the specialised areas of erudition, as in the disqualified popular knowledge, there lay the memory of hostile encounters which even up to this day have been confined to the margins of knowledge” (p. 83). According to Burrell (1988), “Genealogy is concerned with locating traces of the present in the past, not with the reconstruction of the past” (p. 225). The genealogical approach of Foucault is important to this thesis because the case studies presented are concerned with unmasking the underlying conflict between hotel managers and their migrant staff. The conflict may be masked by accommodation, but some of the demands that are made of staff, and the kinds of accommodation both offered and demanded, cannot be retold in a scientific thesis. As Foucault (1980b) observes, such encounters are ignored and buried as being unscientific.

The idea of subjugated knowledge is what Foucault urged should be of genealogical record. Such records, according to Foucault (1980b), involve the insurrection of subjugated knowledge. This type of knowledge is subjugated because its contents have been buried. Such knowledge is presented as the hidden folklore of workplaces; however, it requires scholarship to reveal its existence. What subjugated knowledge is really concerned with is the contemporary history of micro relations between managers and staff.

Miller and O’Leary (1987) suggest that genealogy, when applied to accounting, means not only a questioning search for the invention of techniques, but also a wider search involving related disciplines, i.e., such items as political objectives, national conditions, and historical contingency. This broader search should be set in an organisational context, which also requires explanations. This thesis focuses on these wider implications, such as the exploitation of the estimated 282 million

migrant workers in Chinese cities who work without labour rights. Genealogy, according to Miller and O’Leary (1987), “Opens out into a much less certain field than the standard histories of accounting would lead us to believe” (p. 238).

As Chua (1986) comments, the problem confronting accountants is “that technical theories of accounting cannot understand or evaluate accounting as a social process situated among other processes and institutional structures” (p. 592). Furthermore:

...accountants speak of profitability, growth and the benefit of accounting reports without a clear knowledge of how these notions are created and politicised in organisational and social life. Little is mentioned of the people who suffer or those who gain... Neither is there much discussion of the manner in which accounting numbers value people machines and time via an all pervasive instrumental rationality which makes human beings more countable and accountable. (p. 594)

Burchell, Clubb and Hopwood (1985) argue that abstract financial criteria are not simply lifeless. Such criteria can reinforce authority and facilitate managerial control. Chua (1986) considers that the calling of people to account may of itself be of research interest. Following Chua (1986), this thesis explains how internal management control mechanisms may be subverted.

Foucault (1980b) forges the link between power and knowledge. Power/knowledge, according to Foucault, is what makes us who we are. Individual behaviour can be manipulated and shaped by power/knowledge (Foucault, 1980b). He asserts that we are driven by often quantifiable targets (Foucault, 1980b). These include the micro mechanisms of power that are exercised in techniques such as accounting, which shape our daily lives and drive our behaviour. Disciplinary power to shape behaviour was developed in institutions emerging in the 18th century; for example, the hospital, the asylum for the insane, the army barracks, the factory, and the prison.

These organisations are social constructions reflecting past power struggles over governance. Foucault (1980b) argues that in modern societies the power/knowledge interactions are rooted in different disciplinary techniques within organisations, and that practices such as accounting allow for discipline and surveillance mechanisms, which shape and normalise behaviour.

Foucault's accounts of how people have been disciplined and punished since earliest times to 'correct' and shape their behaviour have influenced academic research (Dreyfus & Rabinow, 1983). Foucault (1977a) points out that disciplinary forms of power and surveillance have become embedded in institutions, organisations, and within industry. The aim of this study is to understand how discipline is used in an attempt to shape staff behaviour in the hotel industry in China and how staff resist and accommodate such internal management controls.

4.3 Direct Punishment: Normalising of the Docile Body

A graphic account of how the French authorities punished offenders is detailed in Foucault's book *Discipline and Punish: The Birth of the Prison* (1979). Criminals and others were subjected to physical punishment of various degrees of severity. This physical chastisement provided a less expensive system of punishment than incarceration. Later, from the 18th century onwards, prisons were established, and the deprivation of personal liberty became the prime method of punishment. Prisons combined a repressive system of discipline with constant surveillance, with the result that convict behaviour was conditioned and shaped in order to turn prisoners into 'docile bodies'.

This chapter copies Foucault by commencing with a descriptive account of the framework of judicial punishment in China, which lasted officially until 1911. Punishment in China operated at a district level and followed a standardised prescription. Nonetheless, judges in China had some freedom in terms of decision making within the standardised framework (Park, 2008; Yao, 2014; Wang & Hooper, 2017).

From the last Qing dynasty until officially 1911 (unofficially much longer), the accused was presumed to be guilty and judicial interrogation was physical (Park, 2008). The victim's acceptance of punishment by a superior, even when the superior was wrong, was accepted as a tenet of Confucian judicial procedure (Hu, 2013; Hwang, 1999; Wang & Hooper, 2017). What is especially different is that China generally did not punish governing officials or those possessing wealth because doing so would expose the superior classes to humiliation before the working classes (Park, 2008). In any case, those with money could escape physical punishment by paying a fine: for instance, *chī* (笞) involved up to 100 lashes but could be remitted by a payment (Wang & Hooper, 2017).

Park (2008) shows that public shame was central to the Chinese judicial system. Simply being accused implied guilt, so proving that guilt was merely a matter of extracting a confession (Park, 2008). Public whipping meant losing "face" and could have "dire social consequences" (Gao et al., 1995, p. 29). Judicial penalties ranging from 10 lashes to 100 lashes provided a broad range of severe punishments that could be inflicted on the guilty, as photographs from the period depict; such images are, however, too graphic to be included in this study. Contemporary illustrations show that public punishments set an example of what could be

expected by the guilty; these conveyed the severity of the punishment to the public, and humiliated the guilty by marking the body in public (Wang & Hooper, 2017).

For example, a picture from Gao, Herbig, and Jacobs (1995) illustrates the violence upon the body of those undergoing interrogation and punishment. In the picture a man and a woman have their hands tied above their heads and their naked backs are whipped so that blood flows from their wounds.

Another picture from the same source shows a woman, who is bleeding from the mouth, kneeling before an interrogating judge. This image illustrates the docile female body being judged by an official resplendent in his robes of office. Under Confucian tradition, the decisions of those in authority could not be protested (Gao et al., 1995; Hu, 2013). Such traditions follow Foucault's observations on discourse in terms of who may speak and who may not speak. The discourse assumes guilt by accusation; protest is disallowed; only confession is acceptable.

A photograph dating from around 1900 that appears in Gao, Herbig, and Jacobs (1995), captures a picture of woman stretched out and being publicly whipped on her naked bottom in a village, while officials audit the punishments in terms of the exact number and force of the lashes delivered. Hu (2013) considers that much of Chinese culture is about maintaining the power of government officials through punishment. Even today, government officials are regarded with huge respect in China and their power and wealth are widely acknowledged (Yao, 2014). Hu (2013) regards the long practice of cutting and binding the feet of women as an imposition on women by men, the latter finding the hobbling walk of mutilated women attractive. However, Hu (2013) makes the point that, although there was some

resistance to foot binding by some women, the practice continued until the end of the Qing dynasty in 1911, as many women accommodated themselves to the imposition of this peculiar male practice.

The tradition of class distinctions has a modern equivalence in a migrant underclass of those lacking a city identity for work purposes (The Economist, 2014). An underclass of millions is apparent in the cities of China, who survive as casual workers without labour rights protection (Wang & Hooper, 2017). In 2016, the number of migrants from the countryside numbered 282 million (The Economist 11 May 2017). Thirty percent of migrants are between 21 and 30 years of age, and half work more than 56 hours a week (The Economist, 21 March, 2014 and 2 December 2016).

4.4 Power, Truth, and Discipline

This section explains power and discipline from a Foucauldian point of view. Power and governance are discussed in section 4.4.1, and disciplinary practices and power relationships are explored in section 4.4.2.

Hoskin and Macve (1986) explain how:

Foucault himself saw a shift in his work from an archaeology of knowledge structures, for instance the epistemes or discourses analysed in *The Order of Things*, Foucault (1970) to a genealogy of knowledge practices as in *Discipline and Punish* (Foucault, 1977)... In this shift, following Nietzsche, he theorised power as something positive: not as repression or suppression. (p. 106)

Foucault (1980b) later referred to a triangle of power rudiments comprising power, right, and truth:

We are subjected to the production of truth through power and we cannot exercise power except through the production of truth. (p. 93)

Foucault (1980b) further maintains that researchers should avoid questions such as: “Who then has power and what has he in mind? What is the aim of someone who possesses power? Instead, it is a case of studying power at the point where its intention, if it has one, is completely invested in its real and effective practices” (Foucault, 1980b, p. 97). Foucault (1980b) believes that “We must attempt to study the myriad of bodies which are constituted as peripheral subjects as a result of the effects of power” (p. 98). This thesis incorporates this recommendation. Foucault (1977, 1980) emphasises how power acquires and searches for mechanisms that produce knowledge. Loft (1986) argues that “the system of accounting which produces the knowledge is itself a product of the operation of power” (p. 140). This observation is fundamental to the research questions raised in this thesis. This is because Loft (1986) argues that accounting is not the product of objective scientific observation but it is a social construction reflecting the authority of those who can declare what counts as knowledge.

Preston (1989) declares:

At the social level accounting is seen to be involved in particular social and political activities (Cooper, 1981; Tinker et al., 1986; Hopwood, 1987b to name but a few) designed to render visible and, therefore, manageable, the activities of individual organizations and the wider organizational domain. Calculations based upon accounting technology are the basis of government taxation and are a means of promoting and implementing economic policies of the state. For example, accounting knowledge may be used to promote economic stabilization, the regulation of sectors of industry and in prices and wage control. (p. 410)

Power, argued Foucault (1980b), “Is always in a subordinate position relative to the economy? Is it always in the service of, and ultimately answerable to, the economy?”

Is it destined to realise, consolidate, maintain, and reproduce relations appropriate to the economy and essential to its functioning?” (p. 89). The above two quotes show how power and accounting knowledge are subordinate to economical considerations and to regulation of the economy. The thesis shows how power and authority, with respect to migrant staff, are a product of the functioning economy.

Foucault (1980b) argues that “One must rather conduct an ascending analysis of power, starting, that is, from its infinitesimal mechanisms, which each have their own history” (p. 99). Foucault (1980b) goes on to add that “And then see how these mechanisms of power have been – and continue to be - invested, colonised, utilised, involuted, transformed, displaced, extended etc., by ever more general mechanisms and by forms of global domination” (p. 99). These agents represent the economic interests of monopolistic businesses, which employ various technologies (such as accounting) to objectify their power as neutral and mask their intentional interests. An analysis of power should be based not on juridical sovereignty or state institutions, but on the techniques and tactics of domination. Thus, disciplinary mechanisms base their ascent to power on technologies tied to what counts as scientific knowledge and against which there can be no denial.

Foucault (1977) considers that the school/examination process led to enhanced evaluation through numbers. In addition, the examination process brings about “a superimposition of the power relations and the knowledge relations assumed in the examination all its visible brilliance” (p. 193).

Finally, in this context, it is worth noting the observation of Armstrong (1991):

The core presupposition of most Foucauldian studies of accounting is that it is involved in this modern form of power, that accounting, far from merely providing information and from remaining neutral

with respect to the use which that information is put, is actually a form of 'power-knowledge' which actively creates those aspects of human behaviour which it claims to monitor and control, and which is inextricably implicated in regimes of disciplinary power. (p. 5)

It is with the concept of accounting as a modern form of power, and with the argument that accounting became a modern form of power during the industrial revolution, that this thesis is concerned.

4.4.1 Accounting, power, and governance

Mennicken and Miller (2012) maintain:

The calculative instruments of accountancy transform not only the possibilities for personhood; they also construct the physical and abstract calculable spaces that individuals inhabit. Whether in the private or the public sector, activities are increasingly structured around calculations of costs and benefits, estimates of financial returns, assessments of performance and risk, and a plethora of other forms of numerical and financial representation. Yet, despite the influence of this vast yet still growing calculative infrastructure, relatively little attention has been given to the ways in which this economizing of the entire social field alters modalities of governing and forms of personhood and power. (p. 4)

The above addresses how the performance of staff is measured in financial terms yet how social governance and various forms of power act to shape behaviours receive comparatively little attention.

Mennicken and Miller (2012) point out that accounting is objective in a mechanistic sense and subjective in a discretionary sense. The process of bookkeeping is mechanical, while the construction of various quantitative metrics is political (Chen, 2002; Rose & Miller, 1992; Wang & Hooper, 2017).

Moreover, Mennicken and Miller (2012) observe that “accounting numbers are not only involved in the ‘making up’ of economic entities, they also help construct the type of persons or identities that inhabit these entities” (p. 6). Such constructions apply also to the hospitality industry. Miller and O’Leary (1987), for example, show how, from the 19th century, management accounting evolved to make visible to managers the individualisation of workers and expose each individual to being accountable for his/her performance (Wang & Hooper, 2017). The metrics of accounting and the performance expectations derived from budgets and costings set the output goals to be achieved.

Foucault’s argument, according to Miller and O’Leary (1987), is expressed in:

The formula ‘power/knowledge’ and the constitutive interdependence of the two terms of the equation. The operation of the human sciences should be understood in relation to the elaboration of a range of techniques for the supervision, administration and disciplining of populations of human individuals...Rather than view accounting as a neutral tool of observation we have attempted to examine how accounting assists in rendering visible certain crucial aspects of the functioning of the enterprise. (p. 238)

Accounting encloses individuals by establishing standards of performance, reporting on outputs achieved and rendering individuals visible. This process separates workers from each other and by employing standards the subjectivity present in employer/employee relationships is objectified. Miller and O’Leary (1987) maintain:

It is for this reason that we talk of standard costing as being located within a significant reorientation of the exercise of power within the enterprise...Accounting can no longer be regarded as a neutral and objective process. It comes to be viewed as an important part of a network of power relations which are built into the very fabric of organisational and social life. (p. 239)

Burchell, Clubb, and Hopwood (1985) point out that “The knowledge that accountants gather from their recording systems is an important source of power within an organisational structure as it makes the activities within an organisation ‘visible’ in terms of monetary values, for example, wastage, business lunches, etc.” (p. 397). Loft (1986) further elaborates on the intentionality involved:

“The knowledge which such systems produce may appear, at first sight, to be an inanimate one - of prices, costs, profits etc., but this is a misleading impression. The knowledge only has meaning in its relationship to the activities and actions of human individuals...it is intimately related to power”. (p. 139)

Hopper and Armstrong (1991), in the same vein, support the view that accounting is purposeful, arguing that the visibility that accounting provides and the control it imposes lead to the destruction of small owner-operated enterprises and favour big businesses. Their argument is that accounting serves not just the goal of efficiency, but also the much wider political goal of subjugating labour. They maintain: “If, on the other hand, management is taken to be about the control of labour and of junior managers, the issue looks different. From this perspective, accounting information is to be judged by the results which it achieves, rather than its notional accuracy.” (p. 410). They further add: “the accuracy of budgets and internal attributions of cost might be regarded as irrelevant, so long as they serve to focus managerial effort in the directions described by those who control the organisation.” (p.410).

Knights and Collison (1987) show, in their studies of labour conflicts and manufacturing lay-offs, how the objectivity of accounting and the assumed neutrality of its metrics could more effectively disarm labour protests than managerial communication strategies could:

It was in principle possible to query the accounts which justified this large scale redundancy... Despite pervasive worker mistrust of

management, antagonism to the company's psychological disciplinary strategies and the poor job prospects in the North of England, the workforce failed to resist the financial audit which led to their unemployment. (p. 471)

Knights and Collison's (1987) research shows that labour's resistance could not "Facilitate a challenge to the power-knowledge regime of accounting... The redundancy programme they supported, were taken at face value and accepted almost fatalistically" (p. 474).

Knights and Collison (1987) also maintain that "Accounting knowledge was class specific and reflected and reproduced the prevailing power-knowledge regime... When combined, technical, power, class and gendered differentiations or inequalities render labour overwhelmingly disadvantaged in resisting financial discipline" (p. 458). With relevance to this thesis, Knights and Collison (1987) urge that accounting academics seek to "give more attention to the moral and political consequences of their practice" (p. 475). This research has a moral dimension as it seeks to explain how workers must seek covert means of resistance.

Hoskin and Macve (1980) are also in agreement as to the disciplinary nature of accounting processes:

The modern scholars are agreed that its primary function was not balancing the books per se, but in affording a new measure of control: control over the flow of goods, over excessive monetary outgoings, and over subordinates, particularly the last. (p. 122)

At a more micro level of accounting systems, as Loft (1988) explains, these systems "Generate knowledge which is not neutral but is intimately linked with the operation of power and discipline" (p. 35). Loft (1988) further argues that management accounting facilitated control at a personal level:

Records are not just an enabling device for power to use; the creation of a record is an act of power itself. Not only does it represent the result of a choice concerning what is important in the organisation but its creation can induce obedience. (p. 35)

With reference to Foucault, Rose and Miller (1992) argue that undertaking a quest to uncover a disciplinary method of analysis as a political tool of management was made possible by Foucault's writings. This tool allows us to consider critically the connections between knowledge, authority, and subjectivity in our research. This outcome is better than simply seeking replications of methods. Uncovering the 'who' and 'what' of authority and subjugation at the micro level of hotel organisations is the concern of this thesis.

4.4.2 Discipline and power

Many leading accounting researchers have adopted Foucault's ideas to illustrate the power aspect of internal management control mechanisms (Macintosh, 2002; Knights & Collison, 1987; Hopper & Macintosh, 1993). The idea that accounting is a form of surveillance that can be used for disciplinary purposes has influenced much accounting research (Desai, 2010).

Berente, Gal, and Yoo (2010) maintain the process of accounting is a disciplinary practice in that it is a form of surveillance that conditions behaviour. In hotels, surveillance encourages performance standards in terms of metrics, quality and supervision by means of supervisors' observations through camera surveillance. Foucault describes the treatment of prisoners within the 'Panopticon' (an establishment with an all-embracing viewing platform), where possible observation influences prisoners' behavior. What is important is how potential surveillance

transforms behaviour, and relationships between managers and those being observed.

Foucault (1977a) comments that people can be made visible. To illustrate the point, Foucault (1977a) refers to hospitals, barracks, schools and churches, where inmates can be observed when they are in wards, beds, or classes. The Catholic Church provides the example of a God whose surveillance is continuous. Priests remind their followers of God's continuous surveillance such that all sins are known to God and they must be confessed. Catholics holding back from confessing their sins would not escape God's notice and such evasion commits a further sin. The priest is ordained to forgive sins that are confessed but at the price of a penance. Over the centuries, such penances would often involve flagellation. Many nuns and monks set exemplars of such practices by deliberately seeking punishment to exhibit their piety (Bigoni & Funnell, 2015). The same practices continue today but penances are more likely to involve repetition of prayers. The point that Foucault is making is that surveillance works on the soul (he did not mean the soul in a religious sense) and becomes inculcated into behaviour. Foucault is referring to surveillance that takes the form of record keeping, which provides information that can be used subsequently to criticise or threaten staff with sanctions.

Regulations and rules determine behaviour and what is appropriate practice. Such practices become standard policy and are written down in administrative manuals. Through quantification and performance metrics, workers are governed, and accounting numbers ascribed into cost centres and budgets, which lie at the heart of most organisations. Such continuous means of observation permit quantification in budgets, costings and performance metrics, and mean that managers can make

staff visible. Staff can be allocated to cost areas where budgets ensure conformity.

As Miller and O’Leary (1987) point out:

Disciplinary power is much richer and entails penetrating into the very web of social life through a vast series of regulations and tools for the administration of entire populations and of the minutiae of people’s lives. The calculated management of social life is one way of designating the form of operation of disciplinary power. (p. 238)

How such quantification transforms behaviour and becomes more than a neutral mechanism for providing information is central to this thesis? A Foucauldian perspective employs a structure for comprehending the operation of power/knowledge in modern organisations, including employee discipline in Chinese hotels.

Macintosh (2002) states that in disciplinary organisations, three principles derived from Foucault apply to how staff are controlled. These principles are: enclosure, the efficient body, and surveillance. Foucault (1980b) shows that knowledge is always a feature of power and that power is always a feature of knowledge. He claims that their interconnections may be used to establish a reality.

Foucault (1980b) describes this relationship when he writes of power creating knowledge and accumulating information. He argues that power requires knowledge to be exercised, which loops back in such a way that knowledge reinforces power. A manager provided with the technology of accounting obtains cost, budgetary, and performance data. Such information allows discretion and supports decisions that staff cannot challenge easily. There is an objectivity about numbers that is hard to challenge, but accounting numbers are a social construction of management. Migrant staff in a Chinese hotel are not in a position to discuss or

challenge their performance metrics. Foucault (1980b) illustrates the loop using the example of the activities of priests who, being ordained, have a special relationship with God. Such a relationship privileges priests over their congregation, who being unordained, cannot challenge the priest's knowledge of what is right and wrong.

Foucault (1980b) explains that fields of specialised knowledge such as accounting necessitate power structures and that, without such structures, disciplines like accounting could not function. Surveillance provides knowledge, allowing managers to individualise performance measurements and thereby exercise power over individuals (Hopper & Macintosh, 1998; Roberts, 2014).

Foucault (1980b) explains how power acts to give more discretionary power to management. For power relations to come into play, both sides must express at least a certain degree of freedom. Foucault's belief is that power is essentially relational in character (Foucault, 1997). Thus, the application of power may involve resistance, as for both sides, the exercise is discretionary. In China, overt resistance is especially difficult for those with migrant status; however, the research will show that by means of accommodation some aspects of power may be compromised. The extent of and necessity for accommodation form an interesting point of difference between China and Europe.

Interestingly, Bernauer and Carrette's (2004) point that power/knowledge is manifest by structures in terms of what is sayable and what is unsayable is pertinent to this study. Again, the Church provides Foucault with a good illustration. In church, the congregation are enclosed and separated from the priest, who alone can move around and approach the altar. The congregation know what that they can say

and what they cannot say. They must be silent when the priest is talking and cannot interrupt. At certain stages in the Mass they must make standard responses; there is no place for discretion or improvisation. Part of the unspoken discourse is learning when to sit, when to stand, and when to kneel. It is not acceptable to stand when others are sitting.

For Foucault, the place of discourse is where instructions from superiors are given and recorded, how workplaces are organised, and the performance metrics represent sayable structures. On the other hand, to challenge the structure that regulates and governs by way of dress, postures, and inappropriate speech is to perform the unsayable. Hopper and Macintosh (1993) point out how enclosure and surveillance make the disorderly become orderly.

Power is productive and not an asset to be acquired; it has to be exercised and to involve connections with people. Foucault (1980b) maintains that power is not something one holds. For Foucault (1980b), power is relevant to relationships and should not to be assumed to be negative. Foucault (1980b) comments that power is not necessarily negative; churchgoers do not feel repressed by being enclosed and subject to a discourse that determines what for them is sayable. "Power produces truth, and knowledge that may be gained becomes part of the truth" (p. 194). A priest may determine from his knowledge of God that a man who looks at a woman commits adultery in his heart. This knowledge becomes a truth (Bigoni & Funnell, 2015).

In other words, power can positively shape behaviour within organisations. What is important here is Foucault's observation that a prevailing feature of power is that

it makes its subjects willing to collude in their own subjugation. Foucault (1980b) observes that power is not necessarily repressive or negative. In fact, people may enjoy obedience to authority. So, rather than resistance, the exercise of power may bring about worker accommodation to managers. Power is everywhere and at every level; it is intrinsic to organisations.

Penfield (2014) and Townley (1993) draw on Foucault's (1980b) observation that knowledge is gained through power and is a feature of the exercise of power. Managers gain knowledge by exercising power over budgets and performance indicators. Knowledge gained from exercising power is not objective and produces 'a' truth rather than 'the' truth. This process of knowledge building illustrates how power is used. Knights (1992) suggests that declaring knowledge to be the product of an objective scientific discourse is questionable. Knowledge involves power, which creates regimes of truth. When managers accumulate knowledge over staff they can constrain or enable action; their power allows them discretion concerning how they create and use knowledge. Thus, truth does not mean 'the truth' – which means that truth is a relative concept, the product of an individual viewpoint and not an absolute as in the concept of 'the truth' (Habermas, 2003; Penfield, 2014).

Knights and Collison (1987) provide an example of how accounting, by seeming to be an objective discipline, can affect the attitude of manual workers in a car plant. Managerial communication was equated with managerial authority and invited suspicion and resentment. However, when the numbers were presented as part of the underlying position, worker resistance was blunted, as the numbers were accepted as objective, neutral, and unarguable.

The case referred to by Knights and Collison (1987) illustrates how the supposed objectivity of numbers acts upon workers better than words. The individualisation made possible identifies levels of performance (Knights & Collinson, 1987). Knights and Collinson (1987) showed that financial justifications could overcome the collective reactions of the shop floor staff. The labour force was individualised, which divided staff and undermined collective resistance (Knights & Collinson, 1987). Accounting systems can separate workers into various divisions according to function and make them accountable.

Workers are less resistant because quantification is perceived as ‘objective’; nonetheless, quantification serves the needs of the managers. Knights and Collison (1987) conclude that worker objections to redundancies were resolved by the presentation of cost metrics. Yao (2014) points out that by individualising staff, more visibility can be achieved and staff resistance weakened. Such individualising of work occurs in hotels where staff are separated by function, gender, and whether they are migrants from the countryside or city workers.

Foucault (1980b) observes that each society has its regimes of truth; that is, what can be said and what cannot be said. What can be said and who says it have the status of truths. Accounting truth has the status of being what can be said. Through the institution of the Church, truth is sanctioned, and priests determine what is truth. In the same way, a hotel manager has privileged knowledge and can say what counts as true. Accounting metrics are granted objectivity and as such provide credible truths (Bigoni & Funnell, 2015).

Prado (1995) claims that “Foucault’s great contribution is to confront scientific methods and assumptions about truth, and to suggest that truth may be related to

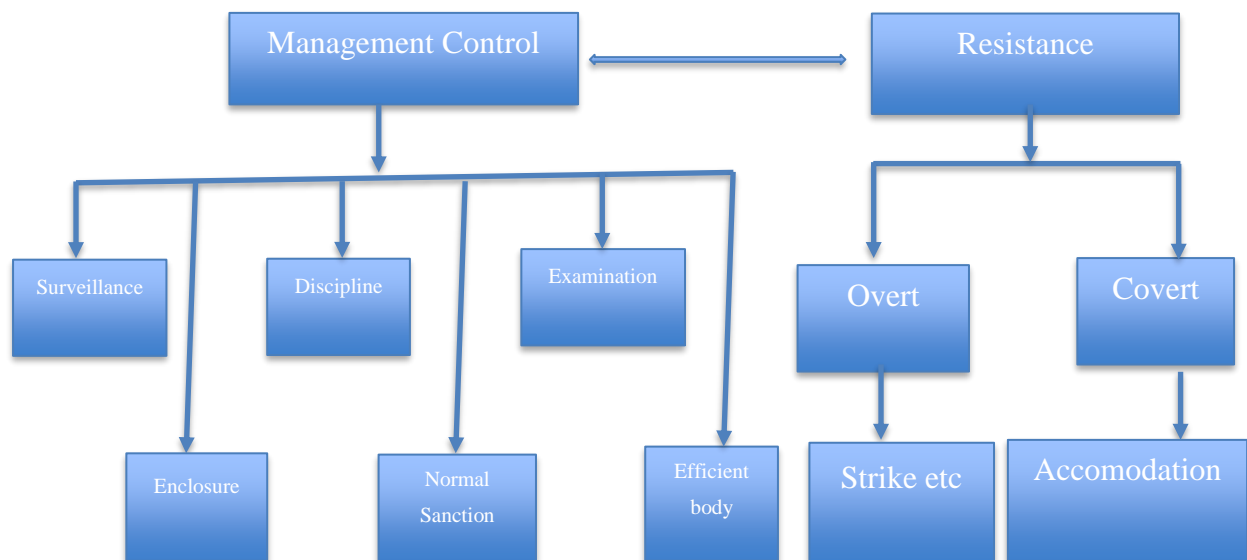
power...” (p. 12). Prado (1995) also points out that “Foucault perceives disciplines such as accounting become a means of control and while respected as a learned practice is a discipline that shapes behaviour” (p. 14). Such an observation is central to this thesis in that the accounting discipline is both a practice and a field of control that shapes behaviour.

Foucault (1977a) presents power/knowledge within prisons as essentially negative. The panoptic prison provides knowledge and information about every prisoner by means of frequent but imperceptible surveillance. Knowledge is collected by various disciplinary means and individual characteristics are noted. Information held about each individual facilitates the exercise of power over each individual. By this means, those resisting discipline may be at a disadvantage because of the knowledge held (Beresford, 2003; Penfield, 2014). Even managers in such enlightened organisations as universities collect information on staff in forms, such as their research outputs, teaching evaluations, supervisions, and administrative contributions. By benchmarks being set high, staff may be put at a disadvantage in any one of these areas. Surveillance and enclosure in the panopticon-type prison are used to control the inmates through manipulating their behaviour. Nonetheless, it should be admitted here that power/knowledge can enable positive results. For example, the positive effects of statistics can promote knowledge in the workplace (McKernan & Kosmala, 2011). The significance of the panopticon concept is that accounting becomes a ‘panoptic tool’ and thereby creates a window through which to view staff behaviour; this can have both positive and negative behavioural influences.

4.5 Foucault in a Chinese Context

Discipline, industry, and the Chinese context are explained in section 4.5.1. Foucault and the three functions of labour are introduced in section 4.5.2. Power/knowledge structures and discretion are explained in section 4.5.3, while resistance and accommodation are discussed in section 4.5.4.

Figure 4. 2 Foucauldian concepts relating to management control



4.5.1 Discipline, industry, and the Chinese context

Penfield (2014) explains that industry is organised to discipline workers, which requires the capture of the individual's body, actions, time, and behaviour. It is a seizure of the body and not of the product. Foucault points out that the earliest institutions of discipline were those that necessitated regulating large numbers of

people so well that they internalised whatever functions were expected from them. Prisons, schools, factories, churches, hotels, and asylums were among the first institutions to capture and persuade bodies to internalise repetitious obedience. Penfield (2014) maintains that by such industrial processes modern individuals were shaped for society to become obedient subjects, conforming to habits, clocks, and normative standards that have become the features of various work roles and that allow the individual to function without the need for direct surveillance.

The process of imposing subjugation is supplemented by what Penfield (2014) describes as the three functions that maintain civic authority: police-courts-prison. With regard to Chinese migrants, they suffer an illegal work status and are identified by their lack of city identity cards (Wang & Hooper, 2017). This 'marginalisation' conditions their exploitation and produces an underclass of labour reserves, which serves the needs of industry. In such a manner, migrants become segregated and controlled by creating identity divisions, which are easily policed. These divisions serve the requirements of a growing industrial society. Connolly (2014) observes that Foucault emphasises how modes of discipline, governmentality, and bio-politics infiltrate civil society and provide impersonal market processes, which both channel desired actions and set impersonal (rather than personal) constraints within which desires can be fulfilled.

Han and Altman (2009) maintain that there exists in China a relationship culture that extends into work relationships. A culture featuring *guanxi* may bring about adverse effects, because *guanxi* can facilitate social and business injustice. Chen, Chen, and Xin (2004) find *guanxi* practices can corrupt organisational relationships by influencing promotions, rewards, work schedules, and performance expectations.

Bozionelo and Wang (2007) conclude that guanxi within organisations can bring about distrust and poor regard for systems that can be compromised by those who have found ways of acquiring influence. Relationships and the working of ‘guanxi’ remain a legacy of old China (Han & Altman, 2009; Wang & Hooper, 2017).

Zhang, Song, and Bycio (2006) point out that the Chinese hide their feelings in the workplace and strive to impress their managers with false smiles and by showing a false willingness to please, combined with an appearance of humility and subjugation. Walder (1983) points out that staff employ a false loyalty to gain advantage; for example, when a worker seeks favour with a superior through gifts or the performance of favours, or through fawning behaviour. Walder (1983) also maintains that in China managers may use their discretion to allocate a wide range of rewards and penalties.

Chen (2002) states that workers need to cultivate their supervisors because employee grievance is unknown in China. There are no complaints procedures. Accommodation, Han and Altman (2009) argue, builds workplace resentment when some staff are preferred over others. Again Bozionelo and Wang (2007) point out that managerial favouritism is negatively viewed by others (Wang & Hooper, 2017). Nonetheless, it is the accounting structure that governs behaviour and produces both managerial and staff accommodation to achieve the budgeted targets. The effect of such a Chinese form of accommodation through the practice of guanxi serves to weaken management controls, with modern accounting and management controls being effectively blunted by Chinese tradition. In this context, Berry et al (2009) point out that it is appropriate to recognise the link between culture and control,

while Scott (1995) argues that culture dominates control: norms, cognitions and modes of order shape control structures and procedures.

4.5.2 Foucault and the functions of labour

Foucault (1980b) requires us to think about the exercise and mechanism of power. Within Chinese hotels, the managers exercise power and the mechanisms of discipline are structured into various metrics, which all have their role in meeting the concept of the bottom line. Accounting provides mechanisms and metrics through which performance can be evaluated. In the productive function, the focus is on the work accomplished; in the symbolic function uniformity of performance is paramount. Singapore Airlines, for example, makes symbolic use of its female cabin staff. Finally, the discipline function involves the creation of docile bodies by means of surveillance, enclosure, and discourse.

Foucault (1979) explains how surveillance permits the operation of power by establishing means of measurement, and through such measurements, standards of performance. By such means staff are seen, examined, inspected, and unarguable 'truths' about each staff member are established. Hopper and Macintosh (1993) claim the gaze to which staff are exposed operates mentally rather than physically, and the window created is often through accounting quantification.

Prado (1995) reflects on Foucault and how appearance becomes a form of discourse and shapes behaviour. Uniforms in hotels are significant in this respect for you become what you wear. Managers aim to create docile uniform bodies to perform like soldiers and follow routines as in a barrack. Front line staff are groomed to be

identical, just like air hostesses, and in a similar way to perform the same symbolic function.

Entwhistle (2000) claims that dress and uniforms produce meaning in a Foucauldian disciplinary sense. It is in the context of dress, as a means of discourse, that uniforms in hotels show their effects on the wearer, as the behaviours of uniformed staff are enclosed and influenced by what they wear.

Foucault (1979) comments on how the enlightened age of ‘disciplines’ has, by examination, enclosure and surveillance, created mechanisms to control behaviour. Hopper and Macintosh (1993) maintain that the techniques of the ‘disciplines’, which concentrate on generating a prescribed behaviour through surveillance and enclosure, are more effective than public whippings. Such disciplines are designed to correct the mind rather than correct the body. In hotels, many staff are controlled by a few. There are performance metrics, enclosures, and examinations aimed at governing and creating docile bodies that function in prescribed ways. However, as Foucault (1980b) notes, an ideology of physical punishment persists in organisations and is “superimposed upon the mechanisms of discipline in such a way as to conceal its actual procedures” (p. 105). Power, argues Foucault (1980b), “invests itself in institutions, becomes embodied in techniques and equips itself with instruments and eventually even violent means of material intervention” (p. 96). Section 4.5.3 explains why the staff perform a vital symbolic function in hotels and explains the significance of a warm and friendly approach to guests aimed at obtaining their repeat business. In section 4.5.4 the role of the productive function of staff is explained with reference to their job designation and as measured by their performance targets. The dressage function is described in section 4.5.5 along with

its role in budgets and key performance indicators (KPIs). The section on KPIs (4.5.5.1) considers the style of managers in terms of their background, i.e., whether technical or nontechnical (Enns, Huff, & Golden, 2002). Section 4.5.5.2 contrasts the approaches of technical and nontechnical managers (Enns et al., 2002).

4.5.3 The Symbolic Function

This function involves the use of staff as symbols to promote the business. Workers can be trained to promote the business, as can be seen in the use of the symbol of the ‘reception girl’ in international hotel chains. The airlines illustrate this same point by showing off the caring aspects of their female staff, as with the Singapore Airlines famous ‘Singapore Girl’ advertisement. This symbol encourages a subconscious association with warmth, maternal care, taste and beauty.

Sherman (2007) maintains that not only is the hotel industry labour intensive, but that it is also dominated by female staff at the lower hierarchical levels. Lashley (2001) maintains that, in addition to their functional roles of service, hotel staff must act as symbols of the hotel’s warmth and friendship.

Crick and Spencer (2011) point out that because of the importance of symbolism in hospitality, the hospitality sector is qualitatively different from other industries. Hotel competition has forced managers to think about how their guests perceive their experiences. It all adds up to a shift from outputs to outcomes, from quantity to quality (Crick & Spencer, 2011).

Lashley (2001) maintains that hotels strive to be “a home away from home” for guests (p. 5). McDowell (2009) comments that the hospitality industry in China is

known for employing cheap migrant workers who are uncomplaining because of their migrant status. Certainly with regard to China this observation is accurate because of the cheap and plentiful supply of migrant labour. Pizam and Shani (2009) point out that hotels have to be more than just clean and functional; they also have to appear welcoming and homely and provide a unique experience (Sherman, 2007).

Sherman (2007) claims that hotel staff are expected to show interest in their clients and engage in small talk. Crick (2000) comments that hotel staff are expected to have a ready smile and convey an atmosphere of relaxed pleasure in working. Sherman adds that staff are trained to display a polite, smiling presence (Zampoukos & Ioannides, 2011).

As Sherman (2007) states, for hotels it is all about service and people. Such is the importance of the symbolic function that Guerrier and Adib (2003) maintain hotel staff should be seen as enjoying their jobs and enjoying helping their customers. For staff to accommodate themselves to management, they must look happy and be seen to perform their function with smiling politeness.

Sherman (2007) observes that staff should be obsequious and subordinate themselves to customers; they must control any inclination to say what they really think. Arguably, subordination is more important and more common in China than elsewhere. Even the Mandarin language makes it possible to discriminate between inferiors and superiors. For example, 'nin' (means 'you' to a senior) is used when addressing managers, while 'ni' is used when addressing juniors. Inferiority may be conveyed by body language and for staff this is necessary when engaging with managers and guests. Sherman (2007) observes that such symbolic performance

must be maintained even though the work of serving guests may be demanding and exhausting.

The 'semi-visible staff' exist between the front and back of house. These people have restricted access to customers. They may work the telephones, greeting clients and making reservations. Others may be IT staff who advise by phone or go to guests' rooms to help them connect with the internet. Hotel staff may be classified into front (visible), back (invisible) and others (semi-visible) (Sherman, 2007).

Hotel jobs have a reputation for offering primarily low-skilled employment. Many staff with limited interactions with guests have a productive function as their chief concern (Korczyński, 2002). Nonetheless, housemaids, for example, who become the target of a complaint can face heavy fines or dismissal. More penalties than rewards are bestowed upon staff regarding the performance of the symbolic function.

Taylor (1975) observes that staff are trained to make customers feel important and are expected to make their customers feel pampered, admired, and spoiled. To emphasise servility, many managers require female staff to bow on meeting guests or their managers as a way of reinforcing their status. Such behaviour discourages overt resistance to authority but may well contribute to an incentive to seek accommodation with managers. Zampoukos and Ioannides (2011) comment that, because receptionists reflect the first impression of the hotel, they should be trained to engage warmly with customers.

Sherman (2007) adds, "Managers encourage staff to use ingratiating language that minimises guests' thinking about labour being onerous" (p. 39). Sherman (2007)

reports various symbolic practices common to hotel chains. Hotel staff are encouraged to pamper customers with obsequious expressions, making it seem that servicing their needs is a source of pleasure, a source of positive enjoyment. Such ingratiating themes are exemplified by training staff to open doors for customers or insisting on taking their baggage from them to carry to their rooms. Other ingratiating services may include the turn-down service, pulling curtains before dark, and folding down a corner of the toilet roll. All of these functions are of little real value but are meant to send symbolic signals indicating the care and attention of the hotel staff.

Work that serves no useful purpose such as folding the end of the toilet roll may be seen as purely symbolic. Whether as Ladhari (2009) suggests, any claims that symbolic performance is rewarding to staff are arguable. For many staff their smiles are a false front and mouthing replies to a guest's back is not unknown. Kandampully, Moc and Sparks (2001) argue that while symbolic functions are hard to define, it falls on staff to make guests happy and enjoy their stay. A competitive advantage can be obtained from concentrating staff on symbolic behaviours (Lewis, 1987).

Staff can be seen as advertisements for their organisation (Zeithaml, Bitner, & Gremler, 2013). Managers have a duty to make staff perform in line with their symbolic strategies. Passive responses by staff should not be tolerated, as the hotel's image could be jeopardised (Brexendorf & Kernstock, 2007). Hochschild (1983) notes that managers have a responsibility to hire 'trainable' staff and for this purpose migrants may be the most docile and amenable.

According to Sherman (2007), supervisors must require conformity and inspect staff to maintain particular standards in areas such as nail length, jewellery, make-up and hairstyles. Dress and styling aid conformity of behaviour and, as with military uniforms, transform behaviour. Like military uniforms, hotel dress denotes position, role, and rank. For example, the doorman should be conspicuous in his long coat and hat. By controlling dress and appearance managers can control behaviour, thus making a staff member the person they want them to be (Sherman, 2007). Again, staff may resist by exploiting subtle differences in dress and appearance seeking accommodation to management.

From an internal management control perspective, there may be a difference between what managers believe is being delivered to guests and what is really being delivered; in other words, standards are being compromised (Saleh & Ryan, 1991). Mosley (2007) comments that managers may emphasise the functional aspects of hotel service, while the customers appreciate the symbolic functions of staff service. It may well be that some managers who emphasise hard outputs rather than symbolic outcomes reflect their own earlier trainee history at a time when the productive function was what mattered, and service quality was of scant concern in China.

4.5.4 The Productive Function

Foucault (1980b) maintains that this function is the least significant of his three-functions analysis and that the symbolic and disciplinary functions are of more concern. The literature regarding staff functions in Chinese hotels is scant (Jung &

Yoon, 2012; Lai & Yik, 2008). Generally, most observations concern the productive outputs and their measurement.

Where the productive function is the chief feature of a staff role, most low-paid staff are not required to possess much in the way of scarce skills or abilities (Guerrier, 1999). Housemaids and waitresses are prominent in such roles, which are generally performed by females (Zampoukos & Ioannides, 2011). Given the abundant availability of cheap labour, managers can insist on harsh internal management control and exacting performance standards; that said, managerial discretion allows room for compromise.

With regard to managerial authority, Zampoukos and Ioannides (2011) argue that the ability to impose harsh conditions of productive performance has implications with respect to staff behaviour. Generally, staff in Chinese hotels are subject to strict controls around their productive function, with unvarying allocated duties. They are subject to output metrics and performance targets, but because these are known to be somewhat flexible, such metrics become the object of staff accommodation (Zampoukos & Ioannides, 2011).

Staff may be subject to bonuses. Usually, these are paid to managers, but at a manager's discretion bonuses can be paid to staff (usually annually amounting to 2%-3%) who have fulfilled their productive functions. This possibility can lead staff to seek accommodation with managers to gain preference where there are bonuses to be awarded. Bonuses are an area of managerial authority and in a society where, according to Transparency International Index, the level of corruption is high and authority is unchallenged by a largely migrant workforce, accommodation

becomes a frequent means of obtaining rewards (Zampoukos & Ioannides, 2011). For comparison, New Zealand is rated by the Transparency International Index at 1, while China was 76 out of total of 176 countries in 2016 (Transparency International, 2017).

In addition, frontline staff who work hard and put in longer hours are often paid less and receive smaller bonuses than those employed in other areas (Sherman, 2007). It is not a topic that is open to general discussion, despite the fact that junior staff sometimes complain about pay equity. Sherman (2007) notes that housemaids are given performance outputs (number of rooms to be cleaned) and standards are set with regard to the quality expected. Detailed specifications are provided for what is to be done in each room and housemaids have very little discretion (Sherman, 2007).

Such outputs are easily measured. The quality of the work performed is monitored by supervisors who carry out inspections before passing a room as being cleaned. Such inspection may be inconsistent and subject to compromise where staff have achieved some level of accommodation with their supervisors (Sherman, 2007).

Soltani and Lai (2008) comment that the connection between productivity and skills in hotels is weak. Frontline receptionists, for example, are expected to have more social skills and functional discretion. They must engage with guests in a friendly, smiling manner, but this is not a requirement for housemaids, who are mostly judged on production.

Housemaids have low status in the hotel industry because they are restricted to a production function. Their value to the hotel is slight and, while their work is

physical, it is not seen as of much symbolic importance (Shaw & Williams, 1998). Shaw and Williams (1998) point out that guests should not see housemaids at work, as it may embarrass guests to see what the housemaids have to do to remove all traces of their bodily activities and functions.

Invisible jobs such as those in the kitchens of hotels also have low value. The staff working in the kitchens are not meant to be seen (Shaw & Williams, 1998). Invisibility should be the norm for staff with physically demanding jobs, as it might discomfort guests to view their exertions. Invisibility does not, however, extend to outdoor staff such as doormen. They have a productive and symbolic function, but they lack any authority.

Security guards and valet parking attendants fulfil a more obviously productive function. These staff are menial and have no authority. Managers or supervisors are, however, recognised as knowledge workers. Sherman (2007) points out that managers and supervisors are knowledge workers because they train staff, develop standards, and establish outputs.

With reference to work relationships, the possibility of exploitation arises from the meetings and interactions among managers and inferiors. Armstrong (1988) maintains that exploitation provides ego enhancement to those enjoying control over inferiors. Within a relationship culture such as China's, inferiors are defined by work, civil status, and language. It may be seen that accommodation results not from motives of preference but from avoidance of exploitation. In other words, staff such as housemaids may act not to seek promotion but to avoid being overworked.

Sherman (2007) claims that by coming to terms with their subordination, staff can adapt to acting out their inferiority, while maintaining some self-belief. Part of that adaptation may take the form of accommodation with their managers to achieve some personal advantages such as workload relief.

4.5.5 The Discipline Function

This section explains the discipline function. Key performance indicators (KPIs) are introduced in section 4.5.5.1. The difference of control mechanisms between specific skilled managers and nonspecific skilled managers is discussed in section 4.5.5.2.

4.5.5.1 Performance measurement

For purposes of internal management control, hotels need to establish key performance indicators (KPIs) such as the requirement to clean 14 rooms a day (Parmenter, 2013). The dressage function requires such measurements as KPIs to maintain internal management controls. KPIs inform managers by telling them who and what requires attention and more control. Staff discipline can be served by the very objectivity that such metrics provide; they indicate levels of performance that cannot be denied (Bauer, 2004; De Waal, 2003; Parmenter, 2013). De Waal (2003) adds that KPIs drive performance and are quantifiable metrics; they measure and identify costs centres so as to enclose and individualise performance. They identify the most profitable areas. All KPIs are directly or indirectly related to the bottom line, so where KPIs are compromised by manager accommodation to staff the bottom line is affected.

Bauer (2004) considers the perils of performance metrics. Although ostensibly aimed at positive results, they can yield negative or unintended effects and even indulge poor performance. De Waal (2003) comments that, because of likely human behaviour (accommodation), managers should be aware of the need to minimise the potential avoidance of performance measurements. The negative side of measurement is that staff may come up with ingenious ways of achieving their targets by, perhaps, lowering the quality of their function. This downside can be achieved by accommodation with supervisors and managers and result in the measurement targets being compromised.

For example, managers may try to cut costs in the kitchens and avoid wastage. Chefs may be required to cook food only when orders are received and thus require customers to spend longer in the restaurant than is necessary. Financial managers may rig budgets and results to achieve short-term gains and personal bonuses, but such accounting tactics can undermine long-term viability. As a result of the expansion of global brands, the hospitality organisations in China have become more and more standardized (Bauer, 2004). Because KPIs can produce unintended behaviours, managers should be aware of how such drivers are employed; for example, staff will focus on the easiest functions of their duties to obtain the measure of outputs required (De Waal, 2003). Harrington (1994) claims that what you cannot measure you cannot manage. Such a statement relates to Drucker's (2006) observation that you can only improve what you can measure.

In these respects, managers also are trying to accommodate to performance measures in such a way as to advantage themselves. Internal management controls may be undermined because of staff concerns for their job security. Spitzer (2007)

claims insecurity is a major cause of measurement malpractice. Staff may be seen to be compliant yet undermine standards by the way they perform their duties. Spitzer (2007) claims such reactions, which amount to cheating, are common by staff where numbers are involved.

Measurement of staff performance may involve rewards as well as penalties. However, even rewards may encourage staff accommodation such that staff exploit opportunities that arise to compromise internal management controls.

Spitzer (2007) comments on the powerful objectivity of numerical measurements for internal management control purposes. Numbers cannot be denied and staff are vulnerable and exposed; consequently, resistance has to take a covert form. Spitzer (2007) observes that negative accountability can result from numerical goals, particularly if they are used to determine sanctions for staff who are failing to achieve their set goals.

Staff may receive critical reviews from managers and be punished, more so where managers have numbers to support their evaluations. Thus, low-skilled staff in Chinese hotels are vulnerable.

4.5.5.2 Specific skilled and nonspecific skilled managers

Spitzer (2007) argues that managers with quantitative or financial backgrounds are more likely to use the power of numbers as a controlling mechanism. Managers trained in accounting or familiar with accounting techniques are more likely to place greater emphasis on numbers. Roberts (2014) points out that accounting metrics are most useful for internal management control purposes. In addition, in

order to be promoted to a managerial position some familiarity with numbers is necessary, even if the person's original training was not in a financial discipline.

Enns, Huff and Golden (2002) maintain that on appointment, managers apply the practices with which they are most familiar and set up controls with which they are familiar. A manager with a quantitative outlook will favour numbers and output measurements, not outcomes (Enns et al., 2002). Managers who are not too quantitatively focused will be interested in staff relationships, staff morale, and customer complaints and experiences.

4.5.6 Power/knowledge: Structures and discretion

Foucault (1980b) links the concepts of power and knowledge, while accounting provides surveillance to facilitate knowledge. Roberts (2014) argues that accounting can be ascribed as an authority in its own right, because it draws upon human agents. That is, accounting "frames meanings (for making sense of results) and norms (standards by to judge both self and others)" (Robert, 2014, p. 139). The metrics demanded may be recorded as performance measurements. Failing to meet target metrics may mean dismissal of staff involved, and such targets must be achieved (Roberts, 2014). The threat of dismissal can be catastrophic for those lacking a Chinese city identity, as their chances of getting another Chinese city job are limited.

4.5.7 Resistance and accommodation

The exercise of power always invites the possibility of resistance and deception (Foucault, 1983). Resistance is ubiquitous and may take the form of

accommodation. As Foucault (1977a) observes, resistance flourishes in various guises within power relations; sometimes it is supportive and sometimes it is adversarial.

A feature of hotels is that most junior staff, waitresses, receptionists, and housemaids are female. Relevant in this context is Hartstock's (1990) observation that "power is associated firmly with the male and masculinity" (p. 157). In the light of this observation, Hartstock (1990) further asks if "relations of power between the sexes [are] comparable to other kinds of power relations" (p. 157).

Power relations in hotels can be seen in the context of structure and managerial discretion. Key performance indicators (KPIs), budgets, and costs levels become embedded in a structure of rules and regulations governing labour relations. However, the possibility of managerial discretion is also a consideration because, as (Foucault, 1977b) points out, "Humanity installs each of its violences in a system of rules and thus proceeds from domination to domination" (p. 151). Hartstock (1990) states that Foucault insists that those of us who have been marginalised remain at the margins. Because of such marginalisation, Hartstock (1990) points out that his [Foucault's] account of power is perhaps unique in that he argues that "Wherever there is power, there is also resistance" (p. 168). Resistance can take many forms, and junior staff's resistance to managerial authority can take a path of supportive resistance that includes accommodation. Hartstock (1990) concludes that researchers should investigate the different micromechanisms of control, each of which has its own story. One can then see how mechanisms such as KPIs and budgeted costs have been colonised and transformed into additional forms of domination. Thus, while Roberts (2014) points out that accounting mechanisms

become embedded in organisational structures, and as such enable managerial dominance, the reaction to such dominance is not necessarily adversarial resistance. As Hartstock (1990) observes, “it is certainly true that dominated groups participate in their own domination” (p. 169).

However, although the dominated may participate in their own domination, they may create a discretionary relationship of accommodation, and often such accommodations are fragile and short-term. Hotel workers may also become docile bodies and become sites for power struggles. Not all will resist, but those who do are more likely to be deceptively subversive and it is this micro resistance that is a feature of the research study. A concern of this study is how staff combine resistance with accommodation and whether such accommodation creates broader change or is only temporary.

Weitz (2001) states that “We need to more narrowly define resistance as actions that not only reject subordination but challenge the structure that supports that subordination” (p. 169). Resistance and accommodation are not polar opposites but rather coexisting variables, with the result that accommodation is a form of resistance. By researching resistance and accommodation, this study will provide knowledge as to how workers with few labour rights survive.

There is a downside to accommodation; as Weitz (2001) observes, “We must not overstate women’s discretion in this matter, for their options are significantly constrained by both cultural expectations and social structure” (p. 682). The problem for female staff, as Weitz (2001) further observes, is competition between themselves. Despite this limitation, however, as Weitz (2001) points out, “these

strategies are not useless” (p. 683). For these reasons, the researcher not only asked interviewees whether they had employed these strategies of resistance and accommodation, but also asked them to what extent they had witnessed such strategies being employed by others.

4.6 Foucauldian Concepts

The purpose of introducing Foucauldian concepts is to set the scene for the empirical section and show how these various concepts become the tools of managerial authority and how such tools are rendered less effective by means of resistance and accommodation. Surveillance is explained in section 4.6.1. Enclosure, discourse, normalising sanctions, the examination, and the efficient body are separately explained in sections: 4.6.2, 4.6.3, 4.6.4, 4.6.5, and 4.6.6.

4.6.1 Surveillance

Recording and observation are what make possible individualisation of performance and promote power/knowledge (Foucault, 1980). Hotels are places where public spaces are likely to be scanned by cameras. While such surveillance promotes guest safety, it also enables staff to be observed and thus facilitates internal management control because the norms of performance are monitored.

Surveillance is now normal and in constant use; surveillance of workers and guests is everywhere (Wines, 2010). Surveillance allows constant supervision to be exercised and intrudes into the various departments of operations to ensure staff are in their correct enclosed spaces at the times allotted to their respective work shifts.

The principle behind constant observation is that workers internalise the surveillance in such a way as to ensure that appropriate behaviour is the natural outcome. While surveillance allows for correction, the goal is to have workers exercise self-discipline to achieve the desired work performance demanded. Foucault (1977a) claims that surveillance is an application of power, as people are seen without knowing that they are being seen. Information acquired by constant surveillance enables power to be exercised and, as Foucault maintains, power/knowledge come together.

Workplaces should be designed for surveillance and the trend to open plan offices is an example of efficient monitoring design. Ideally, all workers should be visible to supervisors, and preferably in such a way as to make workers aware of their visibility so that, while workers cannot know whether surveillance is being undertaken, they must assume it is constant. By conditioning workers to the possibility of constant surveillance it is possible to construct a self-disciplined workforce (Foucault, 1979). For example, constant surveillance is employed in many places and in many organisations. New Zealand's largest polytechnic has redesigned its workplaces to move staff out of offices into open 'hot desk' areas where staff absenteeism becomes much more visible.

Foucault employs descriptions of how soldiers are trained to effect automaton behaviour by repetitive body movements (Foucault, 1980b). In many Chinese organisations female staff are required to bow to 'superiors' and clasp their hands before them, rather than place their hands on their hips; this gesture indicates subjugation. In businesses, wearing high heels may be a requirement for females,

along with other bodily appearances. Such requirements become internalised (Foucault, 1980b).

With the symbolic function being of significance, many Chinese hotels seek to hire expensive foreign staff in order to be seen as a more global enterprise. Having staff of different nationalities means that foreign customers can express their needs and be understood – causing the foreign guest to view the hotel more positively (Lashley, 2001; Sherman, 2007). Vetter, Heiss, McFadden, and Winter (2013) also recommend having a variety of foreign language speakers available.

Modern punishments are directed at the mind and not the body (McKinlay & Starkey, 1998). The aim of various disciplinary mechanisms is to get the mind to regulate the body even to the point of producing feelings of guilt that can only be resolved by confession (McKinlay & Starkey, 1998; Wines, 2010). Foucault explains punishment by self-discipline that compels man to enslave himself and produce a new self to serve the demands of industry (Foucault, 1986). Accounting structure and performance standards that make the individual visible have replaced physical punishments, which were retained in China into the 20th century, long after other countries had officially abandoned judicial torture. Worker efficiency is now the product of self-discipline, but examination by performance reviews can require confessions that elicit responses to do better. Even in universities, discipline by performance reviews of research outputs is common and may require promises to do better.

Foucault points out that records comprise a vital element in providing power/knowledge to authority (Foucault, 1986). It is the modern ability to record

information on each individual worker that enhances visibility and allows the individual to be subjected to examination by performance review. Such documentation provides a history on each worker that is easily referred to by managers at the time of performance reviews.

Eternal vigilance is the price that must be paid for the goal of self-correction. Foucault warns that any relaxation of vigilance will soon be realised by those under surveillance, with adverse consequences for the purpose of establishing good internal management controls (Foucault, 1979). Observation may be focused on workers, but in hotels it also includes supervisors, which means that all lower levels of staffing may be observed. With respect to continuity of observation, Appelrouth and Edles (2011) maintain “The exercise of power requires continuous surveillance such that the visibility revealed is itself unseen” (p. 403). Accounting functions to make costs and performance visible, while calculations and measurements work continuously as an invisible mechanism. Observation has become a vital disciplinary mechanism in the functions aspects of hospitality management.

These disciplinary mechanisms appear more humane and less physically repulsive and produce desired results. Foucault (1977a) argues that control of prison inmates was improved because, when prisoners feel they are constantly being watched by guards, they begin to control themselves and their behaviour.

Surveillance, to be successful, relies on the watched thinking themselves continually visible and, as a consequence, adapting their behaviour. It is not so much that standards can be enforced because of visibility but that the standards can become a norm that is internalised and so staff behaviour is changed. Modern

industrial society requires armies of normalised workers, trained to routines of production. Examples are provided by the electronics factories of China, where workers perform repetitive tasks seated like battery hens in rows assembling parts without pause, to maintain the required levels of output. Few supervisors are necessary in these factories as the standards have been internalised (Penfield, 2014; Prado, 1995).

Appelrouth and Edles (2011) maintain that surveillance is a power exercise that makes visible the formerly invisible. Shawki (2009) shows how visibility has been extended into the workplace. Staff are increasingly aware of being watched and watching can take various forms. Accounting and computer systems make possible workplace monitoring. Computers record staff activities and the websites they visit. Such control systems make available forms of panoptic surveillance. By employing various forms of surveillance, staff can be more completely controlled (Shawki, 2009; Sherman, 2007).

The whole point of disciplinary surveillance is to create in the individual a feeling of being under observation, so much so that such feelings are internalised and behaviour shaped accordingly. As it is not possible to mount continued 24/7 observation of all staff, observations can only be random and disconnected. The objective is to produce workers who act as if they are under continuous observation, even when they are not.

4.6.2 Enclosure

By confining workers within the workplace, cost centres may be established to monitor performance better. Foucault (1977a) observes that industrial societies

require workers to be enclosed and that such a requirement must become increasingly widespread. Nowadays such practices are practised to a varying extent in most organisations, including hotels, schools, factories, and hospitals. Foucault (1977a) points out that enclosure means the labour is subject to more efficient control; moreover, by being enclosed into smaller units, a division of labour can be practised that makes work a function of orderly monotony.

To identify where staff belong, spaces are assigned. Thus, on the reception desk receptionists are not clustered together but separated into individual spaces, which they must occupy for the extent of their shift. Foucault (1977a) maintains that for control purposes work areas are split into many small units according to function with each becoming a separate cost and performance centre.

Foucault (1977a) sees the advantages of disciplinary control, under which people are enclosed and individuals partitioned into functional workplaces. With such methods, inconveniences like interruptions to work, thefts, and absenteeism can be minimised. Macintosh (2002) points out that when workers are confined to a permanent disciplinary space, control is enhanced because the enclosures allow assessment of workers' output, and are a means to locate staff, reveal absentees, and promote teamwork among those allocated to a particular space. Enclosure enables work centres to be regulated by means of specific rules applicable to that space; every functional enclosure can become a localised cost centre for more precise assessment.

Furthermore, Hopper and Macintosh (1993) point out that for internal measurement purposes, constructing cost centres requires effectively enclosing workers by

function and by hierarchical level. Part of the enclosure process is achieved by staff wearing uniforms. Uniforms facilitate management control and place staff in their functional enclosure so that they become conspicuous when in uniform outside their enclosure. Managers can observe staff from screens available to them.

Uniforms make you 'become what you wear'. In uniform, individuals are conspicuous and take on the role imposed by the uniform. Uniformed workers are also coded to their functional areas, making it obvious when they appear outside their specific enclosure (Chen, 2002; Freeman, 1993; Sherman, 2007).

Organisations like universities make use of the principles of enclosure and cost centres. Staff are allocated to defined spaces and organised on the basis of their specific functions. By such means surveillance is enhanced and performance better calculated so as to permit power to be exercised more effectively. Belonging to a precise location makes it possible for workers to become objects of examination. In addition, ranking schemes and timetables can more effectively be employed to govern behaviours within the enclosure (Deleuze, 2006; Penfield, 2014).

Carmona, Ezzamel, and Gutiérrez (2002) illustrate the benefits of enclosure for managerial control with their case study of a factory that was formerly unstructured and problematic, as the organisation lacked routine and regular accounting processes. The basis of the accounting records was to record the overall receipts and payments and report on the cash balance. Operating as one accounting entity was necessary in the old factory because the established design made separate enclosures impossible to achieve. Thorough surveillance was difficult and the workers could avoid scrutiny by not being enclosed in a particular space. Evaluation

of workers as to their hours of attendance was also difficult, permitting these internal management control weaknesses to go unchecked. Thus, in the former factory there was little visibility and production costs by stage could not be ascertained.

Enclosing by partitions and timetabling workers were made visible in the new factory because specific allocation of place disclosed readily to managers which workers were present and which were absent. By means of partitioning, visibility was enhanced, enabling closer supervision of performance. Work processes could be reduced to calculations and applied to a specific cost centre. These changes enabled better accounting systems to be developed and much more to be recorded. The records of workers now contained place of work, names, earnings, and an account of performance. The records were found to now include classifications of products and work in progress such that these classifications enabled more visibility and better internal management control. It is a core concept of Foucault (1977a) that space, organisation and attention to enclosure enable power/knowledge (McKernan & Kosmala, 2011). Uniforms impose behaviours on staff and in themselves act as enclosures. However, as airlines, for instance, know in respect to their cabin staff, uniforms have a symbolic function that identifies staff with their organisation (Chen, 2002; Freeman, 1993; Sherman, 2007).

4.6.3 Normalising sanctions

Arbitrary regulations evolve into systems of normalising sanctions that produce rewards and punishments. Rather than being derived from the ideals of good government, such sanctions within institutions reflect the mores of a private justice

system. Functioning as a unified control system, surveillance and normalising sanctions go together (Foucault, 1979).

These private systems of justice were developed in organisations in the 18th and 19th centuries, as Foucault (1977a) points out. Hospitals, schools, barracks, and prisons were among the first to adopt normalising sanctions, but they soon spread to all social institutions. All aspects of behaviour, such as timeliness, appearance, and attentiveness were contained and normalised by institutional rules (Sargiacomo, 2008). A range of punishments were applied to workers who breached regulations, or who failed to meet performance specifications. The penalties applied could result in humiliation by managerial invective, or extra workloads (Sargiacomo, 2008). Evaluation involves continuous assessment of workers, as determined by a structure of normalised performance expectations.

Proper behaviour is determined by a structure of normalising sanctions, which spell out what is improper. The aim is not to seek repentance but to motivate workers to seek to achieve higher levels of ability (Hopper & Macintosh, 1998; Penfield, 2014). Punishments may take the form of having to perform repetitive tasks that others would avoid. Nonetheless, most systems of sanctions seek correcting and training opportunities for offenders. However, many managers may see punishments as being a cost-free option.

For junior staff, sanctions are more likely to be negative rather than positive. After all, why should managers bother with reward systems when a large reserve army waiting for jobs is available. According to some (Hopper & Macintosh, 1998; Penfield, 2014), rewards and penalties operate effectively as behavioural controls

and without the need for corporal punishment to control staff appearance and behaviour. However, in this context, staff will work to complete their allocated metrics not for rewards but simply to keep their jobs. Such sanctioning may involve casual fines.

The body can still be the focus of punishment. Housemaids may, by way of penalty, be fined, given more rooms to clean, or assigned a work allocation that requires more physical effort. Staff seek to avoid such disciplinary measures; however, to do so they must conform to the standards expected or arrive at some form of accommodation and constraint to modify conduct. Whatever the penalties for deficiencies in performance, they create a servile workforce (Foucault, 1979).

4.6.4 The examination

One means of discipline is by examination. Examination arose from the Church, barracks, and hospitals (Foucault, 1979). Examination involves a form of inspection to establish visibility and control. Examinations make individuals 'visible' and allow records to be kept on each individual (Desai, 2010). Desai (2010) suggests that internal audits help to impose compliance. Periodic reviews enable managers to review performance and influence wages and promotion prospects. In short, through examinations, managers are able to exercise power (Desai, 2010).

According to Foucault (1977a), examinations enable rankings and normalisation by providing visibility, so as to gain knowledge of an individual. The lower the individual in the organisation, generally the greater is their subjection to examination. The lower the rank of the soldier, the more the soldier is subjected to examination and review (Foucault, 1979). The same applies in hotels.

The education process in many countries is highly ritualised and marked by milestones of progress. Records of individual achievement are maintained and students graduate to higher levels by examination and assessment, the latter necessitating continuous surveillance. Performances are recorded to maintain transcripts of progress to allow persistent examination by higher educational institutions and future employers (Hoskin & Macve, 1986). Students are subjected to an accounting system comprising grades awarded to them (Hoskin & Macve, 1986). Grades based on assessments of progress are awarded for ability, but they may also reflect behaviour and attendance. Such judgements, being the basis of recorded performance, produce a 'history' of every student. By such means, the population can be classified and normalised into rankings of ability (Hoskin & Macve, 1986).

The abilities and characteristics of staff become knowable to managers and are further identified and reviewed by an annual performance review process. Each individual record is archived and so more information on every person is steadily accumulated. It is now possible to learn the history of any member of the population from records that describe and measure them. Foucault (1977a) points out that through the application of numerical, objective measurements, which everyone is subject to, examinations facilitate greater accountability. In such a way, memorable man becomes measurable man through subjection to continuous performance reviews. Managers are provided with knowledge about each individual that empowers them.

A manager's knowledge of individuals is illustrated in Hopper and Macintosh's (1993) study of International Telephone and Telegraph (ITT). When a new CEO

imposed a new disciplinary regime, the internal control of ITT was cast in a Foucauldian model. The aim was to create docile, efficient bodies by using the visibility provided by an information system such as that which management accounting makes possible. Reflecting Foucault's model of the disciplinary panopticon, staff and workers were constantly subjugated to create a norm of subjugation. By creating self-contained places of confinement, the autocratic CEO was able to establish cost centres that reported to him directly and continuously. Within ITT, partitioning resulted in different responsibility centres. Hopper and Macintosh (1993) explain in their case study how the corporate's assembly lines and supporting operations employed around 400,000 workers partitioned into some 250 cost centres. Responsibility and accountability rested on a manager appointed as overseer in each enclosure. Each enclosure was effectively an 'accounting prison', according to the authors of the case study. Being enveloped within the highly centralised control system required a constant stream of quantitative returns to be completed. By such means the separate cost centres were made visible. The accounting metrics designed and demanded made all operations within each centre visible and calculable (Hopper & Macintosh, 1998).

The centralised control system had the effect, in Foucauldian terms, of turning managers into efficient, docile bodies. The process began with divisions and centres drawing their budgets and submitting them for review and approval. Once approved by the CEO, managers were held to their budgets and their performance was assessed in terms of meeting their budget targets.

Monthly operating reports had to be submitted to show budget variances for the CEO to examine and comment on, so that each responsibility centre came under

surveillance. The effect of the management control system in ITT was to closely monitor operations and managerial performance. Deficiencies could be quickly identified and responsible managers disciplined so that, by setting operating standards, staff behaviour could be channelled and shaped.

Foucault (1980a) makes clear that disciplinary systems inevitably engender resistance. This latter finding is important to observations made in the empirical chapters of this thesis. The CEO imposed a disciplinary regime that adopted the slogan for staff “numbers make you free” (Hopper & Macintosh, 1993, p. 207). The consequent shaping of behaviour by what are ultimately accounting controls is relevant to this thesis.

4.6.5 The efficient body

With respect to corporal punishment, Foucault points out that behaviour should be “inscribed on the body” (Foucault, 1977, p. 82). Foucault (1977) maintains that bodies become efficient by being seen as objects that can internalise a series of repetitious movements within a specified time, whether as soldiers to be drilled, or as assembly line workers performing the same tasks without pause. Prado (1995) claims that while the body once bore and carried the marks of control from the overseer’s whip, it is now a discourse that imposes discipline and regulates behaviour.

When human beings are enclosed, partitioned, and ranked they are on their way to becoming efficient bodies. Macintosh (2002) points out that the concept of the efficient body is the result of disciplinary practices where subjugation to the working timetable is paramount. Organising time is the quintessential discipline

practice. Through timetables, patterns and regularities in the workplace are established (Hopper & Macintosh, 1998; Penfield, 2014). Work routines need to be fulfilled in each functional cost centre and they are related to time, measured in hours, minutes, and seconds.

The timetable governs how workers behave and perform their tasks; it relies on daily repetition within a designated enclosure (Macintosh, 2002). Macintosh (2002) uses the example of soldiers and gymnasts who must adapt their bodies to perform precise movements often in coordination with others. Movements are dictated by routines and periods within a sequence of activity. Foucault (1979) explains that to make an efficient body, the body must be shaped and exercised by the repetition of prescribed movements. By such continuous repetition of movements, gymnasts, for example, can train their bodies to perform record-breaking feats of athleticism. The young gymnasts of the former East Germany were an outstanding example of such disciplinary practices, where accumulated knowledge shaped and manipulated the body to become obedient. Prado (1995) declares the political shaping of the body enables regimes to create and maintain specific standards of behaviour, while self-imposed norms are generated (Penfield, 2014; Prado, 1995).

Mackintosh's (2002) case study of Johnson & Johnson shows how workers and managers become efficient bodies through being subjected to accounting surveillance, normalising sanctions and examination, and by inducing a sense of failure in those unable to meet their targets. To effect control, the parent company divided the subsidiaries into responsibility centres in accord with Foucault's elaboration of discipline by enclosure. To ensure the depth of the parent company's penetrating gaze, subsidiaries were further divided into smaller areas of budget

responsibilities, such as divisions, departments and other profit centres. Enclosures were determined by function and ranked in terms of a pyramid of operating responsibility. Managers and staff were categorised by their place in the pyramid of responsibility. In line with the enclosures, accounting information was designed to provide reports that informed the parent company about how each subdivision contributed to the subsidiary's overall budget. In this way, the subsidiaries were subject to constant examination, sanction, and normalisation as befitted their operational relationships and hierarchical rankings (Hopper & Macintosh, 1993).

Macintosh (2002) argues that evident in this case is the principle of the efficient body. Decisions are locked into a routine of internal management control processes that derive from practices following a repetition of reports and timetables that are replicated each year. Once the plans of the subsidiaries are approved, the budgets are created; subsequent operational results are aligned with budgets, variances have to be explained and any over-budget requires remedial actions to be put in place. These disciplinary procedures follow a process beginning with plan submission, then budget preparation, budget approval, and regular subsequent moderation. All these procedures conform to carefully scheduled reporting periods established by the parent company. The routine of continuous budgeting is a disciplinary practice, which drives managers to constantly consider operational expenditures. At Johnson & Johnson the rolling budget system generated a means of controlling managers and evaluating their performance. "The rhythm and the regularity of the work was established by management and a standard costing system, such that the worker's body movements were blended with the economic machine" (Macintosh, 2002, p. 53).

Periodic reporting of budgetary compliance produces a pattern of expectations that enhances internal management controls and carries significant resemblance to the Foucauldian concept of dressage (Berente et al., 2010). A repetitive signal is being transmitted from the parent company head office to local managers, requiring their constant compliance to reporting timetables that makes them perform a kind of budgetary dressage (Macintosh, 2002). This case shows how internal management control practices can require and shape behaviours among managers and staff so that they follow a pattern of correct disciplinary dressage.

4.7 Chapter Summary

The chapter draws on concepts presented in Foucault's book *Discipline and Punishment: The Birth of the Prison* (1979). By comparing the roots of modern disciplinary techniques with former methods of punishment, the transition to modernisation is explained: however, in this study the focus is on disciplinary techniques in China. Earlier sections focused on the growing practice of examination, measurement, and calculation in the modern world and the crucial role of accounting in any such structure of quantification. Moreover, this chapter showed how such structures of quantification, by imposing necessary metrics, can normalise and change behaviours. In a further section, the focus was more explicitly on a Chinese context in order to show how managers exercise various forms of discretion within a quantifiable structure. Such discretion can occasion resistance and/or accommodation from those not sufficiently normalised within the sanctions of the structure. The final sections considered the normalising effect of a structure that maintains discipline through surveillance, enclosure, discourse, and

examination to bring about efficient bodies. The chapter considers the ways in which Foucault's thinking (Foucault, 1972, 1977a, 1979, 1980b, 1983, etc.) has been used by accounting researchers (Martinez, 2011; Miller & O'Leary, 1987, etc.).

Critical accounting has been much affected by Foucault's concepts and observations, which allows accounting to be seen from a new perspective (Miller, Hopper, & Laughlin, 1991; Roberts, 2014). As many critical accounting scholars have pointed out, accounting is not a passive instrument of financial recording. While accounting practice may be seen as a technical process, which reports mechanically on an objective financial reality (Martinez, 2011; Miller & O'Leary, 1987), McKinlay, Carter, Pezet and Clegg (2010) argue that accounting needs to be recognised as a political rather than as a technical and objective reporting structure.

Accounting impacts upon social relationships (Roberts, 2014; Stewart, 1992). Critical scholars argue that such relationships are disclosed through measurements of performance. Accounting is transformative and facilitates interventions by managers. From a Foucauldian perspective, accounting sustains power/knowledge relationships in organisations. Accounting records of revenue, cost, and profitability are not just calculations; rather, such numbers open windows on staff and managers to make them 'visible' and intelligible. Recognition, measurement, and disclosure lie at the heart of discipline.

This thesis aims to enrich the literature by applying Foucault's ideas to the Chinese hotel industry. The thesis also seeks to identify likely cultural differences that call into question the effect of a hierarchical and authoritarian culture on organisations.

The next chapter reports the empirical observations in connection with managerial discretion and resistance by accommodation.

CHAPTER 5

Observations of a Trainee Manager

5.1 Introduction

The chapter draws on observations made during the period 2005–2010 when the researcher worked in the hospitality industry (Wang & Hooper, 2017). The chapter utilises the ethnographic action research methodology referred to in chapter 2. The duties were varied as the researcher was expected to gain experience in every aspect of hotel work. Part of the programme involved making copious notes on her experiences, the idea being that, besides gaining practical experience, the trainee manager (now researcher) would also reflect on what she had learned. This chapter is based on those reflections. The reported conversations are drawn from data noted at that time.

This chapter sets out to show how internal management controls may be accommodated by staff in terms of what managers recognise and measure (Miller & O’Leary, 1987). Chinese hotels shape the productive and symbolic functions of staff by disciplinary engagement such as measurements that can be employed to bring individual staff to a periodic review – a situation which places managers in a position to exercise their managerial discretion, as described in this chapter. The generic question addressed is: how may internal management controls be compromised by staff accommodation in Chinese hotels; how does accounting shape behaviour?

The chapter begins with the researcher's reflections on working with two hotel managers, referred to as Manager X and Manager Y, and their different styles of management and interaction with staff. The reactions of staff to their managers, their submanagers, and supervisors in these hotels form part of each section and are presented in sections entitled 'enforcing performance' and subtitled using Foucauldian concepts. Each section contains observations taken from the researcher's daily journal of reflections on management. Within these sections, seven stories are used to illustrate the types of incidents that arose and how they were resolved. Three of the stories involve the more authoritarian and business-like Manager X and four involve the more people-oriented but also authoritarian Manager Y. These stories were chosen to show how power is exercised and to illustrate how accounting shapes behaviour. Some of these stories demonstrate how the 'bottom line' shaping of behaviour can be undermined by accommodation. The chapter ends with a summary and conclusion.

5.2 Enforcing Performance

The Economist (10 January, 2015) reports on the phenomenon of the enforcement of standards among officials in China. That officials and managers should be evaluated and promoted by the ability to enforce standards is not surprising anywhere; however, as *The Economist* (2015) points out, Chinese officials are more zealous and have less regard for human or ethical considerations when doing so.

Manager X is very much made in this mould and is himself the son of a well-connected government official. Within the hotel chain, Manager X is highly regarded for his ability to get results. Before the researcher was sent to train under

him, she was advised to learn all she could from him and from his methods if she wanted to be a success within hotel management. The essence of his management style is a single-minded regard for performance goals and the bottom line; all other considerations carry no weight in his assessment of what is right. Sometimes Manager X's hard attitude of making performance and the bottom line his paramount goals induces resistance; however, staff attempts at accommodation with him largely fail. For Manager X, staff are cost units and, in keeping with principles of microeconomics, their marginal revenue has to be greater than their marginal cost. By contrast, Manager Y has a more humane approach, seeing staff not as equal cost units but as different personalities, and thus he is more susceptible to the influence of staff personalities and their resistance by means of accommodation.

5.2.1 Observation and supervision

It is now normal to find cameras operating in all public spaces in hotels as a way to provide 24 hour surveillance, ostensibly for security purposes; however, these cameras are also able to check on the activities of staff, visitors, contractors, and guests (Wines, 2010). Hotels employ electronic observation to monitor the staff, including kitchens and reception staff, to confirm that they are gainfully employed and not gossiping or wasting time. Surveillance facilitates inspection in that enables managers to see if their staff are wearing the appropriate uniform and to monitor staff relations with guests. Such surveillance helps managers to determine appropriate performance indicators because, if they see that staff have too much idle time, then costs reductions are possible.

Guests' rooms have no camera surveillance, for obvious reasons. As a result, staff have the time and opportunity to use vacant rooms as rest areas, where they can lie on the beds or smoke. Supervisors are supposed to monitor staff so that such use of vacant rooms is not possible, but with the doors closed, it is hard for supervisors to monitor what is going on.

Wang (2014) reports that in one hotel where the researcher worked as a trainee manager a guest complained of the odour of tobacco smoke in her room on a nonsmoking floor. Thinking to handle the complaint herself, the floor supervisor sprayed air freshener throughout the room and that seemed to be the end of the matter. A week later, another complaint about a smell of smoke came for the same floor. Again, the room was sprayed but this time the complaint was reported to the departmental manager.

It was evident that someone had been smoking in the rooms. It was decided to survey the corridor camera recordings. The recordings showed a white uniformed male from the kitchen entering the room followed by a housemaid. The couple were eventually identified from the poor-quality pictures and brought before the hotel manager. A confession was soon extracted (Wang, 2014).

The housemaid was an efficient cleaner who was merely censured and fined. The male kitchen hand was less fortunate and was dismissed. The supervisor of the housemaid was fined for failing to monitor her staff adequately. The researcher's notes show that Manager X was amused by the incident and made the observation that the kitchen hand was worthless because he did not have the initiative to wear a hat and coat over his kitchen dress. Had the kitchen hand thought to cover his

uniform with an overcoat and worn a hat it is unlikely he would have been recognised from the poor-quality camera images. The uniform effectively announced his place of enclosure. For Manager X, the ethical issues were of no account; what mattered was that the housemaid was of value as she was an efficient worker and so she was retained while the kitchen worker was let go. He saw the housemaid's supervisor as at fault for not keeping better watch on her staff. He thought that the kitchen supervisor was also at fault for allowing staff to wander off during working hours. Both supervisors were 'shamed' by being shouted at during the next morning parade. The consequences were worse for the kitchen supervisor as he was given a warning and not allowed to rehire another kitchen hand, as his failure made it appear the kitchen could function even when staff went absent. The effect was that the kitchen supervisor had to manage with fewer staff.

A supervisor can easily measure a housemaid's actual performance against the norms of performance. To ascertain room quality, surveillance of housemaids may be physical and judgemental. Doors should remain open when rooms are being cleaned so supervisors can at a glance see that staff are working. Inspections are conducted by supervisors after rooms have been made ready again for guests. Rooms not completed to the standard required by supervisors may have to be recleaned and reinspected. Correcting such failures can mean that the individual housemaid works a longer shift, and often fines for deficiencies are applied.

Room supervisors are kept very busy. The inspection has to be sufficient to maintain the hotel standards. However, inspections may vary according to the whims of supervisors or to the standards internalised by supervisors; some are notoriously difficult to please and may search out dust in obscure corners. There is,

however, an inconsistency about room inspections which allows for supervisor discretion. Normally, the cleaning cart is parked outside the room being cleaned and, in the situation mentioned above, seeing a cart by a closed door should have warranted investigation by the supervisor. It appears in the smoking case that the cleaning cart was, however, parked by the linen store, making it look as if fresh supplies were being fetched. The point of the story is not so much to illustrate how resistance occurs, but to show how performance and bottom line considerations shape behaviour, especially in this case, because the supervisors were deemed to have failed in the performance of their duties and, as a consequence, had to work harder.

Manager Y paid more attention to the symbolic function of housemaids. Guests may pass the uniformed housemaids at work as they walk along the corridors and it is a protocol of most hotels that housemaids greet customers with '*ni hao*'. The aim is to make guests feel welcomed and respected, but it is a feature of staff resistance that many pretend not to see the passing guests and that even more will avoid the courtesy of a bow. Courtesies such as bowing should be part of an internalised reaction by trained staff but the 'body' and the 'soul' training of such disciplinary techniques may not always be effective and resistance may surface (Foucault, 1980b). Morning inspection parades ensure that staff uniformity is maintained, and it is a time for work allocation and for sanctions to be announced on particular staff who have earned complaints from their supervisors.

Surveillance exists to bring staff to a state of 'self-regulation' or even to achieve a confession (McKinlay & Starkey, 1998). Such self-regulation is not liberating but compels the individual to change his/her behaviour (Foucault, 1986).

Foucault (1986), recognising such disciplines as accounting, acknowledges that record-keeping is a mechanism of power. Documentation is part of surveillance because it provides the means whereby a person becomes visible and knowledge of that person's performance becomes continuously accessible.

It is the feeling of being observed that shapes behaviour, as there is a sense that one is being watched even if one is not. The objective is to produce a behavioural outcome of normalised obedience. However, not all staff personalities are the same or are so easily subjugated; nor are they identical cost units. During the researcher's break periods, she would use the hotel swimming pool which was usually very quiet and the researcher was often alone there. The researcher did this in Manager Y's hotel (Manager X would have grasped that the pool was underutilised and would probably have either cut costs or have hired out the hotel pool to outside groups to increase revenue). The pool manager, who manned the pool reception to check the pool users were guests and gave out towels and caps soon began to abandon his post to join the researcher in the pool. His claim was that he could improve my swimming technique. Every time the researcher went to the pool, the pool manager would also swim. This behaviour was contrary to the hotel rules and meant the pool's reception was left unattended. Clearly, the surveillance system in the pool area was ineffective. As a trainee manager, the researcher was in a difficult position because, if the researcher reported the manager's lapses, it could be construed that the researcher had encouraged him to take on the role as her personal trainer and that the researcher was, therefore, partly responsible for this breach of the rules. The pool manager was very talkative and when the researcher asked him if he was not concerned about leaving reception unattended, he replied that he was on good terms with Manager Y, who also used the pool at night, and considered him as a

friend. So, the researcher said nothing, but she was not happy to be involved in this form of passive resistance. In this case, accounting results did not indicate the pool manager's aberrant behaviour, as Manager Y was not alerted to the underutilised pool. What is more, by enjoying a relationship with the pool manager, Manager Y was allowing the pool manager's accommodation to shape practice. From the perspective of the pool manager, his accommodation with Manager Y was an act of resistance which allowed him more freedom at the hotel's expense. Such accommodation creates an internal management control weakness. Fuller and Smith (1991) point out that, while unauthorised activities may still occur, such as poor-quality work standards as these may be controlled by enhanced surveillance. However, resistance by accommodation is more difficult to monitor because managers or supervisors have become involved and are prepared to overlook deficiencies in exchange for various favours (gifts, lunches, drinks, etc.).

5.2.2 Enclosure

Macintosh (2002) argues that, in terms of intervention, subjects will become more accessible if subjected to enclosure. Enclosures provide the means to analyse staff performance, locate individuals, and uncover absences. Each workspace may be governed by particular rules, uniforms, and staff functions. Manager X valued enclosure, as it allowed him to see where the hotel was overstaffed and where savings could be made. His focus on the bottom line was unwavering. By contrast, Manager Y was more interested in the staff; he saw them much less in terms of cost units. Manager Y's interest was to encourage the more symbolic functions of staff. He was interested in appearance and behaviour. The morning inspection parades of

staff where like an army parade, where those who may speak and those who had to remain silent was determined by rank.

Manager X, adopted a hands-on-hips posture before the receptionists and often shouted in a bullying manner. He believed shouting was a necessary part of discipline and when done in front of others had an additional shaming effect. Uniformity and neatness were the chief consideration for Manager Y. His inspections focused on detail such as staff having similar hairstyles so that in Foucauldian terms staff became efficient, docile bodies (Wang & Hooper, 2017). Manager X treated all staff the same, i.e., as equal cost units, whereas Manager Y, while ostensibly seeing all staff as equal, had preferences.

Hopper and Macintosh (1993) suggest that accounting techniques individualise workers by function, relationships, and place in the hierarchy. Financial rewards and fines that are announced during parades are of necessity recorded. Manager Y tended to single out the attractive females and they were chosen as models for others to follow. Such bias could be explained in terms of attractive females having the necessary qualities for a greater contribution in terms of the symbolic function such as seen in the 'Singapore Girl' airline advertisements.

Punishments in the form of fines or increased workloads resulted from being observed to be late, gossiping, performing poorly, or failing to please guests. As Hopper and Macintosh (1993) observe, such deficiencies provide reasons for public denunciation. Manager X shouted at staff who have not fulfilled their productive function in some respect. Some female staff so targeted dissolved into tears. Sometimes staff who were regularly the victims of the manager's abuse would

resign. This was a risky step as other jobs were difficult to get. Manager Y was not always objective in his criticisms; he was susceptible to female accommodation and tended to target staff who did not play the accommodation game. Staff were aware of Manager Y's preferences and those who seemed to meet his approval would play up to him. By such means they could gain various rewards including raising their wages. Most of the female staff accepted the situation as being 'the rules of the game', but some jealous competition did arise between the staff most favoured by the manager.

The two hotels the researcher studied in China are part government-owned. In government-owned, or part government-owned hotels the government assigns the managers and they effectively control and oversee all operational matters. Frontline staff such as receptionists are expected to be smiling, courteous, and neatly dressed. A professional uniform is designed so as to promote the hotel's overall look of efficiency and smartness. A uniformed appearance is an expression of discipline and produces the expectation of a professional service. "Dress and stylised appearance serve to make sure they play their role and fulfil their responsibilities" (Freeman, 1993, p. 12).

When the researcher was posted to new hotel and entered the hotel's atrium for the first time, she noticed that a receptionist at the check-in counter was wearing a fur coat. It was very cold outside and inside the temperature was around 17 degrees Celsius. Nonetheless, it was unbelievable that one receptionist should be allowed to cover her uniform with a fur coat, especially while the other three receptionists were in only their standard uniforms. Surely, the researcher thought, such a difference was against hotel policy. A receptionist wearing a fur coat also drew

attention to the poor heating in the atrium. The researcher sought an explanation as to the breach of the dress codes. The reception manager admitted: “The hotel manager allows it” and it was obvious he had no more to say. Subsequently, the researcher acquired a fuller explanation from other receptionists. “She is friendly with him” they explained pulling faces. The incident provided an example of a loss of control and a breach of policy because a particular receptionist had achieved some sort of individual accommodation (Wang & Hooper, 2017). Again, the extent of the receptionist’s accommodation with Manager Y demonstrates an act of resistance to the conditions of her job. As a receptionist with privilege, she was undermining her symbolic function; and gaining a privilege not open to others (Wang & Hooper, 2017).

‘You are what you wear’ seems to apply more to women than to men (Baumgarner, 2012). As the airlines have shown, uniforms not only serve a productive function but also make use of staff in a symbolic function. Businesses can design dress for female staff to show off the brand image, while effectively enclosing staff so that a dressage function is achieved. If how you dress staff can become an exercise of power, it is as Foucault (1980b) claims an exercise in objectification which most often becomes an affirming experience for those so subjugated .

5.2.3 Speech and communication

Entwhistle (2000) admits that Foucault rarely mentioned dress as a means of discourse or how dress can discipline the body, although he often used the military to illustrate his concepts. For Entwhistle (2000), how people are dressed is important in recognising a gendered discourse of the body. Discourse is another

form of disciplinary mechanism. The rules of discourse dictate what can be said and what cannot be said and by whom to whom and dress is another form of discourse as it portrays how an individual may be perceived. Control of how staff should dress, including their hairstyles and the use of cosmetics, is as important as speech (Andrew, 2007).

Senior managers allocate duties to departmental managers. Departmental managers then parade their staff each morning for inspection. Managers are loud and demanding often exhorting staff to work harder. Some staff may be assigned different jobs, which may be work no one wants to do, but they must not protest. The staff parade like soldiers and are required to listen and not to question what is said, even if what is said is plainly wrong.

It sometimes arises that a particular individual is complimented at the morning parade especially if he/she has been the subject of guest approval. Once a guest reported approvingly that the staff seemed so happy and to be enjoying their work; however, the manager's repetition of the guest's compliment at the parade caused some suppressed cynicism at the guest's having been fooled by the receptionist's false smile and pretence at enjoying her work. At Manager X's hotel, staff felt threatened and the forced demeanour of happiness was put on to avoid punishment. Manager X was widely disliked and feared and known for his style of punishment by shame. Staff who did not meet his standards or lacked a warm, friendly disposition were likely to get a cleaning job once their shift had finished. Receptionists do not normally clean in the hotel but refusal to do so would result in losing their job. The most shameful job might be mopping the toilets, a process demanding fetching a bucket, entering the toilets, and mopping every space,

including the cubicles, to the manager's satisfaction. Such punishments were effective, and staff tried to make sure they looked efficient and smiling whenever the manager was around. On the other hand, some favoured staff might be rewarded by being given easier shifts and workloads or, for the really favoured, a pay rise.

In a relatively authoritarian society such as China's, the hotel manager has a high degree of discretion. His power to hire and fire is absolute, and by hiring mostly migrant junior staff the manager is not restricted by labour laws. As such rewards and penalties can be awarded as he chooses. His authority is unchallenged with regard to his staff; only with regard to the overall performance of the hotel is he accountable. Possessing discretion and confidence, the manager can arrange any position for staff who please him. Those that displease do not last long. In that case, to give an appearance of objectivity, managers will resort to their records of staff performance to find fault, all of which means that staff are anxious to maintain good records and to gain manager's favour. They do so by seeking some accommodation with him or with the under-managers. Both male and female staff will try to accommodate themselves, but the latter may find it easier to do so.

Managers and their positions are subject to and the result of (*guanxi*) with government officials. In China, the government owns or part-owns shares in overseas hotel chains. To please the government, managers may have to appoint deputy managers who do no work and rarely appear in their offices. Generally, as befits their position, managers are authoritarian and avoid relationships with subordinates. Nonetheless, not all relationships are avoided. China besides being relatively authoritarian is also relatively corrupt. Some junior female staff are, therefore, aware that there exist opportunities for favour if they can get noticed and

some compete to get attention. Foucault (1980b) suggests a positive effect of power may be to induce willing subjugation. In Foucauldian terms, such staff become docile bodies not as a result of some process of discipline internalisation but as a means of accommodating themselves. Most Chinese hotels have experienced this kind of phenomenon and stories abound of managers behaving like emperors at their own court.

5.2.4 The examination: Confession

Bigoni and Funnell's research (2015) cites Foucault's (1972) thoughts on Christianity and the teaching of truth. To teach truth, the priest must observe the daily life of his flock to gain a continuing knowledge of their behaviour. Truth is shaped by examination which may take the form of a confession – much like the public confessions of the accused in pre-1911 China (see chapter 4 sections 4.3-4.6). Such defendants were treated as guilty whether or not they were innocent. The priest exercised power/knowledge by individualising his flock and subjecting them by way of a penance to accept his truth. Confession or examination may, thus, become means for imposing truth and reinforcing the primacy of the master (Bigoni & Funnell, 2015).

With respect of an article relating to anthropology in Japan, *The Economist* (30 January, 2016) draws attention to the difference between “shame” cultures of East Asia and “guilt” cultures of the West. It points out that the difference between the two is that a sense of shame is proactive with regard to behaviour based on a fear of humiliation, while guilt is a reflective reaction of an individual conscience. Public shaming is a dreaded feature of social and corporate life in China (The

Economist, 30 January-5 February, 2016). According to *The Economist* (2016), “Some academics have suggested that shame works better in a system, such as China’s, where maintaining harmony is seen as more important than adherence to a notionally objective idea of right and wrong” (p. 26). The American government commented at the same time on the increasing numbers in China who “appear to have been coerced to confess to alleged crimes on state media” (The Economist, 2016). *The Economist*’s article goes on to say that such confessions have a purpose that prioritises controlling truth. Confession is an important feature of public shaming. Court sentences in China are lighter for those who make a public confession of guilt, even though the prospect of a fair trial is compromised by such an admission from the accused. It is an invitation to self-incrimination. The recent case of the Hong Kong bookseller and the Swedish human rights activist testify to this practice (The Guardian, n.d.). In both cases confessions of guilt were followed by apologies which served to achieve avoidance of lengthy imprisonment.

According to *The Economist* (2016), many public officials including Deng Xiaoping have experienced public confession and public shaming. “As in the past, today’s culture of confession is not about accountability, clean government or a rules-based system. It is about dominance and submission” (The Economist, 30 January-5 February 2016, p. 26). To summarise, while in the West confession is about creating a sense of guilt, in East Asia it is about creating humiliation and shame. The result is that confession individualises staff and increases managerial dominance. Power/knowledge is not about truth but about establishing a regime of truth (Wikipedia, n.d.). A regime of truth is not the same as the truth as Orwell’s book, *1984* illustrated. To illustrate how a confession/shaming unfolds in practice, the researcher will next draw on her own experience of performance reviews.

The quarterly staff review in the hotel where the researcher worked as a trainee became, in Foucauldian terms, a spiritual examination at which staff were expected to confess and accept the evidence of their shortcomings (Bigoni & Funnell, 2015). Staff may be sanctioned for a variety of trivial offences such as talking. At this time, the manager may determine a penance in the form of an apology coupled with fines or extra duties. At a more serious level, sanctions may jeopardise promotion possibilities, or lead to heavy fines, or in some cases dismissal. The expectation is that the staff member being examined will accept all allegations without protest, even if the accusations are unfair or untrue. In the researcher's experience, such confessions were often imposed. The manager would produce a notebook which contained detailed truths to be confessed. They were mostly trivial complaints from other staff or submanagers, but they were taken seriously. The person under review was never given an opportunity to protest or to put another side of the case; he or she simply had to accept what the manager alleged. The researcher's first confession involved persistent lateness. While it was partly true that the researcher was late on occasion, the extent of her lateness was exaggerated. The manager's informant was the head concierge and the researcher had no idea he was logging her arrivals and departures on a time sheet. It was not a procedure the researcher had encountered before in other hotels and it seemed like entrapment. The researcher confessed to the written evidence produced, as she had no way of disproving the detail. The manager, who liked to appear kindly and paternal, insisted the researcher write a letter of apology and give a copy to the head concierge. The public shaming that this act involved would thus confirm the researcher's submission and the manager's authority. At another time, there were gender implications in allegations made against the researcher, as the male

reception manager claimed that, as a trainee manager, the researcher was arrogant and rude to his staff. The truth was he had repeatedly asked the researcher to go out with him, and many times had offered to drive her home, but the researcher had consistently declined his invitations. When the manager raised the reception manager's complaints at her quarterly review, her protests were quickly silenced. She was ordered to provide a written apology, with a copy to be delivered by her to the reception manager.

The effect of confessions such as these is to engender obedience and, as *The Economist's* (2016) article points out, confession is not about truth. Obedience may be seen as an internal management control strength, but it is also a weakness. The researcher's worst humiliation occurred when she was instructed by the manager to take a taxi and pay a supplier in cash. The researcher thought this request unusual, but she did not question it. The researcher collected 12, 000 RMB in cash from the reception manager's safe, a sum collected from cash-paying guests. The supplier the researcher had to deliver the money to did not seem to be like other regular suppliers and its premises were in a rundown district. The researcher's unease while undertaking this delivery was heightened by the men standing around who seemed to have nothing to do but stare at her. The researcher had no idea what the establishment was used for as it lacked any signage. However, the receptionist took her money and slowly counted the notes before issuing a receipt. Being the subject of interest and conversation, the researcher was glad to depart with a receipt, so glad in fact that the researcher did not bother to check the receipt. She simply let the receptionist put it in an envelope. An hour after her return to work, the researcher was called to the manager's office to explain why the receipt was only for 11, 000 RMB. The researcher had to repay the missing 1, 000 RMB out of her

own money. Yet, worse was to come, because this mishap provided an opportunity for the researcher's reputation to suffer further public shaming, as she had to explain her error to both managers. Any thought that the researcher had about asking why the hotel was paying this supplier in cash was effectively dismissed from her mind, although, on reflection, the researcher suspected some sort of corruption was involved. Whether there was corruption or not is immaterial, however, as the researcher's experience serves to illustrate that shaming serves to quash inquiry and reinforce submission. In brief, confession and shaming are about maintaining harmony and imposing values.

5.2.5 The efficient body

In hotels, the importance of morning parades lies in the fact that, through discourse, they allow managers to regulate staff to become efficient bodies. Staff line up like soldiers for inspection and speak only when spoken to. When addressed, responses are humble and kept short and, where possible, are in agreement with whatever is said. The parade is not the place for argument and the body addressed should exhibit humility by adopting a respectful pose with hands joined in front of the body and eyes downcast.

Guanxi creates obligations and where favours are accepted there is a strong obligation for a reciprocal favour. Managers can exercise considerable authority but even they will follow the obligations of guanxi. Positively, guanxi is a way of getting things done, but, negatively, it may be viewed as corrupting.

At one time, Manager X wanted to recreate the night bar on the top floor of his hotel. His view was that as the hotel catered for government-sponsored conferences

and, as the officials attending could charge their hotel expenses to their rooms, the night bar could be place where many of them could relax and spend money rather than seeking entertainment outside the hotel. It was a good idea and further discussion took place with undermanagers. A late happy hour would be introduced to draw guests to the bar, which would be redecorated and given a softer ambience. The old night bar was underpatronised and utilised mainly by conference attendees and business groups (Wang & Hooper, 2017). It was felt that the older women who managed the old bar should be replaced with younger staff who would be paid commission to persuade guests to drink more and charge their drinks to their rooms.

It was known that that change involved employing two attractive hosts, a supervisor and a cocktail waitress. The original bar manager was offered a promotion as an assistant restaurant manager, with slightly more pay. Later, however, it emerged that the restaurant failed to meet its expected target and the new assistant manager became redundant.

The HR manager had been involved in discussions concerning the new bar and knew what was expected regarding the appearance and attitudes of the staff to be hired. Although nothing was written as policy, hiring criteria were established. Many women applied, and several met the required criteria. The position was offered to a woman who seemed to quickly grasp the idea that night bar staff need to dress as much to entertain as to serve. Applicants were given the opportunity to choose the style of dress they would wear. The successful applicant allowed herself to be led by suggestions that she should wear a long low-cut dress and that the waitresses should wear short dresses. The new manager was quick to comprehend the bar needed to attract customers and that the staff would rely on earning a

commission for drinks sold. In the end, the short dresses worn by the waitresses became even shorter by agreement with all concerned. The waitress role was given to two applicants as part-time appointments, which meant that they were unpaid during the first 2 months of 'training' (Wang & Hooper, 2017).

Manager X likes to boast of his insight in turning around the former little used bar and making it into a financial success. The bar staff played their part well and while in Foucauldian terms such as staff may be seen as docile, efficient bodies, they saw what was in their self-interest. Foucault might reflect that the waitresses cooperated in their own subjugation. Competition for commission encouraged heels to get higher and dresses to get shorter. Unsurprisingly, the bar was a success.

Several stakeholders were pleased with the bar's success. Manager X, as already noted, prioritises financial results over every other interest, and the bar staff accepted and welcomed their decorative roles, perhaps justifying Foucault's insight that authority is not necessarily subjugating; some people like strong leaders (Foucault, 1980b). There is also an element of *guanxi* threading through this story. From top to bottom in the hierarchy of staff there was evidence of staff members trying to please and earn favour with those above them. The story of the new night bar illustrates the theme of accommodation. What drives accommodation is the desire to earn favours which, as explained, are viewed seriously in China. However, because reciprocal obligations are created, the opportunity for compromising internal management controls and hotel policy becomes possible.

Power was exercised, and behaviour shaped in order to improve performance and was accepted without resistance. More importantly, the attire that the waitresses

close to wear went beyond what one would normally expect to see in a hotel. Staff wearing provocative dress contravened policy. Staff should be friendly, but wearing provocative dresses encouraged the development of relationships which might breach internal management controls (Wang & Hooper, 2017).

Not everyone in hotels can be turned into an efficient body. Manager X had a major problem on his hands when the head chef demanded more money. The problem was that a hotel's chef has a valuable production function in the hotel and has a high opportunity cost. The head chef was such a commanding figure in the kitchen among the other chefs that they said they would follow him if he left. The head chef made all this clear to Manager X when he refused his application for more pay. Consequently, Manager X was forced to say he would consider the head chef's application. He was in a dilemma, as to back down and grant the increase could mean others in key positions would follow the precedent; however, to refuse outright risked the all-important kitchen ceasing production. Manager X bought time. He quietly scouted around for another head chef and kitchen team of chefs. When he had such a team in place, he entered the kitchen just after lunch had finished and there was a 4-hour gap before dinner and announced to the chefs that they were all dismissed with immediate effect. The stunned chefs could do nothing but follow hotel security staff as they were ushered out of the kitchen. Once the kitchen was emptied, the new team was called in and they began to familiarise themselves with the kitchen before preparing the dinner menu. This is another story that Manager X likes to recount. He preserved the bottom line and made it clear to staff that his position was nonnegotiable. This story does, nonetheless, show that key staff with high opportunity costs are less easily subjugated into becoming efficient bodies. In this case, resistance to the bottom line without accommodation

is the salient feature. Resistance to the priority of the bottom line was overcome by the exercise of power, at the same time sending a message to other key departments.

The final story provided by the researcher's experiences as a hotel trainee concerns the massage-health centre in Manager Y's hotel. Massage-health centres provide an important function in most hotels. Tired guests, after often travelling some distance, can relax in this facility, as it is located within the hotel. They do not have to go to the trouble of finding a taxi to take them to another, unfamiliar massage-health centre provider. Being in the hotel, the massage-health centre service offers safety and comfort, although when located in hotels these centres are generally more expensive than outside, rival establishments. From an overall management point of view, these facilities are difficult to control because, in order to ensure guest privacy, they are not subject to the surveillance found elsewhere in the hotel. So, effectively no one knows what the massage-health centre and steam room staff are doing. The only surveillance is through their financial results, which allows a window into staff efficiency, but only to a certain extent. The opaque part of the accounting window relates to the amount that staff are suspected of skimming off by offering extra services. Normally, services such as massages cater mainly for males; for instance, in the hotels where the researcher worked most guests were short-stay businessmen or government officials who charged the cost of the service to their hotel bill.

The manager of the massage-health centre (Mr Z) in Manager Y's hotel was gay – indeed extravagantly so and his sexuality was no secret within the hotel. Nonetheless, Manager Y regarded Mr Z highly and left him largely alone to run the service as he saw fit. The facility was highly profitable and of great symbolic value. Mr Z employed his own staff without reference to Manager Y and provided a

regular operating surplus as a separate cost centre after allowing for overheads. One reason for the success of Mr Z and for his facility's great symbolic value lay in the fact that Mr Z had guanxi with a network of government officials. Many of these government officials were highly placed and directed their staff to stay at Manager Y's hotel; many short conferences were also organised through this network. Thus, although complaints from Mr Z's staff would sometimes filter through to Manager Y, and some of them could be described as bizarre, Manager Y simply endorsed Mr Z's suggestion that such staff were unsatisfactory and should be dismissed. It was easy for Mr Z to hire new staff as he always drew on inexperienced young men and women from the countryside and trained them himself. During their 2 months of training, Mr Z's new staff would receive hotel board and lodging; however, they received no pay until they had completed their probationary period. Mr Z had the reputation of being a bully and a hard manager who liked to subjugate his staff and turn them into efficient bodies. There was quite a turnover of staff in his department, especially among young men, as he tended to leave managing the young female staff to a female supervisor. As a consequence of Mr Z's connections, many of the guests chose male rather than female masseuses. Nonetheless, there were always some female guests booking a massage and it was when one such guest complained that Manager Y found himself searching for an explanation. The woman had had difficulty sleeping and had booked a late 11:00pm appointment at the massage-health centre, as the service ostensibly closed at midnight. However, she arrived late and it was after midnight when the tranquillity of her massage was disturbed by screams and noises coming from somewhere nearby. She was alarmed to the extent of being frightened and dressed quickly and returned to her room. The next morning, she confronted Manager Y in the presence of this researcher and told how

she had been frightened by the noises and screams and demanded to know what had been going on in the massage-health centre that night. Manager Y assured her he would investigate and left it to the researcher to provide her with the reassurance that there would be an explanation. Mr Z was called for and, in private with Manager Y, a cover-up was devised. The explanation that was given, and that the researcher had to endorse, was that there had been an accident in the steam room while closing it down. As a result, one of the staff had been severely scalded and in the ensuing panic there had been a lot of noise as other staff rushed to help. The researcher found the explanation to be given barely credible, but it was sufficient to calm the complainant who was given a complimentary night in compensation for suffering the 'accidental' disturbance. The researcher raised no further questions with Manager Y but found the explanation unbelievable, because the researcher could not see how someone could be scalded closing - down the steam room. The researcher also wondered where the injured staff member was if someone had been hurt. All staff injuries had to be reported and there was no record of anyone going to hospital that night. What the incident does illustrate is what *The Economist* (2015) calls in respect of Chinese management 'smiling enforcement'. Mr Z's staff were thoroughly subjugated and any hint of resistance met with dismissal. Mr Z's accommodation to Manager Y, served his personal interest, but also served the needs of the bottom line. There are some murky details which never came to light with regard to this incident, but it is sufficient to say that an ethical issue lies at the heart of the matter. Accounting goals shape behaviour but at times they do so at the expense of ethics.

5.3 Chapter Summary

In summary, each subsection has illustrated Foucault's concepts of how power is exercised. Within these sections, the researcher's observations have been reported to bring out the practical aspects of these concepts in a Chinese context. Two incidents illustrate the use of surveillance or the lack of it. The first showed how cameras were used to identify resistance in the form of staff misbehaviour, while the second showed how in public areas such as the swimming pool surveillance was only possible through an accounting window. With regard to the latter, even the accounting window could be subverted by accommodation as shown by the pool manager's accommodation with Manager Y. With regard to the concept of enclosure, accommodation and resistance were illustrated by the receptionist who was permitted to wear a fur coat. It acted as an announcement of both status and preferment obtained through resistance and accommodation.

In a Chinese context, confession and shaming are important disciplinary processes that form part the quarterly staff reviews. The manager has knowledge and the accused has to acknowledge the truth of the manager's knowledge. The review is not an opportunity for protest or resistance. The aim is to reinforce harmony and managerial authority. Producing the efficient body is illustrated by three stories. The refurbished night bar showed how the bottom line can be improved by staff becoming, in effect, efficient bodies, as exemplified by the new bar manageress conspiring in the production of efficient bodies. The threatened resignation of the head chef and his kitchen staff posed a problem for Manager X, whose concern for his bottom line was paramount. Calculatingly, Manager X took the initiative and crushed resistance by acting first and dismissing the mutinous chefs. The message-

health centre incident illustrated how in the absence of direct surveillance, (and when the results produced by accounting surveillance are good), a submanager may exercise power to subjugate staff.

The real point of the chapter has been to show how power is exercised and how accounting considerations not only drive the exercise of power, but also shape the behaviours of those involved. These incidents of hotel practice reveal that while the bottom line targets shape behaviour, they may do so in unintended ways such as triggering resistance and accommodation and that the subsequent behaviour may be shaped without regard to ethical considerations.

The stories in this chapter all have a bearing on internal management control weaknesses. These stories illustrate feature improvements to the bottom line and all have elements of accommodation, which, while not necessarily weakening profitability, have obvious ethical implications with respect to other stakeholders. To allow the triangulation of findings, the following chapters contain interviews with hotel staff.

CHAPTER 6

Overview and Interview Theme 1: Resistance

6.1 Overview

This chapter details the experiences of interviewees in hotels and, in particular, reports of resistance, accommodation and the impact of a Confucian legacy. The staff interviewed report their experiences of how other staff sometimes manage to gain some concessions by getting around the extant control and policy procedures. Chapters 6, 7 and 8 set out stories from a range of interviewees. Sixty-one staff were interviewed; many of their stories were similar. A number of stories have been selected to serve as exemplars, as they best illustrate the general themes. As explained in chapter 1, a feature of internal management control in accounting is to set goals by providing budgets linked to performance targets. While such targets shape staff behaviour, they are generally subject to some managerial discretion within organisations such as hotels. One weakness of internal management controls is their inability to maintain performance targets when staff behaviour is directed at achieving accommodation with supervisors, managers, etc., thereby overriding the influence of the performance metrics. Although such practices may occur in any organisation, this thesis shows that, in a predominantly relationship-based culture, relations are often more important than numbers.

Chinese hotel staff are employed within a more authoritarian culture than is found in the West (Hofstede, 1986). Staff are motivated to win preferences from managers

to alleviate their work concerns. Workers may be concerned about job security, avoiding managerial bullying, keeping ‘face’ (in the sense of embarrassment, see chapter 2), easing their workload, or gaining small promotions. The reasons why there is a more authoritarian culture in China and a lack of labour rights for migrants were explained in chapter 2. Before the market systems were introduced in the 1980s, the structure of laws governing society until 1911 (see chapter 4) had been subsumed into the Communist system of Chairman Mao; authority lay with government officials. Society worked on the principle that accused persons were guilty by virtue of being accused, which is the reverse of the Western principle of being innocent until proven guilty. Armed with a presumption of guilt, the purpose of legal interrogation was to elicit a confession of guilt. To that end, punishment to encourage confession was sometimes necessary. From this perspective, the staff interviewed often explained that their behaviour was motivated by a desire to keep in favour with their supervisors and managers because, to be accused of failing to meet performance standards, is to be presumed guilty.

In the market system developed from the 1980s onwards, accounting rules became the justification and authority whereby managers could establish discipline and punishment. Nonetheless, much of the behavioural legacy embedded in thousands of years of governance remained. Managers and staff generally acted according to cultural expectations; i.e., arguments with superiors, even when they are wrong, are unacceptable. In such an environment, accommodation with managers provides a safe form of resistance.

The legacy of the old Chinese system of governance has not been entirely eroded by the market system introduced in the 1980s. New labour laws protect many

workers from unjust dismissal, but not migrant workers. The government-run *China Daily* newspaper (4 May, 2015) acknowledges the plight of migrant workers such as housemaids. “A report released by the National Bureau of Statistics on Wednesday revealed that more than 46 million migrant workers over the age of 50 are still doing physical work nationwide” (“Chinese Migrants”, 2015, p. 8). Further comments refer to male migrants: “They need to take care of their aged parents and raise their children. The majority of them have no pension, and it is their economic burden that forces them to work as labourers in the cities” (“Chinese Migrants”, 2015, p. 8).

Migrants cannot afford the prohibitively expensive medical bills in the cities (The Economist, 2015). With regard to labour rights in the cities, a lawyer specialising in legal aid for migrant workers is quoted as saying, “Responsible government agencies will always kick away from their doors migrant workers seeking help and refuse to punish their employers; which has only worsened the situation” (“Chinese Migrants”, 2015, p. 8). The quotes show that employers may do as they like with regard to the rights of the people from the countryside who, without the requisite city identification, now amount to one third of most larger cities’ labour forces. Where employers enjoy such absolute authority, internal management control weaknesses may emerge, as normal controls are exceeded, and workers seek preferment and job security by accommodating unusual or even illegal demands.

It is necessary to examine China before and during the era of Chairman Mao to understand how a class of superiors became able to exercise power over a vast underclass. When the legacy of these traditions is put into a current free-market context, and an abundant underclass of migrant workers without rights is added to

the mix, it is easy to see how the conditions for managers to exercise power with absolute authority exist.

In recent decades the rule of the ‘bottom line’ together with accompanying managerial bonuses, budgeted costs, and KPIs have become sacrosanct. However, the techniques of Western internal management control systems are structured not just to reach the goal of profitability, but also to empower the idiosyncrasies of ruthless managers. Such empowering of ruthless managers causes Foucault (1980b) to draw attention to what he calls the ‘multiple forms of subjugation’ that function with organisations and which become embodied in techniques (such as accounting provides) and “eventually violent means of material intervention” (p. 96). Sharma and Irvine (2016) refer to corporal punishment being common on plantations as overseers sought multiple forms of domination.

Chapters 6-8 are organised to bring out the themes (resistance, accommodation and a Confucian tradition) resulting from interviews with housemaids, receptionists, managers, and others. The themes help explain how modern internal management control systems may be compromised by behavioural responses to managerial requirements within hotels in China. The themes accord with what Foucault called the “insurrection of subjugated knowledges” (Foucault, 1980b, p. 81). Such an insurrection Foucault (1980b) terms as being a genealogy of struggles, “struggle that the order imposed by functionalist or systematising thought is designed to mask” (p. 82). The interviews and analysis presented in the next three chapters are designed to unmask the reality of a smoothly functioning internal management control systems by showing how staff struggle to effect compromises within an impersonal functioning system by indulging the personal tastes of their managers.

6.2 Interviews and Analysis

As stated above, the concerns of staff with their continued employment explains much of their behaviour. Answers to the questions posed in this thesis are presented in turn:

1: How do staff use accommodation to resist management control of their workplace behaviour?

2: What ‘tools’ of accommodation do staff use to confront managerial authority?

3: To what extent is contemporary internal management control associated with the Confucian legacy of respect, obedience, and accommodation in the workplace?

The interviewees’ responses are presented in tabular form below in respect of the main concerns which they disclosed. The percentages shown below are a rough approximation compiled by the researcher from her interpretation of the concerns raised.

Table 6.1 Participant observations analysis: The interviewees' main concerns

	Respect	Face/ Bullying	Job Security/Fear	Work Avoidance	Promotion
Housemaids and Waitresses (Female) (31)		25%	50%	20%	5%
Receptionists (Female and Male) (15)		20%	50%	10%	20%
Concierges (Male) (6)		10%	40%	20%	30%
Managers (Male) (9)	10%	–	30%	30%	30%
In total: (61)	2.5%	13.75%	42.5%	20%	21.25%

The three themes involved in this study are resistance, accommodation and Confucian culture. The concern with “Face” and “Respect” may be as an aspects of a Confucian culture, while resistance through accommodation are means of gaining job security, workload avoidance and promotion.

The above table tells a story in itself which is not so far removed from the story told by Sharma and Irvine (2016) of management domination in the plantations in Fiji in the 19th century. The most significant concern is fear of job loss followed by bullying from supervisors and managers. Mostly, bullying is verbal, but some respondents refer to staff being made to kneel or even being slapped. These concerns match with Foucault’s (1980b) observations of power in its ultimate

destinations taking violent forms. So, while staff are motivated by their sense of a struggle to survive at work, it is a struggle that Foucault (1980b) refers to as an attempt by the subjugated to emancipate themselves from a centralising discourse such as imposed accounting controls. Foucault (1980b) asks: “What are these various contrivances of power, whose operations extend to such differing levels and sectors of society and are possessed of such manifold ramifications? What are their mechanisms, their effects and their relations?” (p. 88).

6.2.1 Housemaids

6.2.1.1 Introduction

The interviewees reveal the pervasive effect of keeping the mostly migrant housemaids on a temporary work footing. Temporary employment not only attracts lower wages, but also saves on the mandatory insurance cover that must be paid for permanent workers according to Chinese government policy. *The Economist* (18 April 2015) reports a typical example of one migrant worker who has been in the city of Chongqing for more than 30 years. He cannot retire there because his country pension is just 93RMB (\$20) a month. By contrast, city-born female workers can retire at 50-55 and city pensions are around 2,070RMB a month (*The Economist*, 2015). Without a city pension, HM8 knows she must keep working as long as possible. She said:

I need to work for money because if I retire, I cannot get a pension from the government. I have to rely on my daughter. But for her, she has no apartment and makes the money only for her basic life. How can I ask money from her so I had better make money by myself.

Now in her mid-forties, HM8 has held many different housemaid jobs in a range of Shanghai hotels. As the *China Daily* (4 May 2015) points out, workers such as HM8 must work until they are too old to cope with the pace of the demanding routine of a hotel housemaid. Then, they must return to their homes in the country as they are unable to afford the Shanghai rents with only a country pension of around 93RMB a month. Meanwhile, with large numbers of migrants seeking city jobs, HM8 must hold on to her job as long as possible. “I cannot afford to lose my current job as I have a lot of money pressure. If I lost my job, I could not pay the rent, which means I would live on the street as a homeless person”.

To illustrate the collective responses of housemaids, four cases serve to bring out all the themes identified by the 30 housemaids interviewed. The first case involves a migrant who came from the countryside to Shanghai. She has lived in Shanghai for over 25 years. Because of government policy, she must retain her provincial identity and can enjoy no city identity or recognition. She expects to return to her house in the country when her working life is finished; the pension from her province will be a fraction of that paid to Shanghai residents.

While it once seemed that gaining permanent status was possible after many years of service, it now seems unlikely to happen. Most of all, by keeping housemaids on a temporary work contract, effective control is possible. They must work hard and volunteer for extra cleaning when required at whatever pay rate. All the housemaids indicated that pleasing the manager is necessary if they are to keep their job. While permanent work status would provide more protection under the labour laws, temporary workers have no protection. Fear of being subjected to fault-finding inspection and eventual dismissal is constantly on the minds of housemaids; they

speak of the need to show humility before superiors. As a result, they do not question their superiors' decisions, such as paying some employees 6RMB and others at 4RMB per hour, or deducting wages for unsatisfactory effort, even when those decisions are unfair.

6.2.1.2 Interviewees: Housemaids

HM8 has a friendly, warm disposition and is content with her position in a well-ordered four-star hotel owned by the government and operated by a foreign chain. Her wages amount to 2,000RMB a month, but living in Shanghai is expensive. For her one-room apartment on the top floor of a rundown block, she must pay 3,000RMB a month. She gets by because her daughter lives with her as well as another young female migrant and they each pay 1,000RMB a month towards the rent. Mother and daughter sleep in a double bed together and their flatmate has a small single bed alongside it. The beds take up most of the room space. She explains:

In Shanghai, the rental is expensive. We have to live within one room together without any private life. It is an awkward situation but I am pleased about that because at least I have a so-called family and I have a space to live.

It can be concluded that international hotels pay attention to the symbolic function of staff, as she is also proud of the quality of her uniform. When probed further, she confirms a trend from the productive function to the symbolic function. She agrees that for the cheaper hotels the productive function is what matters; they are driven by performance at the least cost. She wonders if guests in her current hotel really care if the toilet roll is renewed each day and whether the first sheet on the bed is neatly folded diagonally. “We have to create a good impression and guest

complaints are taken very seriously, so I always smile and say ‘Ni hao’ to guests whenever they pass”.

She adds: “The managers try to cut spending on lower labour costs and maintenance. So sometimes they are really tight”. Cost was all that mattered, as the owners, who were government officials, required a level of profit that was barely sustainable. She liked the manager, but he had very little choice and his job depended on maintaining profit levels. Desperate to keep his job, the manager would often be reduced to tears when telling staff they were redundant. To lower costs he would have to make staff redundant and bring in new staff on a trainee basis, which meant that the first 4 weeks of ‘training’ were unpaid. By manufacturing a turnover of staff in this way, staff costs could be lowered. In the cheaper hotels where she worked she explains that costs could be reduced by not replacing light bulbs, soap, and other toiletries which were not fully used. “The managers always try to delay refilling the shampoo and replace the towel only when customers require them to do it”.

Frugality serves the needs of the owners of capital, whether they are absent or present in the workplace. The measurement system created by accounting makes for competition between hotels, companies, and industries, as the highest return on assets will attract the most investment (Gleeson-White, 2012). Bakan and Achbar (2004) have likened the behaviour of corporations to psychopaths in their single-minded pursuit of profit even to the extent of cheating their workers. Accounting as the language of business provides the means for such exploitation.

Eventually, HM9 learned from a friend that she needed to give the manager a substantial gift. She gave him a gift through a third party so that she was not directly

involved and, by such circumspect means, protected the manager from evidence of corruption. HM9 said:

I was asking one of my friends, who used to work with my supervisors before, to help me give gifts to my managers. My friends are familiar with each other and trust each other. The manager received my gifts without me arousing any suspicion. Afterwards, my friend advised him that I would like to have permanent status. After a few weeks, I got it.

She now enjoys an income of 2,000RMB a month, which is still low for the work involved and for living in Beijing, but more than she had before. In addition, the hotel pays all insurance and pension for her as a permanent member of staff rather than a temporary employee. She is now happy to work in the hotel, even though she earned the position by giving gifts to a manager.

Like all hotel housemaids, HM16 must clean 14 rooms a day, to an exacting standard, 6 days a week. Nonetheless, she is eager to clean more rooms than the standard of 14 per day, as she would get an extra 6RMB (\$1.50) per room for exceeding the performance target. "Even though I am really tired after cleaning 14 rooms as my standard, I still want to clean extra rooms as much as I can because I want to make the extra money". But, such is the competition between housemaids that there is not enough extra work available. The overwhelming impression from the interview is her need to keep her job no matter what the conditions demand, coupled with a nervous humility to authority. Her demeanour was understandable given that any criticism of the hotel or its authority structure would result in her instant dismissal. Estimates of the costs revealed that the marginal cost of cleaning a room must be well below the marginal revenue. The variable costs of an empty room being occupied are not limited to cleaning; they include electricity, hot water,

soaps, laundry; however, the marginal variable costs of the occupation of an empty room are chiefly attributed to the cleaning. The hotel relies on catering for low-level conferences for minor government officials. Attending these conferences is one of the perks of being a government employee. Conference goers enjoy travel, meeting their counterparts, and often attendance at lectures. The conferences last for 2 or 3 days and involve much drinking and partying. Thus, during conferences there is a requirement for extra “bonus” cleaning. Managers know there will be volunteers for this extra work among the housemaids.

HM16 always volunteers, first, because she needs the money and secondly, because she considers being seen to avoid extra duties when called upon a risky strategy. Housemaids can be reluctant to take on this extra cleaning because the excessive drinking and partying means a very messy room. Sometimes rooms are effectively trashed and must be put back in order. Buses take the hungover officials to the airport, but behind them they leave, at best, a litter of empty bottles, dirty glasses, and half-eaten food. “Sometimes when I open the rooms, they are really dirty. Everything is disordered. The rubbish is everywhere on the floor. The bathroom is unbelievably messy”. The worst she describes is having to deal with vomit in odd places and picking up discarded underwear and condoms (The hotel has an arrangement with nearby massage parlours for out-service). For the extra 6 RMB per room, the work is often unpleasant and requires more labour than normal. Yet the hotel needs these conferences and will not complain to their organisers lest they are dropped from the list of venues. Decisions are about return on assets employed. As the managers interviewed in this study acknowledge, the corporates that operate these hotels require performance targets to be met. If they are not, the hotel will be sold and taken over by another corporate.

The interview with HM31 was another example of contradictory claims. At first, she said that managers value housemaids by their ability, which means whether they meet performance standards or not. However, she went on to add that, under the table, there are many factors which affect managers' judgements. Managers favour some staff and they are always 'good'. If managers do not like some staff, they are always 'not good'. She, however, would not say why some are favoured and others are not. The researcher tried to press her about what she meant by 'under the table' but she was too guarded to say more. The researcher felt she was holding back on her comments for fear of being quoted to senior staff.

6.2.1.3 Summary and discussion

Housemaids' workloads are heavy and unremitting. By accommodating supervisors and providing gifts, they may lessen their workloads in minor ways and feel they are gaining job security. This practice may explain why housemaids work in the same place for many years but are still in a temporary position. Having permanent housemaids would mean the hotel had to pay insurance and pension contributions, which would add significantly to the budgeted costs as most of the staff of their competitors would be in temporary situations. The policy of continued temporary employment may be a matter of discretion on the part of managers or may reflect behaviour shaped by the accounting structure of measurements such as the need to maintain a return on assets employed.

However, a more likely explanation comes from the requirement to provide employee insurance. The practice of maintaining migrant, temporary employment may rest with the inability of the accounting structure to identify and apply the

insurance collected to the individual, their province of origin, and the province of current residence. At present there is no need for such a recording structure as migrants to the city lack the protection of the labour laws. However, if the Chinese labour laws were made universal, the situation would have to change, and that would require considerable reinvestment in the accounting systems between province and state. The current situation shows how the accounting system, through its shortcomings, shapes behaviours.

6.2.2 Receptionists

6.2.2.1 Introduction

As a group, the receptionists felt that their behaviour was the most controlled and the most visible to management and guests. Like their other hotel counterparts, they wear a uniform, but their appearance and conduct are more strictly monitored. Having set positions at the reception desk, receptionists are also more effectively enclosed than other staff. Nonetheless, opportunities for accommodation with their managers are possible, as shown in chapter 5.

6.2.2.2 Interviewees

R2 has worked in a famous four-star hotel for more than 20 years. She is a good staff member in the Administration Department. She is well-organised, hardworking, and does things efficiently. Ten years ago, the manager decided to send her to work in the corporate head office situated on another floor of the same hotel. She is happy to work in the head office, as it brings more status. It seems all her colleagues are jealous of her because of that. She loves the job of being with the CEO and other powerful managers.

However, she has been now working in head office for more than 10 years and she is still paid by the original hotel rather than the parent company. Her situation is a problem for her because, even though she works in head office, she is underpaid because of the contract she signed with the hotel. Staff in the same position in the head office get a much higher salary. She was worried about this inequality and kept trying to point it out to the CEO, but for some reason her application to have her contract changed was always put off.

She works 8 hours a day in head office, but it seems the workload is light. Because the hotel chain is government-owned, she never works extra hours. She gets along well with all the managers. The departmental managers in the head office measure all her work performance. She is doing well because she never complains or does anything to make the managers angry. Even though the hotel pays her salary, the head office also rewards her with bonuses, but she receives far less than other staff working in head office. Even the new, young staff can get much more than her. She knows this and so she feels discriminated against.

She has tried more than once to change her contract to one with head office, but her efforts are always brushed aside by managers. She works for the CEO and receives many gifts from other staff for her to pass on to the CEO. She knows people try to approach the CEO by giving gifts. Sometimes there are too many gifts and the CEO does not want them, so he gives the gifts to her or tells her to share them with other staff. She benefits by being in this position. However, by not participating in gift-giving or in any way accommodating herself to the managers, R2 cannot breach the salary barrier and her behaviour is determined by the hotel's policy and controls.

Another receptionist, R11, is unhappy at the hotel controlled by a manager. She describes the manager as a horrible man. The manager encourages the junior staff to please managers like him by reporting on each other. If the junior staff want to get promotion or bonuses they have to support the manager in condemning others. Some of the staff have become the manager's 'persons'. They are on the manager's side. They are always reporting on others, no matter how trivial the offence, like being two minutes late or talking when not busy. The manager insists that staff all monitor each other and those who do inform on others to him are praised. Staff have become competitive for the manager's attention and seek to gain advancement by reporting the deficiencies of others.

In response to my initial question of how staff accommodate themselves to discipline by managers, another receptionist, R13 said that, in her experience, managers do not often shout at junior staff, but will ignore the staff they do not like. For example, R13 did not know she should try hard to please her managers. As a consequence, she gave no gifts or any verbal compliments. R 13 had a position doing the same job for 2 years without promotion or pay increase. She had no idea as to why other staff were promoted while she was still doing the same job. One of her hotel friends told her the reason for her lack of recognition was that she had not given gifts to the managers. If she was not going to give gifts to the managers, she could be in that position forever. She was frightened of that. So, she had to adapt and give gifts to the managers. Afterwards, she was promoted and began doing other jobs with more pay. Within that hotel, she needed to keep giving gifts to maintain relationships. Otherwise she would be ignored again. She hated the implied demands, but she had no choice but to do the same as others or be ignored.

6.2.2.3 *Summary and discussion*

More than any other group, the receptionists spoke about their use of accommodation and obedience to authority than about how the internal control mechanisms determined their behaviour. They saw themselves as fulfilling a productive and symbolic function where dress, appearance, and conduct are important. They managed to smile and to look cheerful as expected, though some mentioned that when difficult guests turned their backs, they mouthed insults after them.

6.2.3 *Concierges, waitresses, and other staff*

6.2.3.1 *Introduction*

The concierges were outwardly the most confident as a group and gave the appearance of being subject to the least amount of control over their behaviour, while the waitresses were among the most nervous and seemed the most controlled. Guests do not often encounter other staff like sales and office staff. This latter group seemed to be among the least subject to managerial control and the least vulnerable to management idiosyncrasies.

6.2.3.2 *Interviewees*

C3 is a concierge who has worked in an international hotel in Beijing for more than 3 years. His salary is about 3000 RMB per month. He is a young man and has no family yet. He complains that his wages are not enough for him to live in Beijing. As a concierge, he works hard, especially in winter and summer. He stands outside to greet customers and moves luggage for guests; this is hard physical work.

However, compared with the salaries of other staff sitting in offices, his salary is very low.

C3 has a very good relationship with managers and supervisors, as he knows that this is important for him to get promoted; but, he also knows it is hard to obtain promotion. He approaches supervisors by chatting with them and complimenting them and he considers himself to be good at it. Sometimes, he asks supervisors to go out for dinner with him. He describes himself as acting like a 'lap dog' in front of his managers and supervisors. When I interviewed him, he was serious. He claimed:

It is not customary to buy gifts for managers. Everything is arranged by managers and we must follow the rules. Managers and supervisors do not expect any gifts from staff. They do not have any favourites. They treat everybody equally. There are many ways staff can accommodate to managers: by being nice, for example; always smiling; or doing extra jobs for them.

He maintains that good relationships benefit both managers and frontline staff. The waitresses tended to say the same. In an interview with W1, she repeated and emphasised that all the waitresses dislike the shouting at junior staff. Staff try to please, by shopping with female supervisors and buying them gifts. She confirms that supervisors and managers often shout at junior staff, especially when they are not performing well.

All staff try to please managers. The reason is that they want to be favoured by supervisors so that they do not shout at them when they do something wrong. For example, waitresses may go shopping with supervisors and buy them small gifts to make them happy. W1 did not have much more to say, but she did confirm that junior staff seek preferences by buying gifts and accompanying supervisors.

Like W1, W2 did not have much to add except to conform that supervisors and managers often shout at junior staff. She mentioned that junior staff try to please managers by seeking different methods to gain favour. For example, her manager sells artificial crystal products. The staff all buy these products from the manager even though they have no desire for these products and they are useless to them. Some staff think the products are too expensive, but they pretend to be happy to buy the products.

6.2.3.3 Summary and discussion

Interestingly, the male concierges were more inclined to hide rather than acknowledge that they used gift-giving to gain managerial approval. One possible explanation could be that they initially wanted to appear more independent and less concerned about job security and promotion in front of a female interviewer. However, on further acquaintance, they would speak more openly and the same themes of job in/security and promotion were revealed. In effect, the male concierges were, in the long run, among the most open to questioning (see chapter 6 section 6.2.4).

6.2.4 Managers

6.2.4.1 Introduction

Surprisingly, for the author, the managers were among the most open and talkative of all the groups interviewed. Some were quite candid about the amount of gift-giving and other forms of accommodation that staff offered them, although, in this context they referred mostly to the practice of other managers they had served with.

6.2.4.2 Interviewees

M1 is a manager in one of the Novotel hotels in China and he has been working as a hotel manager for more than 20 years. He is very good at managing his team. As the hotel is in Shanghai, the labour costs are very expensive; consequently, he offers internships and employs migrants to work as waitresses and housemaids within an authoritarian structure. The result is that he reduces labour costs to meet the financial budgets, thereby satisfying the corporate need for profitability. He admits:

The cost of these students and migrants is a lot cheaper than local staff. Another reason is that these temporary workers are easy to control. Most of them are very young and with little work experience. They are frightened to lose the working opportunities and will listen to their supervisors quite well. If by any chance these staff are not very good, we can get rid of them very easily in only a few minutes. But for tenured staff, the government law protects them. It is a much harder process.

M2 is a very experienced manager who has served some 30 years in hospitality. He claims: “The hotel industry is a service industry and it is not too profitable, especially in China where we have to look after the retired people by servicing a pension fund”. To meet these obligations, the manager should construct the budget to cover all costs in the cheapest way. Good budgeting requires good internal management controls; without them, it is easy to lose money. If that happens, the manager’s position is threatened. All managers are concerned about climbing costs, so they look to reduce the budget costs where possible. For example, M2’s hotel used to employ local staff, but 10 years ago it began to employ migrants as contractors to replace local staff. Recently, managers have become even smarter and they are now employing only internship students as they are even cheaper. Internships are currently the trend in the Chinese hotel industry with the main idea being to save money by employing people at least cost.

Another manager, M5 points out that the Chinese hotel industry, especially government-owned hotels, is facing a difficult period. The reason is that the government has instigated very strict rules regarding hospitality expenses for all organisations, and spending by business interests has been cut back. Not many business people spend a lot of their own money in restaurants or hotels; they prefer to use their organisation's hospitality budgets. In this environment of spending restrictions, hotel managers must reduce their costs by employing migrants or using internship students who are easier to manage and cheap. For example, they pay internship housemaids only about 1000RMB month. The students accept these low rates of pay because it is an advantage to have work experience when trying to get a permanent job. The strong competition within the hotel labour market means that if the staff want to get permanent positions they should be thinking of offering gifts to their managers. Such accommodation, although not always obvious, is, however, valuable.

6.2.4.3 Summary and discussion

Managers were frank about their preference for employing migrant staff and interns because they are low paid, plentiful, and easily dismissed. They claimed that pressures of the 'bottom line' made any other staffing choice out of the question. Staffing in hotels, from a manager's point of view, was of necessity driven by costs.

6.3 Chapter Summary

The chapter is about the 'tasking' of workers by means of demanding performance standards. Such tasking can be mitigated by payments to supervisors. Sharma and

Irvine (2016) show that whenever workers are vulnerable to harsh standards payment to supervisors arises. Accounting provides the mechanism by which cost controls can be employed, a mechanism that has an objective and neutral face. Gleenson-White (2011) points out that accounting is designed to reveal performance. She quotes Luca Pacioli as writing that the system will allow you to value your fortune. It is also a measurement system that invites comparisons, and the corporates that operate hotels require performance accountability comparisons of their managers. Performance metrics are derived from the budgets set out as part of the organisation's accounting structure, and internal management controls are put in place to encourage these metrics to confirm the budgeted numbers are achieved. Such tasking can be so exacting that it can be compromised by staff resistance. Staff resistance behaviour is directed at accommodation with supervisors and, managers. Gifts and other small services may be expected, or even demanded, and as part of the guanxi culture, acceptance confers a reciprocal obligation.

For example, managers should ensure that a flow of conferences comes to their hotel. Conferences bring in the marginal revenue vital to the hotel and the manager's survival. Junior staff may seek to avoid the extra workload that conferences bring and the compulsory low overtime rates that come with such work. Gifting by individual workers may make avoidance of such overtime possible for them. Then it is the nongifting housemaid who must bear the burden, and possible exhaustion, of the extra work for scant monetary reward. As Gleenson-White (2011) acknowledges, social costs are not recognised by accountants, just as environmental destruction may go unrecognised as a cost of production.

Accounting systems change behaviours. They invite comparisons and with that they invite competition to identify the best returns on assets employed. They impose on measurement systems through which managers' achievements can be compared in a competitive environment. The accounting systems require that results are maintained, or increased, or else that reduced profitabilities are explained (Hopper & Macintosh, 1993). To compete, the manager must increase revenues, increase the productivity of staff, lower costs, or all three. Lowering costs is the easiest and most certain way to improve profitability, especially where there is a surfeit of staff without labour rights seeking work. The manager can follow the economic rule of paying what the market will bear without regard to what is a living wage. Often the managers have no choice, because to pay more is to be out of step with the market and to operate with costs beyond what is necessary. Accounting is a window on operations that modifies behaviour.

Currently, hotels and businesses face a problem when trying to pay health insurance and pensions for migrants in terms of which province should be responsible for the collection and recording of such payments. For example, it is unclear which province should pay these workers' pensions. Different provinces pay different amounts of pension. For example, in Beijing, the average pension is about 4,000RMB a month, but for second-tier cities, the average pension may be about 2,000RMB a month and much less is paid in country provinces. Migrants from the countryside may work in different city provinces. Making migrant workers permanent raises questions including: to which province and at what rate should hotels pay their insurance, and pension deductions, and because rates vary among provinces, how much should be collected. Within a system whereby provinces supply education, hospital care, as well as a pension according to the place of origin

on the identity card held by staff, such deductions may vary considerably. China has a major problem in this area and the problem explains why a hotel keeps migrant staff on contract or in temporary positions. Staff, however, face uncertainty. If, for instance, someone in the family is ill, the family will find it very hard to pay the hospital fees, particularly at city rates.

There is real pressure on junior hotel staff to keep their jobs. With competition among staff, and an army of migrants looking for jobs, it is easy to see why staff try to accommodate their managers with gifts, etc. and why accommodation has become a form of resistance to the extant systems. This chapter has sought to show the effects of functionalising systems on different levels of society, their ramifications, their effects, and their relations. The next chapter considers accommodation in the context of the tools employed.

CHAPTER 7

Interview Theme 2: The Tools of Accommodation

7.1 Introduction

This chapter is concerned with the methods employed by staff to gain individual preferences from their supervisors and managers. Staff may seek preferential workloads or simply job security. Generally, it is found that housemaids seek to please their supervisors by means of small gifts or services such as preparing lunches. Receptionists and staff dealing with managers employ a wider range of gifts and services. All staff took for granted that the tradition of guanxi would ensure a reciprocal obligation from their superiors once their gift or service had been accepted. None of the interviewees chose to discuss their gifts as a form of resistance to managerial control directly, but they did tell of pleasing managers and supervisors with gifts and attention. They all acknowledged that managers were receptive to gifts and being flattered by attention; they recognised that such forms of accommodation were likely to result in control compromises and that such compromises influence the way in which the control systems impact upon them.

Research Question 2: What ‘tools’ of accommodation do staff use to confront managerial authority?

7.2 The Tools of Accommodation

7.2.1 Housemaids

7.2.1.1 Introduction

The housemaids spoke of the need for accommodation with managers and supervisors. Accommodation takes the form of a continuous supply of gifts – mostly small, for example, in the form of cooked treats – but they all acknowledge they must do this gift-giving because others are doing it. Foucault (1980b) refers to resistance by accommodation; he asks: “What is it for real people to reject or refuse, or on the other hand in some manner to consent to, acquiesce in, or accept the subjection of themselves” (p. 256). Foucault (1980b) explains that the apparent binary division between resistance and nonresistance is unreal. He explains the phenomenon of resistance by accommodation in the following terms: “The existence of those who seem not to rebel is a warren of minute, individual, autonomous tactics and strategies which counter and inflect the visible facts of overall domination” (p. 257).

7.2.1.2 Interviewees

Guanxi for HM8 takes the form of supplying her supervisor with small gifts. Usually she will cook some special treat which she knows her supervisor will like. She said:

I used to work in a restaurant. My cooking is good. I know my supervisors like the food I cook so I bring these foods to my supervisors and make them happy. It does not cost much but a relationship is being built.

As HM8 is a migrant worker, it has always been necessary for her to accommodate herself to her managers. She recalled her first job in Shanghai some 20 years ago when she would kneel before her manager and offer her gifts. At the time kneeling before authority was commonplace and had echoes of pre-1911 China. The practice of kneeling has largely gone but the need to cultivate superiors in the workplace remains, as evidenced in the following comment.

Offering gifts to managers is always necessary. I was acting like a servant in front of managers to keep them happy at that time. I did kneel to them because I could feel that was what they expect. So, I can always get on quite well with managers (report of another housemaid referred to as HM29).

The giving of gifts does not, however, mean that HM29's job is made easier. Her supervisor's room inspections are very thorough, as she works in a well-managed hotel. Failure to supply a new roll of toilet paper and fold its end in each bathroom or to place the TV remote in the wrong place or at the wrong angle can earn a public reprimand at the morning parade. All errors are noted and result in the 'guilty' employee being subjected to greater scrutiny in future. The offerings of small gifts become a form of insurance: "You have to keep on the good side of the supervisors or you will be the one to be let go", she concludes. She understands that her present job requires obsessive attention to detail in terms of maintaining quality standards.

HM20's pay is 1,900RMB a month but is subject to deductions if her work does not satisfy her supervisor. She observes: "My basic salary is 1900RMB, but my supervisor is not satisfied with my work sometimes. She always deducts some money from my salary. For example, last month she deducted 20RMB. But sometimes it's 50RMB". HM20 is always under the threat of having her pay docked by the supervisor. This it is one of the many uncertainties that bear down on her.

She believes that the supervisor does not like her because, when required to clean extra rooms instead of receiving the customary 6RMB, she gets 4RMB. She dares not question her supervisor as to why she gets a below normal rate, or resist, by refusing to clean extra rooms when required. To do so would invite dismissal and the hotel work is to be preferred over the casual restaurant work she had before. She suspects that her supervisor keeps the 2RMB difference for herself but cannot know for sure; it may be managerial policy to pay less in order to lower costs. She notes:

Other staff, they can get 6RMB for one extra room. But for me, the supervisor only gives me 4RMB. I am not happy about that because it is unfair to me. But I cannot say anything. If I said something wrong, the situation would get worse. So, I have to shut up.

Last month, she got 2,800RMB. She was pleased about that but, as we can see, she must have done a lot of extra work. She maintained: “[When] I was busy, I did not have time for lunch, and went home late. I was really tired after the long day of work. But I have to get up early to work the next day”. She also commented: “My supervisor pointed out that the cleaning is not well done so that she deducted 20 RMB from my salary last month”. Although HM20 tries hard to keep up the standards required, she also knows she must build up the relationship with supervisors. She says: “I need money, but I realise the relationship is essential to my job. I think a lot about how to build the relationship without spending a lot of money”. She loses pay when her supervisor is not satisfied with her work, but she is never rewarded for doing a good job. She finds the situation demotivating, but she still values her job because she has no qualifications and it is hard to get a job as good as the one she has in the hotel.

Her vulnerability is heightened because she does not speak Mandarin but speaks a country dialect which is not easily understood. Her country dialect, she says, triggers some guests to shout at her and be unpleasant – these occasions worry and upset her. For example, she recalls: “When I knocked on a door to ask if the room needs to be cleaned, the guests yell at me sometimes because the guests could not understand me. I become upset and frightened of the guests”. Her work situation is made worse because she did not go to school in the countryside and cannot read or write. Her work is valuable to her because her wages are essential to her migrant family living in the city.

H1 is another migrant worker. She is very insecure about her job in the hotel. However, she does not get paid much. She comes from a poor family in the countryside. She wants to study for a hospitality qualification, but her family cannot afford the high tuition fees. In fact, she needs to earn money to support her family, so she really values her job even though it is poorly paid. When the researcher interviewed her she looked anxious. She was worried that she might say something wrong. As a migrant, she works hard without complaint. She always does extra work to please her supervisors. She is a docile and vulnerable worker in the hotel. What she does not realise is that her docility only serves to increase her vulnerability. As Foucault (1980b) observes, “Power never ceases its interrogation, its inquisition, its registration of truth” (p. 93).

7.2.1.3 Summary and discussion

Housemaids, who are mostly migrants, are among the lowest paid and the most poorly treated workers in hotels in China. They are in constant fear of losing their

job for some trivial reason. Gift-giving is a necessity for them as a tool for accommodation with supervisors. Failure to win the approval of supervisors invites a heavier workload and increased risk of dismissal. Housemaids often suffer fines, but how such fines are accounted for is a mystery to them.

7.2.2 Receptionists

7.2.2.1 Introduction

Despite being the most visible, the receptionists told many stories with regard to accommodation with managers. As mentioned earlier, receptionists must suffer morning inspections and the possibility of being picked out by bullying managers; it was also found that they seem more likely to have to bear the results of their managers' idiosyncrasies. They all acknowledged managerial receptivity to gifts, and their managers' being flattered by attention. Again, it appears that accommodation can result in the control systems being weakened in their favour.

7.2.2.2 Interviewees

As R4 relates, the gift culture has its negative side for junior female staff. R4 was once a receptionist in the same hotel as R2. They have kept in contact for many years and it was R2 who introduced the researcher to R4 as she knew her story. R4 did not mind telling her story as she feels others should know how things are in some hotels. She is still bitter about her experience after many years and hopes things have changed. For a while she was happy working in an international hotel until the reception manager began giving her gifts. "It started with small gifts which I did not expect or know how to refuse. Then, he wanted to drive me home at night".

R4 explains that at the time she was young and very innocent and accepted the extra attention simply as the manager's being friendly. She admits she was naïve and was flattered that she was being preferred over the other girls. For some 6 months, she enjoyed being driven home by the manager when he was free, and they began the practice of stopping for coffee. Like most female staff R4 felt obliged to please the manager and was fearful of being shouted at and humiliated. Her manager had done this to other girls, so she was afraid of him. She explains:

Sometimes he would slip his arm around me and sort of squeeze me. I did not like it but did not know how to say no as I could see he acted offended if I moved away a little. Once in the car he put his hand on my leg and when I pushed his hand away he became angry and stopped the car and told me to walk home. I did not know what to do. I could not tell my parents who had paid money to get me the job in the hotel.

She relates that for a week she did not have contact with the manager who acted coldly towards her. Then, one night as she was leaving, he called her into his office and told her she had to sleep with him or resign; she resigned.

In contrast to R4's story, R2 related the story of R5, because R5 was not available for interview. It must be said that the hardworking R2 did not like R5 or the way in which she gained preferment, so there may be some prejudice in her observations. R5 like R2 had been seconded to head office and was of migrant status. It did not take her long to develop a relationship with her manager, a relationship which, as R2 observed, extended to coming to the office at weekends. R2 claims that she had occasion to work on Saturdays and she would see them together. Others reported the same thing. Nonetheless, the CEO approved R5's application to be placed formally on the head office staff and granted her permanent status so she could obtain a Beijing identity. R2's disapproval of the way R5 gained what was denied

to her is understandable. These interviews confirm what the housemaids say, i.e., that accommodation to supervisors, undermanagers, and managers may be most productive in hotel employment in China. Such practices are generally denied formally, but the interviewees confirmed they are widespread.

The interviews suggested that R5 was never the most capable or attractive woman in head office. She was ignored by managers at first; she was quiet and performed her job as a junior staff member normally should. Unlike R4, nobody paid attention to her. However, she became 'street smart'. She learned how to please managers to get what she wanted. She always smiled at managers. She targeted the manager in charge of her department with her attention. Soon her salary was raised, and she received open compliments from the managers, while other staff were subject to criticism by managers. She was happy to work in head office, close to the top managers. Everybody knew how she got ahead but they were scared to say anything.

Another receptionist told of one of her colleagues., R7. R7 was described as arrogant; she did not get on well with the other receptionists, but they realised that she was smart. She could get herself noticed by many managers and customers. She showed off and was not intimidated by anybody in the hotel, even the managers. Most staff worry they will attract complaints from customers, so they try to smile and be pleasant to them. However, R7, a migrant worker, did not seem to have any fear of losing her job because she knew she had guanxi with the managers. Managers dealt with any complaints from customers about her. The other staff accepted that she was preferred.

Interviewee R8 is an attractive, quiet young woman. She was a recent addition to the reception staff. She was prepared to speak openly about her earlier experiences about giving gifts. At her previous job, the reception manager was a woman whom R8 described as a bully. She had her favourites among the staff but could be loud and bullying to any of the staff. Her technique was to embarrass the receptionists she targeted and to cause them loss of face by censuring them in front of guests or in front of other staff. It was impossible to stand up to her as, apart from being coarse and loud, the manager also knew how to make her comments hurt. She would tell staff that they were hopeless, lazy, and did not meet the hotel's expectations, and so risked losing their jobs. R8 admits that to avoid these public humiliations she bought presents for the manager, but that it became obvious from the manager's reactions and body language that R8's gifts were not expensive enough. As a result, she felt obliged to spend more and as such found herself in competition with the other receptionists. Looking back, she described her motivation for gift-giving as a means of saving face and buying off a bully. She realises now that buying off bullies does not work as they keep asking for more, which is what happened in her case. Fortunately, R8 held a Beijing identity and could not be dismissed easily; she, therefore, could take her time in looking for another job. She sympathises with the migrants who are easy to dismiss and who, having been dismissed, find it difficult to get another job. A conclusion to be drawn from this interview is that the minority of hotel staff who hold city identities may be less likely to provide gifts to protect their job security; they are well protected by Chinese labour laws. However, this interviewee did become involved in the practice for a time.

Interviewee R10 admits that it is very common to give gifts to managers. On most holiday occasions, cigarettes or expensive Chinese rice wine are given to male

managers; cosmetics or gift cards are given to female managers. If employees give gifts, they may get a higher salary or bonus. If they do not, the manager may give them extra duties. For example, all the receptionists want to work on day shifts. The managers only roster the staff who have good relationships with them on the day shift. R10 mentioned that, because they have a staff member who has a good relationship with her manager, that manager is hard on others. This situation triggers resentment among those who are not preferred.

Interviewee R13 suggested that junior staff are driven to seek favours and preferences from managers because of the lack of job security; junior staff are always trying to please managers by doing things they know the managers will like. For example, many male managers like dancing with girls and drinking a lot after work. Junior staff accompany the managers to keep them happy. Such behaviour provides pressure on them to abandon their moral constraints. Because R13 was very shy and held fast to her moral principles, she did not know how to go about getting invitations to go dancing or how to please managers by flirting with them in a modest way; consequently, she was ignored by the managers. Her colleagues were of no help because they all saw themselves as being in competition for managerial attention. R13 was shocked by the way her colleagues prepared themselves to accompany the managers. Uniforms were swapped for very short, backless dresses. The bolder girls even boasted about their lack of undergarments, made more obvious by the backlessness and shortness of their dresses. Such provocativeness was not lost on the managers who enjoyed the company of those girls who were more confident and provocative. R13 said she could not escape her upbringing and could never go out with men like that. Her employment problems were obvious.

R13 pointed out that most managers are male. Most junior staff are from the countryside. Having married in their teens, often they must provide for husbands and children left behind. Most miss their children but not their husbands, the latter are viewed by some as useless dependants, who being in the countryside may work as farm labourers or not at all. To improve their lot, confident female staff employ their charms effectively to get more money and the married ones will even cheat on their husband as necessary to build relationships with the managers. R13 revealed that these things occur in the organisations which employ many junior female staff lacking any job security; they must compete for the attention of male managers to obtain organisational benefits. R13 maintains everybody knows of this situation, but that it is not acknowledged.

R13 supplied experiential evidence that staff do seek to accommodate managers and gain preferences by supplying gifts and entertainment. Her failure to seek accommodation with managers meant R13 was ignored. She felt left behind in terms of pay and promotion.

Interviewee R12 suggested that when managers are unhappy about some junior staff, they will assign extra duties for those staff. With such a heavy workload, it is impossible for targeted staff to finish work on time. By comparison, some junior staff have little to do and hang around all the time talking. All staff know the situation, but they cannot change the managers' attitudes. The researcher asked the interviewee how junior staff could improve their situation. She replied by saying some junior staff are clever enough to know how to please managers. They may know that their manager likes playing cards while drinking, so they spend a lot of time accompanying him to play cards and drinking. Once the manager is happy, he

will tell the staff who have a close relationship with him about the promotion opportunities. Once you know of promotion opportunities before others do, you have more chance of being promoted. Another way to please managers is to give gifts to managers. For example, if junior staff want to get a higher position, as mentioned previously, they supply gifts; some of these gifts can be expensive. Such behaviour may become normal. In exchange, managers offer information and support to junior staff to assist them with promotion opportunities. Another reason why managers want to receive gifts from junior staff is that they still need to give gifts to their more senior managers to get promotions for themselves. Everybody knows the culture. Individuals cannot break the culture; it is an escalating problem.

7.2.2.3 *Summary and discussion*

Accommodation with management seems to be common among receptionists, as they all had stories to tell. The tools of accommodation adopted by some of the receptionist extended beyond the limits of gift-giving, a strategy which housemaids employed. Receptionists have much more contact with managers than housemaids do and so they are better able to employ a range of tools to gain favour. There was also common agreement that such practices, while often necessary for migrant worker survival, compromised managers into favouring particular staff. This conclusion makes a significant contribution not only to this thesis, but also to the literature which investigates the microcauses of internal management control weaknesses.

7.2.3 Concierges, waitresses, and other staff

7.2.3.1 Introduction

Gift-giving is common among this group, although the concierges were at first reluctant to acknowledge that they needed to do this as they like to project a breezy confidence about their role in the hotels. Gift-giving did not fit well with such an image.

7.2.3.2 Interviewees

During the course of a long interview, C3 became more relaxed and friendly. He started by stating that he did not indulge in gift-giving. Later he freely admitted that it was necessary to give gifts to maintain good relationships, especially so, as it was important for him to get promoted and he knows that by giving gifts to managers his prospects are improved (see chapter 4). His revelations show that many staff and managers will hide the practice of gift-giving.

Another interviewee, H4, admitted she tries hard to please her supervisor by giving gifts. For example, she went on holiday to Hangzhou, which produces good silk scarves. She bought a very expensive silk scarf and pretended that it was a “little gift” for her supervisor’s wife. Her supervisor took it happily because it was only a ‘little gift’. Nevertheless, both of them knew the scarf’s quality and that it was a ‘good gift’, but they did not acknowledge that fact. The supervisor wanted to be a good leader and only receive so-called ‘little gifts’. On the other hand, supervisors are eager to receive good gifts, as that ‘is human nature’ (M2).

A further interviewee, H1, told the researcher: “Sometimes it shows the supervisor’s power”. They exercise their power by seeing how much they can get from their staff. They all estimate the value of the gifts the staff give to them. Even though the talk is of ‘little gifts’, if staff give cheap gifts, managers are unhappy about that. Staff want to please managers. “So, do not trust the supervisor who says they only receive little gifts, that is not true”.

H4 related a negative gift-giving experience. She knows her supervisor likes collecting horse souvenirs – anything to do with horses. She had heard that many staff give him all kinds of horse images. One day, she heard from her colleagues that her supervisor had bought a new apartment and was in the process of decorating it. She went to a shop to buy a wall painting depicting a horse. She really liked the painting, so she bought it even though it was expensive for her. The shop had run out of boxes and used paper to wrap the painting instead. As the painting was not presented in a box, it appeared cheap. Even so, she thought the gift would be acceptable as the content is more important than the packaging. After she gave it to her supervisor, she heard from her friend that the supervisor was not happy about the package which looked cheap and so he did not value her gift. “No matter how good the content is; you must make sure the packaging is beautiful. It is the appearance which is more important”. For H4, it was a lesson learned. She reflected that is not an easy job to please a supervisor, as you must think about a lot of things. “You have to make sure it is an appropriate gift and give it to your supervisor in an appropriate way”.

Through gift-giving, she maintains a good relationship with her supervisor. To cement the relationship, she is working hard, and has been promoted to be the

departmental phone answerer, which is a good job; there is no heavy work involved and she no longer has to clean rooms.

7.2.3.3 *Summary and discussion*

This group brought out the need to give gifts as a tool to support a supervisor's self-image. The challenge presented concerning the need to give 'good' gifts as opposed to 'little' gifts exposed the sensitivities involved in behaving 'properly'.

7.2.4 Managers

7.2.4.1 *Introduction*

Surprisingly, and in contrast to the male concierges, the male managers were more open about their expectations of receiving gifts from junior staff and about how staff for junior positions were chosen. Internees who were willing to accept the lowest pay were preferred. As with all hotel staff, none of the managers provided any record of staff resistance in answer to research questions 2 (see chapter 3 section 2), but they did speak about being accommodated with gifts and attention. All acknowledged their willingness to accept gifts or to be flattered by attention; some admitted that such considerations could influence them to behave favourably towards specific staff.

7.2.4.2 *Interviewees*

M1 has many years of work experience as a manager. He disclosed that some staff try hard to please him to get promoted or to get increases in their salaries. He had a secretary who became overfriendly, so much so that he was frightened of being

close to her. He realised that she wanted a salary increase, and she knew many get promotions as a result of such closeness.

M1 said that he was well-experienced in dealing with staff and the management team, but he did admit that he was sometimes cheated by staff. For example, he told of a local Shanghai man who had worked as a manager in the Sales Department a few years previously. This man recruited a female assistant in the department. After a few months, he suggested she deserved promotion as she was working hard and had made a great contribution to the department. In the meanwhile, he mentioned to M1 that another hotel would like to offer her an even higher salary. The sales manager said he wanted to promote her in order to keep her. M1 took the departmental manager's advice and increased her salary. She was happy to stay in the hotel. After a few days, however, M1 felt something was wrong because he had seen them together all the time. He investigated their relationship and finally concluded that she had used their friendship to obtain her promotion; her contribution to the sales department was actually no better than normal. This tale provides an example of successful female accommodation to management.

Another manager, M2, has worked in hotels in Beijing and Shanghai for many years. He has a lot of experience with both top managers and frontline staff. He is very senior, but was open with this researcher and told her:

I receive a lot of gifts during festivals each year. A lot of staff want to get promoted and will find any reason to give me gifts. I know it is a kind of bribery. But sometimes they are just trying to be friendly. For the small gifts, I am always happy to take them. After many years, I am used to receiving gifts from staff or colleagues. However, I cannot remember who has given me gifts but I do remember who has not given me gifts. For the staff who have given

me gifts, I always think about them if there are any promotions. It is human nature.

He also mentioned that there are several things staff should do to please managers. For example, they should place their hands in front of their body to show respect to the managers. Another feature of subordination in old China was for inferiors to walk behind superiors when walking upstairs. When walking downstairs, inferiors should walk in front of their superiors. Such positioning on a staircase reinforces servitude and respect.

In the interview, M2 told the researcher a story of one of his colleagues. She used to be a hotel manager but failed to provide gifts to her boss to maintain a good relationship. Sometime later, her contract expired and she was reappointed, but only as a departmental manager. She was not pleased about that, but she continued to work hard as usual. She has now been a departmental manager for more than 6 years. It seems she will be in that position for even longer. The lesson here is that employees should not fail to accommodate those above them in the hierarchy.

M2 told the researcher that it is necessary to maintain a good relationship to be noticed. He told the researcher that many years ago he wanted to be promoted to a senior position, so he set out to accommodate his boss, the general manager. He tried to anticipate his boss's needs. One day, his boss's mother was ill and in hospital. M2 immediately phoned his boss to tell him that he could be at the hospital at any time to help, and that if his boss needed a car, he could provide one at any time. M2 thought that would be enough to show his loyalty. After 2 days, there was no phone call from his boss, so he took some gifts to the hospital. However, when he arrived at the gate of the hospital he saw a car from another hotel parked there

and a driver sitting next to the car. The driver told him that his manager had assigned him to wait outside the hospital just in case the general manager needed to use the car. M2 then realised that other managers were competing with him to please their boss.

At another time when his boss was moving house, M2 phoned him to say he could put a car at his disposal. He thought the general manager would be pleased about that. However, he found out once again that he had been too late because another hotel manager had already sent a car to the boss's apartment. According to M2, "If you do please your boss and make him happy, he will promote you when there is a position available". As the general manager had the power to increase M2's salary and bonus every year, M2 reminded the researcher that, in China, it is very important to accommodate those above you if you want to develop your career.

Even though M2 is now a senior hotel manager, he needs to please his boss if he wants to keep the position; or get promoted. One day, he said to his boss: "Please pass my regards on to your wife", just to show his familiarity. His boss replied to him: "Well, last night when I mentioned to my wife that I would be meeting you today she said she couldn't remember you, but she remembers the gifts you have given her". M2 replied to his boss: "Ok, I will give her the same gifts again this year". Sometimes, when a manager wants gifts from staff, he will ask outright for them. More usually, however, managers will let staff know in other ways. Junior staff must be sensitive about their managers, otherwise, their chance to help themselves will be lost.

M2 admitted that gift-giving may be a cause of internal management control weaknesses. Someone gaining a position through gifts or connections may cause the manager to lose power. They may boast of their gifts or connections. In particular, relatives of government officials who gain especially created deputy manager positions, may be regarded with scant respect. Alternatively, junior staff who can give the best gifts may get permanent jobs which, again, is a likely source of internal management control weakness, as this preferential treatment denies promotion to better candidates who cannot afford gifts. The staff who win the greatest awards are often the ones who can offer the best gifts and who are the best connected in Chinese society. If a staff member supplies gifts and possesses guanxi, the manager is compromised and his control of that staff member is weakened. The manager may give the most 'visible' staff member the best promotions with regard to salaries or bonuses. This practice causes an unfair distribution of rewards and other staff feel resentment.

Another manager, M6, claims he is honest and does not need any gifts from staff. He knows junior staff are poor, and generally he does not like the sort of gifts they offer; they usually are not attractive. He feels it unwise to receive gifts from staff because, if conflicts arise, the junior staff may report him to the senior managers; as he could lose his job, it is not worth the risk. However, this may be a response by some managers and officials to outsiders, as a form of virtue signalling.

However, some junior staff do try to please him. For example, they know he focuses on work efficiency so that some junior staff focus on doing things quickly and some do send small gifts to him. For example, they know he likes drinking coffee, so they installed a coffee machine in his office. In summer, some staff sent him an air

conditioner for his new house. One junior staff member heard his wife was unwell and sent a 'big red envelope' (such is the Chinese colloquialism for a cash payment). At one time, his mobile phone was not very good. One junior staff knew that and gave him a new one. He argues that it is important to maintain good relationships in the workplace. As some junior staff do anything they can think of to please managers, these latter examples somewhat contradict his earlier comments about not accepting gifts. The researcher encountered such contradictory answers elsewhere. They always followed the same sequence: first a denial, then an affirmation. This behaviour proves that, for qualitative researchers, it is important in China to arrange several meetings and to build a relationship with their participants.

Another manager, M7, values junior staff in terms of performance KPIs i.e., targets, performance measures, and customer satisfaction. If staff cannot meet their targets, M7 will reduce the person's salary or bonus. There is no argument. If staff still do not perform well, M7 will have a warning chat with them. To maintain good relationships, M7 also gives gifts to her managers. For example, she will take some hometown products to her managers – nothing too expensive – to show her respect. Her hometown produces pearls. She will buy pearls for her managers. From top to bottom in the hierarchy, she maintains that everybody should give gifts. She buys expensive gifts for top managers, and not too expensive gifts for departmental managers; she maintains she is under pressure as a young manager to do so.

The pattern is maintained as junior staff also send gifts to her to maintain a good relationship. For example, they give her a gift card for holiday travel. They arrange travel to local destinations. Sometimes, to go with the gift card, they also buy some

products for her daily use. These exchanges of gifts among the hierarchy of management reflect what Foucault calls the struggles within organisation that are ignored in functionalist, scientific accounts in management textbooks.

Foucault's (1980b) challenges the functionalist assumptions of the social sciences, for instance accounting, and instead is interested in the mechanisms of resistance. This chapter deals with the aspects of accommodation, not hostile encounters but nonetheless in effect tools of resistance.

7.2.4.3 *Summary and discussion*

Managers admitted, when pressed, that gift-giving compromised their authority and controls. However, most saw gift-giving as a cultural obligation that entrapped them. Guanxi in China is so widespread, and it carries such expectations of a reciprocal obligation, that not to belong to this kind of 'club' is to be an outcast. Of particular interest is the obligation imposed on managers to employ staff not on their merit but on their connections.

7.3 Chapter Summary

The means of accommodation used by junior staff are varied and depend on staff function. Housemaids were restricted to giving gifts, while receptionists also employed more personal tools, according to the opportunities available. Such tools are used to provide 'resistance by accommodation'. The managers not only acknowledge such accommodation, but also justify their acceptance of favours as an unavoidable consequence of the culture of guanxi. Guanxi, as has been explained

in chapter 2, confers mutual obligations. That is, if you accept favours, in whatever form, they must be repaid over time.

The management accounting textbooks, which present a functionalist description of how internal management controls should be developed and systematised, do not consider such systems as sites of struggle and conflict as Foucault (1980b) maintains. The scientific argument is that accounting is neutral and objective, merely a box of tools, and that Foucault's concerns as to accounting's creating mechanisms of resistance are illegitimate. The Foucauldian approach of tracing microhistories is condemned as 'unscientific'. Nonetheless, as shown in this chapter, accommodation is an effective means of resistance as it creates strong cultural obligations known to Chinese as *guanxi*. Such obligations serve to undermine the appearance of neutrality and objectivity that is a feature of accounting controls. Managers' compromises in controls, show them to be subjective constructions. The next chapter considers the legacy of the Confucian culture with relevance to obedience, resistance, and accommodation.

CHAPTER 8

Interview Theme 3: The Confucian Legacy

8.1 Introduction

The purpose of the chapter is to consider the legacy of the Confucian tradition from the viewpoints of different categories of staff. The theme of the chapter, therefore, centres on obedience and respect for the hierarchy. The housemaids appear to be the most concerned to be respectful and obedient, arguably because the demand for this kind of work from migrants far outstrips supply. The receptionists too go to great lengths to accommodate their managers because they have more contact with management. The concierges exhibit a more carefree attitude, but they may initially have given only a superficial response to the researcher. The managers have their own way of perceiving the Confucian legacy in that they feel obliged to accept restrictions imposed on them by well-connected outsiders with political influence. The hotel working environment in China often encourages staff to try to circumvent formal controls and explicit policy by developing implicit understandings.

Related to the Confucian authoritarian legacy is what Foucault (1980b) terms “The multiple forms of subjugation that have a place and function within the social organism” (p. 96). Foucault (1980b) argues that analysis should not be concerned with the domination of king or president but with that of their subjects in terms of their mutual relations. In part, the focus of this chapter is ‘power’. “Where it becomes capillary, that is, in its more regional and local forms and institutions” (p.

96). Such an analysis should, according to Foucault (1980b), also illustrate how power effectively embodies sanctions and punishments. It is the concern of this chapter to analyse the mutual relations between managers and their staff and to consider as to how much issues of respect, obedience, and accommodation may combine to undermine established controls.

8.2 Internal Management Control Weaknesses and the Confucian Legacy

Research Question 3: To what extent is contemporary internal management control associated with the Confucian legacy of respect, obedience, and accommodation in the workplace?

8.2.1 Housemaids

8.2.1.1 *Introduction*

Housemaids show respect and obedience by gift-giving and humility. They spoke of being in fear of supervisors who can deduct wages for allegedly trivial deficiencies. Housemaids are vulnerable to guest complaints, as these can lead to deductions or dismissal. Managers and supervisors can exercise considerable discretion over the way housemaids are treated.

8.2.1.2 *Interviewees*

HM29 lives in fear of being replaced by new trainees; she knows it will happen one day as she gets older and slower. Cleaning 14 rooms a day to an exacting standard

is not easy and is very tiring, especially as some guests leave their rooms in a messy state. Recalling one cheap hotel where she once worked, she said:

The rooms were really dirty and messy. A lot of stubs were left everywhere on the floor. It was very hard to clean as the carpet was littered with these stubs. The smell of vomit in the rooms was terrible.

HM9 is a migrant worker in a Beijing hotel. She holds a temporary position as a housemaid and has been trying for 5 years to get a permanent position. She says: “I am always wondering when I can get a permanent position because I come from the countryside and have no Beijing city identity. I am never confident and always working hard to please managers”. However, her personal position changed when 4 years ago she married a Beijing resident. Through her husband, she gained a Beijing residency. In spite of her new city identity, however, the hotel manager still refused her applications for permanent status. Her humble approaches to the manager were constantly brushed aside; the manager claimed he was too busy to see her. During that time, she states: “I was really disappointed and had no motivation for doing the job”. She was disappointed and depressed, and she earned less than other housemaids. She felt her frustrations most especially on pay days. Even for city residents, as this example shows, it is not easy to get a permanent job especially when competing with thousands of migrants looking for work.

HM16 works in a hotel in Hainan, a large provincial city. The hotel is four-star rated and charges guests upwards of 800RMB (\$160) per night. Like most of the housemaids, HM16 is from the countryside and has no city identity. She is employed as a temporary worker because of her migrant status, even though she has worked in the same hotel for 8 years. She would like to be given permanent

status, but concedes it is unlikely. She said: “I was trying hard to get a permanent position, but I am still on a contract. Managers told me that I do not have city identity, so I cannot be permanent. The hotel renews my contract each year”. However, she is pleased to have her current job as it took her a long while to find any work in the city because she cannot read and write. She does not want to upset the manager by pressing for permanent status; her current wage is 1900RMB (\$380) a month. She is fearful of being critical of her work situation as she is aware that there are many others who would like to fill her position.

There are a lot of people like me who have no contacts and come from the countryside. They are all looking for a job. So, I really value my current job and will try to keep it as long as possible.

Her work is essential as her husband remains in the countryside and she wants to save to send her child to university.

HM20 works in a provincial city and is from the countryside. Her life seems harder than that of the other housemaids interviewed. Six years ago, government officials took the family land and forced her and her husband into the city to look for work. At first, she washed dishes and peeled vegetables in restaurants. She has now held her hotel job for 5 years, but her husband still cannot find regular work and works on a day-to-day basis receiving little income. She says:

I had no choice but to go to the city, because in my hometown there is nothing else I can do. In the past, as farmers, we made money by planting things. But nowadays, there is no land for us to work on at all. We need money for living so my husband and I have to find jobs in the city.

She values her job even though it is hard and involves working 6 days a week. She has two children in city schools so, being a migrant, she must pay for their education.

As a temporary worker, the hotel is not obliged to provide insurance cover, so she fears becoming ill or having to go to hospital as she cannot afford the hospital fees.

She states:

I do not have any insurance at all. Because I am only a contract worker, the hotel does not want to pay insurance for me. I cannot be ill. If I am, my whole family will be in trouble and I will only be waiting to die because I have no money to pay for the hospital.

Another housemaid, HM31, admitted that to get their supervisors' support, junior staff try hard to please them. For example, housemaids may volunteer to work extra hours in order to be seen as hard-working. When there is much work to do, they leave very late. The aim is always to let their supervisors know they need to work late because of the workload. Often, the reality is they have been going slow. The purpose is to show respect and obedience.

8.2.1.3 *Summary and discussion*

In answer to the research question, these interviewees brought out the weak and desperate position of many of the housemaids. Such vulnerability increases the likelihood of the need to give gifts and of an increasingly competitive element to the gift-giving, as the vulnerable seek preference at the expense of others. Such a situation can lead to breaches in internal management controls and the likelihood of such breaches going unreported.

8.2.2 Receptionists

8.2.2.1 Introduction

Some receptionists acknowledged the importance of connections or guanxi and this too is indicative of the Confucian legacy. Furthermore, without gifts or guanxi, receptionists felt vulnerable to managerial prejudice and while, gifts alone may not be sufficient to gain promotion, not giving gifts would earn disfavour. All the interviewees acknowledged the pressure to give gifts as a way of placating aggressive managers.

8.2.2.2 Interviewees

R2 herself never gives gifts to the CEO or managers. Although the hotel managers treat her well, they have never changed her contract to a head office contract. Being unable to change her contract means a lot for her. If she were on a head office contract she would be able to get more pay, so that when she retires, she would also get a higher pension. But everything is too late now. She is going to retire soon, and it seems unlikely she will ever get her contract changed. As she observes:

If the managers do not like you, they will shout at you if your work does not please them. Working with managers is like being with a tiger. You never know when they are in a bad temper or when they are angry about something. Always, I need to be careful of everything, and anytime be like a mouse.

Managers do have certain staff they like. These favoured staff, no matter what they do, are never blamed by managers. These staff normally get good promotions and good pay.

The CEO in the head office is appointed by the Financial Ministry of Government; consequently, he has the authority to appoint managers in all four- and five-star government-owned hotels in Beijing. Therefore, a lot of people approach and influence the CEO in many ways. It is not unusual for the CEO to appoint people who are 'close to him' to an important position.

However, R2 has lost her opportunity to be a contracted member of staff in head office. She realises that she should have given gifts to the CEO and managers to build up her relationship with them. Now this omission means that she will have to retire, not as someone who has worked for more than 10 years in head office, but as if she were still employed in her original role of receptionist in her original hotel.

R8 also reiterates the themes of managers being like tigers and unpredictable. She recounts how in one hotel, for trivial offences, such as being late or too long in the bathroom, the manager would order the offender into his office and rage at her. She would be expected to stand meekly with her hands clasped in front of her and her head bowed. In the fashion of the traditional Confucian expression of obedience offenders would not argue but confess their guilt. However unfair this subjugation was, they would be made to perform it. To argue could mean dismissal. Even with a meek demeanour and a nervous confession, the manager could work himself into a fury. Although R8 said it never happened to her, she did say that some receptionists maintain they were slapped as they left the room and were too terrified to protest.

In a second interview with R11, she was more forthcoming about her experiences with a manager. At first, after she had been at the hotel a few weeks, the manager

was very nice to her and allowed her small favours and easier work shifts. The manager asked her to go for coffee with him, which she did. At that stage, she was pleased to be preferred by the manager as it made her work life easier. Then while out with the manager, the manager began to put his arm around her and requested 'hugs', which she accepted but later, the manager said that he wanted to go further and date her. The meaning was clear that the manager wanted a relationship. She knew that the manager was married so she refused. The manager then became very hostile and began to shout at her in front of others and took every opportunity to humiliate her. His hostility has died away as the manager has turned his attentions to others, but she still does not enjoy being at his hotel. She is a migrant and she has family to support; she keeps looking for another hotel position, but they are hard to find. It is difficult to find another position because she will need a reference from the manager. This is a case where accommodation of the manager was reluctantly given, and further advances denied. The outcome was not good for R11. Clearly the manager's demands are compromising internal management control standards and the hotel's labour policies.

8.2.2.3 *Summary and discussion*

The receptionists tell the most disturbing stories about managers requiring respect and obedience. They relate how they accommodate some of the more angry and unpredictable managers. If a receptionist is dismissed without employment references, she will find it very difficult to get another receptionist job elsewhere as such positions are highly sought after.

8.2.3 Concierges, waitresses, and other staff

The researcher interviewed five male concierge staff who seemed proud of their uniforms and exhibited an air of confidence. They seemed less preoccupied with the insecurity of their position than the female staff were, even though four of the five were migrants. Two of these interviewees acknowledged the importance of connections or *guanxi*, practices which are indicative of the Confucian legacy. Three of the male staff interviewed, however, did not acknowledge the importance of either gifts or *guanxi*. Their failure, or unwillingness, to talk about these issues may be explained by their being more concerned with preserving “face” during the interviews. That *guanxi* and other Confucian traditions persisted was acknowledged by three, while denied by the other two. That such a division of experience occurred within this group is curious and so preserving ‘face’ before a female researcher may be the explanation for this inconsistency.

The researcher had two interviews with Concierge 6 as he was very forthcoming and had plenty to say. Much of what he said connected with R11’s interview data, both worked in the same hotel for the same manager (see page 168). C6’s attitude to his colleagues surprised the researcher. He enjoyed his position as being an observer for the manager of frontline staff that had earned the manager’s displeasure. He told the researcher how he kept watch on staff and recorded on a sheet dates, times, and incidents of things such as lateness, talking, and anything else he could think of. He emphasised that when the manager wanted someone put under surveillance it was important to find deficiencies and if C6 did well he was promised a small bonus. The other surprise when talking to C6 was his contempt for the female staff from the countryside, even though he was from the countryside.

He said that these females were nothing in the country as there was no work for them and all they were good for was having babies. They may look good in their new uniforms and new hair styles and make-up but, in his eyes, they were still peasants of no value. He had gained the impression that the receptionists looked down on him, so he was pleased to be able to report on them. The researcher asked him what happened to the receptionists he reported on. He said that he would go to the manager's office and show him his signed report and the receptionist under review would be brought in and confronted with his evidence, which they all tended to deny at first, but as the manager wanted a confession they had no option but to agree, as no confession meant instant dismissal. The punishment offered would be a fine involving loss of earnings for between 1 and 4 weeks. C6 laughed as he explained for most of them this was quite a loss and they would cry and plead with the manager as they had families in the countryside to support as well as having to pay the city rents for their accommodation. C6 seemed pleased to see these women humiliated by the manager. The manager, he said, would put it to them: "What am I going to do with you if I do not fine you, dismiss you?" At that stage he would leave the room as the manager negotiated a punishment. The researcher asked him what alternatives were there other than dismissal for these migrant staff. He said that I should know what was expected; he explained that the country women were used to being ill-used, by their fathers, boyfriends, and husbands.

The researcher wondered if he was exaggerating, because his dislike of his female colleagues was plain to see. In this context, it became apparent that Confucius had ruled that in no part of her life should a woman be free of male control and that punishing a wife is necessary (Liu & Chan, 1999). Liu and Chan (1999) add further that the act of protest by a woman disrupted social harmony and demonstrated a

lack of obedience. The protest that C6 observed as a reaction to his surveillance report would in such a Confucian context be seen as a lack of obedience deserving of punishment. Gilmartin (1990) comments that in modern China punishment of women is still deemed to be an acceptable tool to assert male dominance. Certainly, C6 made it clear to the researcher that he found it acceptable to punish migrant female labour; he even claimed that they were used to it. The researcher wondered if C6 was simply enjoying himself trying to shock her by his obvious misogyny. What choice would a receptionist so targeted have, but to resign or be dismissed, choices that would end their chance of ever working in a big hotel again, especially without a reference. Moreover, it is natural that those female staff (like R11), who were employed in the same hotel, would not want to lose face by saying too much at interview.

On reflection, C6 was one of the most informative respondents the researcher encountered. However, he clearly had an attitude problem about women and about his status in the hotel, which seemed to be less than that of the receptionists. Being given the task of conducting targeted surveillance seemed to be a compensation for him. He resented his former countryside counterparts becoming smart, independent women and their having escaped the male dominance tradition in the countryside. His thinking reflected all the old Confucian beliefs about the place of women. He enjoyed the spying role the manager had given him and showed the researcher the logs he kept. Whether his stories were completely true is, however, unverifiable.

To answer the research questions with regard to staff seeking accommodation with managers, managerial discretion, and the impact on internal management control weaknesses, is complex. The manager's authority over his staff for ostensible

reasons of misconduct hardly conforms to good hotel policy and may be seen as encouraging staff to seek compromises with the controls that are supposed to govern their work behaviour. The mechanism of power employed by the manager produces its own kind of truths: “We are subjected to the production of truth through power and we cannot exercise power except through the production of truth” (Foucault, 1980b, p. 93). The truths emerging from the manager’s exercise of power are both traditionally Confucian in the sense of a hierarchical domination of women and Foucauldian in the sense of exercising power. The latter are an example of what Foucault (1980b) explains as “surmounting the rules of right” and “interventions becom[ing] violent” (p. 96).

8.2.4 Managers

8.2.4.1 Introduction

The managers acknowledged the importance of connections or *guanxi*. It was, they said, part of a deeply embedded Confucian legacy that they claimed they wanted and felt they were unable, to resist. Thus, they effectively confessed to being manipulated by powerful external connections. They acknowledged that staff who gained jobs or promotions as a result of their connections were difficult to control both in terms of performance expectations (as budgeted) and behaviour, and that such connections compromised their management.

8.2.4.2 Interviewees

In 2015, one of the four-star government-owned hotels had a departmental manager position available. The hotel manager wanted to promote staff from inside the hotel.

Before the government introduced its new rules, the manager would normally have advertised the position. He would usually receive more than 20 recommendations from individuals who had a certain connection (*guanxi*) with him. This could, for example, be someone who knows senior government officials and gives gifts to the hotel manager to influence the appointment. However, in this case the manager really wanted to award the position internally so, despite finding them hard to resist, the manager rejected the recommended external candidates.

One manager (M4) knew of a situation where a hotel manager was obliged to have four deputy managers, even though none of these appointments had been made on the basis of merit. What is more, having only one deputy manager is normal. Not only were some of these deputies' surplus to requirements, they were also an unnecessary cost. This example illustrates the way in which submitting to outside pressure can lead to an internal management control weakness, because the existence of ill-qualified managers can cause complications and divisions whenever they exercise their authority. For example, deputies appointed through their connections superior to that of the manager may require assistants and managerial privileges even though they effectively do nothing.

The researcher returned to Receptionist 13's (see page 168) hotel to interview Manager 9, the assistant reception manager. He was very friendly, and he went for a drink with the researcher. The researcher wanted to follow up what R13 had said about going out with the managers. In particular, she wanted to ask if such socialising undermined his control in the hotel. He talked about the junior female staff at first in general terms that the researcher had heard before: they were from the countryside, most had married in their teens, had a baby, and lived with their

in-laws. The hotel was an escape from a life of labour, as their place in the family home was subordinate to everyone. All this the researcher knew; it is borne out by the literature on women in China. Chapter 4 shows that pre-1911, and for some time thereafter, corporal punishment was a prescribed part of the Confucian tradition of governance. A legacy of the long Confucian tradition is that very high levels of violence towards women by men persist; this violence is referred to currently as a hidden epidemic within a culture of silence (Giulia, 2016). The manager's attitude reflected that of many Chinese males which was that these women were lucky to be working for him and owed him favours for continuing to employ them. He held a 'guanxi' view of employment relations. Junior staff needed to please him; it was expected. Those that did not make an effort with gifts or favours could expect no favours from him. He explained to the researcher, the traditional male view of ownership of women; he felt he had a kind of father-in-law power role. He did not see that the guanxi he practised could compromise the way he managed staff. To shock the researcher and impress with his distance from staff, he quoted a traditional saying common among rural Chinese men, "Owning a woman is like owning a horse to ride and beat whenever you like". With such attitudes among male managers, junior female staff must learn to survive in the hotel industry and cope with the stress of job insecurity by using any means they can. On reflection, the plight of many rural women is eased by migration to the city, where their earnings supplement their family incomes. The World Health Organization 2009 reports that women in the countryside bear a crushing burden of work and the suicide rate is five times higher there than in the cities. China is the only country in the world where more women commit suicide than men, with the rate being 25% higher for women than for men (China Mike, n.d.).

The researcher started the interview with M6 by asking whether he knew of examples of managers who require gifts or favours from junior staff, or whether junior staff seek favours and preferences from managers by offering gifts, etc. In terms of his background, M6 is a young manager who has been working in the position for 5 years. He is a strict manager and requires junior staff to work hard like him. Sometimes, he works 16 hours per day. He judges whether junior staff are good or not by their work capacity. If junior staff can finish the work he assigns to them within a limited time, they are good. In the hotel industry, most work needs to be done within a short time. Therefore, he values junior staff's work efficiency.

If he is unhappy about someone as their manager, he is not going to say anything because he does not want to hurt anyone and make an enemy of anybody. Therefore, he never fines any junior staff. However, he will take action against the junior staff and show his disapproval. Generally, his disapproval will take any of the following forms:

- 1) He will increase workload for junior staff whom he does not like. The junior staff may feel they cannot finish their work and feel inadequate. They know managers can give them a huge workload deliberately, but they cannot protest about the work allocated. So, some junior staff may choose to leave the position. On the other hand, he may assign menial work to a junior staff member. For example, he may ask a junior employee with a master's degree to clean the toilet. The junior staff will feel humiliated.
- 2) In the hotel industry, some government owned hotels are connected to each other. If M6 does not like someone, he will send the junior staff to a small hotel with a correspondingly small salary. If he reduces the person's salary

directly to punish the junior staff it may be too harsh, but if he sends some junior staff to a small hotel, nobody can complain.

- 3) Meetings are a good time to punish junior staff he does not like. In front of all staff, he may praise someone he likes and then say nasty things about someone he does not like and humiliate her/him. Humiliation by embarrassment works well in China.
- 4) If staff argue with him and do not listen to him, he will report them to more senior managers saying that they are not very smart and cannot do anything well. Alternatively, he may not give that person any work and report to the senior managers that they do not do anything and are lazy.
- 5) It cannot be avoided that staff may make mistakes. For staff he likes, he would not say anything, but for staff he does not like, even if the mistake is small, he will exaggerate the impact of the mistake. For example, if some junior staff play with their phone in work time, he can either just ignore this or not. Some staff, he will criticise all the time.

The mechanism of discipline employed in the five various forms of managerial disapproval as recorded above is to show what Foucault (1980b) calls the “multiple forms of subjugation” (p. 96). Foucault (1980b) is concerned to show that relationships are complex and that subjugation may take many forms ranging from expressions of disapproval, to verbal invective, and “eventually even violent means” (p. 96). That M6 has every right to employ these techniques cannot be contested; as Foucault (1980b) observes, legitimacy need not be established as it is the relations of domination which are of interest – how power is exercised.

Another manager, M8 punishes staff by first giving an oral warning. However, she will force them to resign if there is no improvement. Sometimes, she lists a staff's record of performance in a meeting. Staff who have not performed very well will feel under pressure and embarrassed. Once they feel uncomfortable, they will be reluctant to attend meetings and they will have to leave eventually.

M8 said that there are no gifts requirements. However, junior staff send gifts to managers as a 'rule' – a rule which all staff follow. Sometimes, staff invite managers to have dinner. If there is competition for something, the managers will support staff they favour. It is a kind of 'unspoken' truth. However, truths, as Foucault (1980b) points out, are the product of the exercise of power. Such truths become what is 'right'. "Right should be viewed. I believe, not in terms of legitimacy to be established but in terms of the methods of subjugation that it instigates" (Foucault, 1980b, p. 96) and, as Sharma and Irvine (2016) show, such subjugation may result in domination and brutality.

8.2.4.3 *Summary and discussion*

Within the context of this research question, the managers wanted to explain how they are bound by a relationship culture which prevents them from exercising their own preferences. In this respect, the Confucian legacy persists in China.

8.3 Chapter Summary

The earlier chapters showed how China has built a relationship culture over many centuries. The culture is cemented by the practice of guanxi, which is everywhere

acknowledged, but, for obvious reasons, rarely admitted to in practice. Guanxi allows junior staff and others seeking favours to offer gifts without losing face. Acceptance of such gifts brings with it a reciprocal obligation. Moreover, as this thesis illustrates, gift-giving may not be a voluntary act but rather a necessary one if an employee wishes to obtain preference or maintain a position. Gaining such advantage may not be possible without first imposing the obligation on a manager that gift-giving entails. A professor at Jiangxi University of Finance and Economics interviewed in connection with this thesis observed, with respect to the extraordinarily high level of price/earnings ratios commonplace on Chinese share indexes, that the numbers are not important to investors because what is important is the connections that the corporates possesses.

Organisations are controlled by budgets and budgets consist of numbers. In turn, to meet budgeted targets, the requisite performance metrics are imposed at all levels within an organisation. Management controls, such as number of rooms cleaned versus individual performance targets, are the means by which the accounting structure governs and maintains performance. Numerical targets are at risk when staff accommodate themselves with supervisors, managers, etc. in such a way that performance metrics are undermined. Although such practices may occur in any organisation, this thesis shows that in a predominantly relationship-based culture, relationships are more important than numbers.

As a safeguard against the often harsh and always unforgiving gaze of performance metrics, many staff seek to build a relationship with their supervisors and managers. In a competitive workplace, they all know it is necessary to please their managers and supervisors. Most staff know it is not good to be outspoken about gift-giving,

but at the same time most are not shy about admitting to the practice. The practice of gift-giving is too widespread and too well-known to be concealed. Giving gifts to managers and supervisors is about accommodation and the motives which drive this behaviour are mixed. Foremost is job security. Coupled with job security is fear, not only fear of losing one's job but fear of supervisor bullying. For migrant staff, there is no redress if they are bullied or dismissed. Supervisors have to be placated; that is the opinion of most of those interviewed. Gift-giving is a kind of insurance that most can ill-afford but which they believe to be necessary. Some will try to accommodate their supervisors and managers in other ways by cultivating a friendship and taking a feigned interest in their supervisor's family or personal life. The downside of such accommodation with regard to the application of internal management controls is that it compromises their effectiveness. In other words, in so much as staff succeed in their gift-giving strategies, their success may come at the expense of compromising the hotel's management controls. Such an evaluation may seem harsh, but in a work situation where individuals can buy preferences, unintended consequences to operating practices that distort outputs must follow. Such a weakening of internal management controls contributes to less reliable accounting information. Specifically, if a housemaid is paid to clean 14 rooms a day and she is doing only 10, outputs are reduced and costs will rise beyond budget expectations. If a receptionist gets away with being rude to guests because of her friendship with a manager the symbolic outcomes of her role are compromised, and the bottom line is affected, although such metrics are Western measures of management control rather than the traditional Chinese means of behavioural controls. In another example, a concierge may absent himself from his post leaving guests to struggle with their luggage. He can absent himself because his

accommodation with his superiors frees him to take unauthorised breaks. Again, in this scenario, both the symbolic and productive functions of his role are being eroded.

Some managers may deny or keep silent about receiving gifts, though those interviewed did not. The most important reason for denial would be because they know that receiving gifts from staff comprises their structure of internal management controls. Managers who accept gifts from staff feel obliged to reward such staff. Gift-giving in China works because of *renqing* (mutual obligations), as Chen (2002) observes. “Renqing obligations weave networks of relationships through reciprocal offerings of gifts and favors, creating mutual indebtedness that continues indefinitely and becomes a basis for *guanxi*” (Chen, 2001, p. 49). In the workplace, gift-giving, obligations, and indebtedness create distortions. For example, some staff may not be working hard but get promoted because their gifts are valued. Conversely, some staff who work hard but cannot afford to give gifts are overlooked for promotion. Renqing may be seen negatively by Western standards as a cultural excuse for practising a form of corruption. However, Lau and Young (2013) maintain that it should be recognised that China is a relationship society in a way that Western societies cannot comprehend and that it is natural that such emphasis on relationships should overflow into business practice. In this context, the concept of management control may be extended beyond the three-form analysis of Abernethy and Brownell (see chapter 2.5) to include relational control because as Zhang (2008) points out, China’s business culture is the result of centuries of tradition that has become part of the Chinese psyche.

Foucault (1980b) urges that research “Should be concerned with power at its extremities in its ultimate destinations” (p. 96). Especially, he argued there is a need to study where power surmounts the rule of right and where power gives way to “even violent means of intervention” (Foucault, 1980b, p. 96). Some of the respondents above hint at such interventions. Furthermore, Foucault (1980b) suggests that research should be directed at power where it is “invested in its real and effective practices” (p. 97). The issue for this thesis is to follow Foucault’s (1980b) guidance and to ask how subjugation can be a continuous process that shapes behaviour. Showing how things work in hotels employing migrant labour has been the theme of this chapter. The interviewees have shown in their stories how effectively managers govern their gestures and dictate their behaviours.

The chapter began by referring to the Confucian legacy of hierarchical authority. Hierarchical authority no longer prevails in Europe; such a lack of hierarchy, Foucault (1980b) argues, is “one of [the] great inventions of bourgeois society” (p. 105). However, in China, the Confucian legacy persists “as an ideology and an organising principle of these major legal codes” (Foucault, 1980b, p. 105). Such a legacy allows “a system of right to be superimposed upon the mechanisms of discipline in such a way as to conceal actual procedures” (Foucault, 1980b, p. 105). This element of concealment is present within the stories told in this chapter, but what is revealed bears out the concept that some of the Confucian authoritarian legacy survives as an ideology of right. The following final chapter provides discussion of the findings and the contributions of the thesis.

CHAPTER 9

Discussion and Conclusion

9.1 Introduction

The concluding chapter seeks to summarise the whole thesis. First, it sets out its broad linkages to Foucauldian theory and states why this study is important. A section explaining how the research questions were answered then follows, after which a more detailed account of how this thesis contributes to research is presented. Finally, the chapter ends by pointing out the limitations of the thesis and recommending further research possibilities.

Accounting controls are, according to Tinker (1985), “ultimately ideological” (p. 10) as they serve to legitimise and empower those concerned with control. Sharma and Irvine (2016) observe in this context that it is important to explore the social consequences of accounting controls, particularly with regard to their impact on labour. Following the model of Sharma and Irvine (2016), this research shows how performance of tasks dominated the hotel reward structure in China. Such ‘tasking’ enables the control of workers through calculative mechanisms that monitor and record outputs.

Return on capital invested is the driver of the big hotel chains in China that are in partnership with the government. To achieve maximum profitability managers must have controls over performance, workloads, etc., with the aim of keeping labour costs low in an industry that is labour-intensive. Managers are evaluated, and their

bonuses depend, on the measurements of profitability. However, workers may resist such controls, not necessarily by overt disobedience; but by accommodation with their supervisors (Sherman, 2007). Sharma and Irvine (2016) show that, while managers may exercise controls by even violent means there is, as Foucault (1980b) observes, always resistance. Although resistance may take the form, as in Fiji, of after-hours protests, it may also take the form of accommodation. Sharma and Irvine (2016) record that “Many sirdars took bribes from the indentured labourers” (p. 136). Such bribes were payments to obtain preferences and as such they compromised standards. This thesis shows that in hotels in China similar means of compromising standards are employed. The similarity with Fiji can be extended to include dominant managers who employ a range of sanctions against an unprotected labour force without rights.

It has been shown that by means of gifts or personal services junior staff may compromise the standards that are imposed. Workers may gain advantages such as preferences around workloads, although they continue to behave obsequiously. Gifts and services may be minor, but in China, acceptance demands reciprocation, referred to as *guanxi*. *Guanxi* is a form of resistance by accommodation. Foucault (1980b) describes resistance by accommodation when he asks: “What is it for real people to reject or refuse, or on the other hand in some manner to consent to, acquiesce in, or accept the subjection of themselves” (p. 256). Foucault (1980b) explains a phenomenon of resistance such that “The existence of those who seem not to rebel is a warren of minute, individual, autonomous tactics and strategies which counter and inflect the visible facts of overall domination” (p. 257).

In Chinese hotels, managers exercise a range of punishments and rewards over members of a mainly migrant workforce. Managers who reward staff may incur 'costs' because they lower work expectations or because they award bonuses (Chen et al., 2004). By operating with an abundance of migrant labour Chinese managers can control their costs. It is a reward system, where sanctions are the cheapest way to control staff. Sanctions can take many forms from a public hectoring, to fines, or the imposition of longer hours or even lapses into violence. Dismissal is the ultimate sanction. The threat of dismissal is constant. For workers, accommodation with managers becomes the best form of job insurance.

This chapter revisits each research question in turn and discusses the findings of this research, while comparing them with the extant literature. An outline of the contributions of the thesis will be given towards the end of the chapter, as well as suggestions for future study.

9.2 Answering the Research Questions

Confucian values have a long tradition in Chinese culture; they are built around an authoritarian, male hierarchy. To some extent, old values have been tempered by new labour laws, but such laws do not apply to a surplus of migrant labourers looking for work.

9.2.1 Research question 1

How do staff use accommodation to resist management control of their workplace behaviour?

Accommodation is explained in chapter 1. In Chinese hotels, managers train staff, mostly by sanctions, to be efficient, docile bodies. Nevertheless, as chapters 6 and 7 illustrate, accommodation with supervisors and managers take place at all levels of staffing. The thesis has traced the historical origins of authority in China to show how Confucian rules of conduct have been internalised over centuries and has examined how these rules of conduct now link with the modern managerial practices being introduced into the Chinese hotel industry. The concept of 'harmony', which is still apposite in modern China requires obeisance to superiors, even when they are wrong, and continuous self-subordination. Managers do not expect staff to argue or protest at the sanctions imposed, even when the sanctions take the form of extra work, fines, or public shaming. The object of such chastisement is to shape behaviour and to make staff willing parties to their subjugation. It is, therefore, expected that staff will be docile and accept whatever sanction is imposed.

The answer to question 1 suggests that all forms of accommodation are, directly or indirectly, forms of resistance. The argument is that accommodation weakens the internal management controls put in place by management and thus accommodation is, from a Foucauldian perspective, an act of resistance. The friendship that the pool manager developed with the hotel manager allowed the pool manager to take risks by absenting himself from his duties, because the scale of risk was mitigated by his knowledge of the hotel manager's goodwill towards him (see page 137). Resistance to the control of her behaviour was also exhibited by the receptionist in the fur coat (see page 135). Such an obvious difference between her and the other receptionists proclaimed her resistance.

Sometimes, however, resistance can be miscalculated. The case of the head chef (see page 146) offers an exemplar. The head chef believed he was indispensable and calculated that he could improve the terms of his contract by threatening to leave and take the under-chefs with him. In this case, the overt resistance failed; management control was re-established by employing a fresh team of chefs. Overt resistance has been shown to fail elsewhere; Sharma and Irvine (2016) show that after-hours protests by labourers in Fiji were ineffectual – “after taking all the risks, accusers often saw their complaints against overseers dismissed or the overseers fined lightly ...” (p. 144). More effectual resistance is covert, as Foucault (1980b) points out; coming as it does from those who seem not to rebel and who adopt tactics and strategies which counter and bend the reality of their domination, it often ‘works’.

Gift-givers are to some extent simply trying to protect their jobs, but this practice involves an element of covert resistance, because they seek to influence their supervisors. Obtaining preferences from supervisors, whether in the form of being allowed longer breaks, easier workloads, or sick leave, undermines the internal management control system. Supervisors and/or managers are in effect being bribed. Of course, as chapter 7 reveals, most of these gifts are small and come from staff with few resources so normally these gifts do not amount to much. However, in so much as the gift-givers are buying protection, there is an expectation that superiors will go easy on them and thus this aspect of gifting weakens the internal management control systems. Otherwise, if such expectations were unfounded then covert resistance would cease and, as overt resistance is not possible, a situation would arise where power is exercised without resistance – an exercise Foucault (1980b) declares to be impossible.

9.2.2 Research question 2

What ‘tools’ of accommodation do staff use to confront managerial authority?

Chapters 5-8 provide many examples of the various forms that accommodation may take, both negative and positive. Some staff will seek friendship with senior managers. The case of the swimming pool manager illustrates such an arrangement. Leaving the pool area unattended breached the symbolic and productive functions of his duty to the guests and represented an internal management control weakness with potential effects on the bottom line. However, it was the senior manager who had created this sense of freedom in the staff member through his friendship with him. As Foucault (1980b) asks, “What makes power hold good, [what] makes it accepted” (p. 119).

The receptionist who wore a fur coat while on duty breached the symbolic function of the job. The control that requires receptionists to be uniformed, and as alike in style and appearance as possible serves a purpose directed at the bottom line; just as an airline sees it necessary to require cabin staff to be in uniform. Uniforms are a form of enclosure and they have a disciplinary as well as a symbolic function. Foucault (1972) maintains that as we are expected to self-regulate, uniforms have an effect on the body. In the 18th century, prisons and hospitals began to impose uniforms on their inmates to better control them. Society can be regulated in the form of dress, especially through uniforms. However, as shown earlier, a receptionist wearing a fur coat compromises discipline within the hotel and weakens the manager’s control, a weakening that, as Foucault (1980b) observes, serves to “counter and inflect the visible facts of overall domination” (p. 257).

The practice of accommodation through gift-giving is essentially negative as it creates preferences. In plying their supervisors with gifts housemaids are partly attempting to gain favours. In a competitive environment, in as much as the gifts succeed in gaining advantage, the giving of favours undermines internal management controls and, therefore, the bottom line. As shown through the observations of the participants in chapter 7, the gift-givers are strongly motivated by a desire to avoid sanctions, such as fines or extra duties.

The two cases cited above illustrate negative accommodation, whereas the case of the night bar hostesses may be viewed as positive accommodation. The manageress of the night bar made it a success by pushing for more glamorous evening wear for her staff than was originally envisaged. In this case, her accommodation to the wishes of management served to augment the bottom line. Nevertheless, provocative dressing breaches hotel policy and so can be seen as inviting other breaches of policies and their relevant controls. However, such practices should be considered in the light of Chinese tradition; while in conflict with Anglophone internal management control concepts, they seem to work in China given its extraordinary growth rates.

9.2.3 Research question 3

To what extent is internal management control associated with the Confucian legacy of respect, obedience, and accommodation in the workplace?

Overt respect and obedience are evident in the morning parades of staff in the hotels, where staff stand in line to be addressed by managers concerning their expected performance. All such overt signs of subordination are reflections of a Confucian

legacy, which, as the literature has shown, sets out to order society along hierarchical lines. What is to be learned from this investigation into Chinese hotel organisations is that staff often undermine the overt order by seeking separate and individual accommodation with managers and supervisors, whether it is a receptionist who seeks friendship with her manager, or the housemaid who supplies gifts to her supervisor. Sometimes it seems that the overt is combined with the covert as in the example of the night bar waitresses who obediently conspired in the exploitation of their bodies. It seems that the attractive applicants for this role went beyond initial dress expectations because they perceived it as in their interest to do so. Revenue was increased, but the 'happy hour' meant that full accountability for drinks was difficult to establish. Moreover, the waitresses had opportunities to make money from tips by flirting with guests, which can be seen as taking an opportunity to privatise their activities. Nonetheless, the improved results meant the waitresses enjoyed the implicit approval of management and their scanty outfits were a form of accommodation. The quality of life for staff in hotels can only be improved when labour laws are extended to migrant workers and managers are held accountable to city labour laws.

What the findings imply with respect to the third question is that staff accommodation signals overt respect for superiors, but, covertly, the gift-giving and self-subjugation serve to weaken accountability. That is, accommodation, however limited, confers some benefits to staff and serves in some form to lower their accountability. Foucault (1980b) appreciates this aspect of power when he observed that the subjugated conspire in their own subjugation.

9.3 Contributions of the Research

The study contributes to the research relevant to Chinese organisations by showing the social consequences of accounting control systems on migrant hotel workers. There are some significant benefits from this study. Understanding disciplinary structures in China is of importance both to the extant literature with respect to organisations, and because Chinese organisations and practices are of increasing global importance. Moreover, hotel policies can benefit by explaining the mechanisms by which managers exercise power to improve performance. On the other hand, if the accounting system provides a structure and mechanism for visibility and discipline, managerial override may explain how the metrics employed as performance indicators may be circumvented.

9.3.1 Contribution to theory

This study makes a contribution by applying Foucauldian theory in a Chinese hotels organisational context. The junior staff in hotels may, as Hull and Umansky (1997) find, lack power and try to exhibit a demeanour of meekness, while pleasing those with power through gift-giving or acceptance of punishment without protest. What the findings of this thesis bring out is not overt resistance, but rather resistance by means of accommodation. That is, many junior migrant staff resist the harsh terms of their employment by accommodating themselves to supervisors and managers. Although Foucault (1980b) claims that power may not always be negative, power, nonetheless, does produce regimes of truth, or as Foucault (1980b) observes, “We are subjected to the production of truth through power” (p. 93). What is important is Foucault’s (1980b) observation that a prevailing feature of authority is that it

makes the subjugated seek to be preferred and that it encourages them to collude in their own subjugation. So rather than resistance, employees may seek accommodation with their managers. Power is everywhere and at every level; it is intrinsic to organisations. In Chinese organisations, it seems that the greater the power exercised the greater the collusion by accommodation. Such collusion becomes an internal management control weakness when, as is often the case, it disregards hotel policy and expected behaviours.

9.3.2 Subjugation

Second, the thesis explains how internal management controls may be compromised because of an authoritarian organisational structure which relies on punitive sanctions. Accounting concepts provide a framework by which performance may be evaluated and control managed in the Chinese hotel industry. Internal management controls may be seen to make use of disciplinary techniques, such as surveillance, enclosure, discourse, and examination. The thesis shows in chapter 4 how prominent accounting researchers have used Foucault's concepts to illustrate accounting's evaluating and disciplinary aspects.

Foucault (1980b) is concerned with the "multiple forms of subjugation that have a place and function within the social organism" (p.96). He recommends we should try to "see in what ways punishment and the power of punishment are effectively embodied in a certain number of local, regional, material institutions" (pp.96-97). Foucault (1980b) argues we should place discipline and punishment in an institutional climate which is physical, regulated, and violent: "In other words, one should try to locate power at the extreme points of its exercise where it is always

less legal in character” (p. 97). Sharma and Irvine (2016) also make use of a Foucauldian analysis to show that power at its extreme becomes less than legal in character with regard to their exposure of labouring conditions in Fiji and which have some parallels with hotel labour in China.

The thesis tries to acquaint the reader with an environment of subjugation and control where accommodation with superiors becomes a necessity. Although the empirical chapters do not deal directly with instances of the physical aspects of punishment, they are known to the researcher and it is not unusual for managers to require staff to kneel before them when being sanctioned or for managers to show anger and disapproval by face slapping. Such forms of subjugation are common within Chinese organisations and conform to what Foucault calls the problem of domination and subjugation. Foucault (1980b) is concerned: “With power at its extremities, with those points where it becomes capillary, that is, in its more regional and local forms and institutions” (p. 96). Foucault (1980b) argues that “the paramount concern, in fact, should be with the point where power surmounts the rules of right which organise and delimit it and extends itself beyond them, invests itself in institutions, becomes embodied in techniques, and equips itself with instruments and eventually even violent means of material intervention” (p. 96). The thesis shows that the motivations for gift-giving and supplying favours to managers may be manifold: to gain a lighter workload, promotion, or to avoid punishment or dismissal. The shame of being punishment by managers is keenly felt among Chinese workers; consequently, this shame creates a powerful incentive to find a means of accommodation with managers.

The empirical chapters of this thesis follow Foucault's (1980b) suggestion to trace the exercise of power into the capillary sources of micromanagement within organisations, even to the end point where the exercise of power becomes violent. The thesis shows how managers use public humiliation to discipline staff by shouting or making staff kneel or even by slapping and by such means extracting confessions of shortcomings. Of course, other less public forms of power are exercised such as arbitrary fining of staff by managers and such forfeiture of earnings can be more hurtful than tangible punishments. Such exercises of power may be thought to have the aim of enhancing performance, correcting behaviour, and safeguarding the internal management controls within the organisation. Certainly, managers who exercise power in this way would justify their actions with this argument: that they are protecting the bottom line.

9.3.3 Resistance

However, Foucault's theoretical contribution is to point out that power always engenders resistance. Foucault (1979) argues that "Where there is power, there is resistance, and yet, or rather consequently, this resistance is never in a position of exteriority in relation to power." (p. 95). It is the micro forms of resistance that Foucault challenges researchers to identify in his genealogical approach – the disregarded stories that are brushed aside by the quantitative objectivity of the scientific method. The point of such stories is emancipatory – to bring to light the various forms that resistance may take, whether overt or covert. The migrant Chinese workers who perform the bulk of the menial work in hotels cannot practise overt forms of resistance when their jobs are at risk and their alternative employment opportunities are limited. Managers exercise power/knowledge not

just knowledge of budgets, performance standards, and the bottom line. Migrants are vulnerable and have no labour rights. Workers cannot organise a collective resistance because such an organisation would be illegal in China. Individual resistance is futile because it would result in instant dismissal. Although, this thesis is not about gender, it must be said that a majority of menial hotel work is performed by females. They are vulnerable both from demanding managers and from husbands and fathers who have sent them to the city to find work. Giulia (2016) comments in an article entitled, “Domestic abuse is thriving in China’s culture of silence” that domestic violence is a hidden epidemic and it estimates that one in four Chinese women are beaten. Because such workers dread the shame of returning home having lost their job, they accept sanctions and demands from managers without resistance.

Workers seek to please their supervisors and managers through gifts and favours, but in doing so corrupt the control and performance standards that the managers should protect. A housemaid may spend time each morning preparing a lunch for her supervisor; a waitress may buy beer for her manager; or a receptionist will buy a new dress to wear should her manager want her to go drinking with him. They hope by such means of accommodation to gain advantages and would not engage in the practice if there were no gains to be had.

Chapter 5 highlighted stories illustrating how by pleasing managers staff either gained preferential treatment or protected their jobs. In chapters 6, 7, and 8 the interviews revealed the extent of gift-giving. It may be supposed that the humble housemaid who brings a lunch for her supervisor every day is acting out of love or friendship, but the reality is that the housemaid hopes thereby to be under less pressure and to ease her workload. The receptionists who at the end of their day-

shift, dress and put on make-up to go out dancing with their managers, likewise, are expecting by flirting with their bosses to gain favours. The system is simply corrupt.

To put it another way, suppose a country selected its Olympic team on the basis of those athletes who could give the best gifts or the most desirable favours; such a selection method would corrupt and undermine the purpose that the national team is supposed to address. Against teams selected on best performance such a team would not do well. Similarly, in business as in sport, a team that retains position by corrupting the process of selection and avoiding controls is not the best performing team.

9.3.4 Understanding culture

The managers who extract obedience by fines and public forms of staff humiliation may suppose that they are acting in the best interests of the bottom line by exacting overt obedience. Accommodation shapes management override of standards and controls – the empirical chapters show how various forms of managerial override take place. The thesis is about identifying internal management control weaknesses from a qualitative and behavioural perspective. The qualitative investigation shows how Foucault's theories of power and discipline, if adopted, can explain how weaknesses arise. Thus, the thesis makes an original contribution to explain a source of control weaknesses, which, once recognised, can be addressed. However, there is no incentive to change practices such as *guanxi* with which Chinese are familiar. The government could enforce changes but only at increased financial cost and by allowing migrants to have city identities which, in turn, would impose heavy costs on local city governments.

The application of Foucault's theories to Chinese case studies in the hospitality industry is original. The dynamics of authority revealed in this study reveal a contrast between the Chinese environment and that of other countries. Worker opposition in China is disguised and tends to take the form of accommodation. The findings are that culture, when combined with a lack of labour rights, can influence internal management control in such a way that accommodation to superiors becomes necessary.

The thesis argues that one aspect of internal management control weaknesses may also arise from the Confucian legacy of obedience to authority. The parades exemplify the cultivation of obedience, and the inculcation of shame (Wang & Hooper, 2017). By cultivating obedience, managerial discretion is less hindered by concerns about staff criticism or protest at managers' actions. The implication is not that there will be internal management control weakness, but rather that, as in the Toshiba case (p. 2), whatever management wants, management gets. Likewise, pleasing superiors by gift-giving undermines authority and cultivates favouritism. That *guanxi* is ubiquitous, and yet hidden, demonstrates its illicit function. Various forms of accommodation with managers have been identified, as have attempts to please managers so as to gain favour (Wang & Hooper, 2017). Other receptionists tolerate management advances without protest as a form of accommodation. In such cases, it is perhaps only the favoured workers' symbolic functions that are impaired but, that said, symbolism is important in hospitality in order to attract custom; any compromises, therefore, breach internal management controls (Wang & Hooper, 2017).

The thesis claims that Chinese organisations have inherited a legacy of authority that can be traced back to Confucian ideals (Wang & Hooper, 2017). The argument may be disputed by some historians. Valutanu (2012) claims that Chinese women no longer suffer from subordination and inequality with men. Even if gender equality has been achieved generally, it does not apply to female migrants working in the main urban centres to support their families in the countryside (Wang & Hooper, 2017). In China, social change is more evolutionary than revolutionary, notwithstanding the Communist revolution.

The legacy of a cultural history and the buried memories that are carried over from it should be of interest to accounting historians seeking to explain how an ostensibly objective mechanism such as accounting may be employed subjectively. Subjective perceptions are paramount in China. Han and Altman (2009) point out that in China personal and business relations amount to the same thing. A culture featuring *guanxi* can encourage organisational injustice and may be seen as negative (Chen et al., 2004). Such injustice applies to junior staff who do not give gifts or offer other services and those who protest at these obligations can expect to be dismissed.

The driving motivator behind this thesis is a desire to forge links between Foucauldian concepts, the Confucian legacy (see chapter 1), and aspects of internal management control weaknesses in East Asia. Power/knowledge is a central Foucauldian concept and knowledge comes from privileged access to information mechanisms such as accounting, a mechanism which serves to make costs and revenues visible, and in doing so enables discipline. Access to information allows power to be exercised and permits managerial discretion.

Confucian rules of conduct stress harmony and obedience to superiors. The Confucian ideal of self-cultivation and knowledge is possible for all and, in theory, leadership and governance are open to all aspirants. However, self-cultivation in the Confucian dialogue applies only to the superior classes and not to women or labouring workers (Brindley, 2009). The reason is that self-cultivation is not harmonious with manual labour where workers (and women) must labour all day. Without knowledge, self-cultivation and leadership are not possible. Migrant female workers in Chinese cities work long hours for low pay. In theory, they could at the end of a long day acquire qualifications through tertiary institutions, but that is costly as well as time-consuming and most have dependents to support. Moreover, migrants with only temporary contracts (as is the case for most) need to obtain preferences and continuity of work, which means they must give gifts to supervisors, etc., or risk being different. Accommodation to and *guanxi* with superiors may, arguably, undermine discipline, performance standards, and give rise to compromises in control, while revealing weaknesses among managers.

9.3.5 Contribution to the management control literature

This thesis contributes to the literature on management control weaknesses by introducing an historical perspective that adopts a micro approach to researching ‘unqualified knowledges’ within a cultural context. The unique contribution of this study is to depart from a quantitative analysis of selected variables and adopt a qualitative, micro approach to identifying the holistic foundations of weaknesses. It is argued that accommodation and gift-giving weaken the effectiveness of internal management controls. This kind of internal management control weakness cannot be identified by employing macro probability analysis, to show how internal

management controls are compromised, thus reducing managers' effectiveness and their financial performance.

The thesis' contribution to our understanding of the hospitality business in that it affords insights into reactions to management control in hotels in China. Cultural and historical practices impact on how internal management controls are perceived and how accommodation occurs between managers and staff. The thesis has shown that fierce sanction and the requirements of subordinate body language differ from relations with staff elsewhere. It seems that cultural and historical practices impact on how internal management controls are perceived and how accommodation often develops between managers and staff.

Internal management control weaknesses exist in the Chinese hotel industry due to poor supervision, or staff accommodation to managers. Inadequate supervision or inappropriate supervision of staff may compromise performance standards and impair accounting quality (Rice & Weber, 2011); this is true of management globally. IMCW allow some staff to perform their work according to their own choosing and, as a result, expected outputs may not be achieved. Internal management controls can be manipulated within a culture of obedience, which makes the Chinese managerial environment especially vulnerable to such manipulation. According to Hu (2013), Chinese culture enforces authority; it is distinguished by the ability to induce accommodation and shame (Wang & Hooper, 2017). These are now embedded into the Chinese psyche. Hu (2013) maintains that, for Chinese people public shame is far worse than self-subordination (Wang & Hooper, 2017).

Gift-giving is a disguised phenomenon within Chinese organisations and is not something easily spoken of. Respect for superiors and fear of being shamed remain powerful influences in China and such respect and fear impact on the internal management control systems. Hopper and Macintosh (1998) point out how staff are assessed and driven, in part by the technology of accounting; it provides enclosure, measures performance, and individualises staff.

For some staff, being subject to an authoritarian regime fulfils an emancipatory purpose. This kind of reaction to the exercise of authority which “induces pleasure, forms knowledge, produces discourse” may be welcomed by staff who seek strong leadership (Foucault, 1980b, p. 89). This phenomenon is illustrated by the examples of the night bar staff who welcomed the opportunity and licence to dress more glamorously (see page 144) and who through the experience of accommodation to management wishes felt more secure in their jobs.

9.3.6 Implications for organisations in the Chinese hotel industry

The research has shown that there is a mismatch between Western management control concepts and Chinese practice based on traditional methods of organisational control. The authoritarian hierarchy is a feature of Confucian tradition and it is argued that it is deeply embedded in the Chinese psyche. The result is that worker resistance to authority is less overt and more covert than in Western organisations. Disciplinary practices reflect more of a relationship culture than a contractual culture and, as such, can be evaded by covert means.

The practice of guanxi has also strong roots in tradition and as a relationship practice has evolved from family relationship ties to become part of business organisation and practice. Gifts once accepted cannot be ignored. The implication of these differences and mismatches is important for Western organisations and managers doing business within China. In the end, the implication is, as Berry et al (2009) point out, that it is appropriate to recognise the link between culture and control. Also to recognise as Scott (1995) argues that culture dominates control: norms, cognitions and modes of order shape control structures and procedures.

9.4 Limitations of the Research

The first limitation concerns work socialisation. As pointed out by Anderson-Gough, Grey, and Robson (1998), features specific to occupations determine how workers can be shaped by their workplaces. The social construction of hotel workers and how their values are internalised is of interest. This thesis focuses predominantly on the staff accommodation and the authority/discretion of Chinese managers and supervisors in hotels. The socialisation of Chinese staff in hotels is another topic that could be investigated, particularly in the large hotel chains which operate in China's biggest cities, but which is not specifically addressed in this research on management control.

The ethical practices of Chinese managers as employers are not evaluated. Anderson-Gough, Grey and Robson (1998) considers the ethics of managers. This thesis seeks to consider the behaviour of a largely migrant workforce and the managers whom they wish to please. It does not seek to evaluate the ethics of the managers and of the employees who seek preferences. Managerial practices in

employing migrants (some 282 million migrants are estimated to now work without labour rights in the larger cities) have become a major problem for the Chinese government (The Economist, 2016).

Another limitation occurs because there may be some slight differences between large and small urban areas in China in terms of their hotels' internal management control methods. This study concerns ethnography and interviews in hotels in large cities. The systems and internal management controls in small provincial hotels may be different. The research findings may not be relevant to small hotels, or low-ranked hotels, or hotels in other countries. How staff behave within a structure of accountability may be confined to China and may not apply in other countries with different economies. In particular, the large-scale employment of migrant staff is a feature of these hotels, which is not present within most hotel employment environments elsewhere.

Further constraints on this study are shared by many studies involving qualitative research because to arrive at statistically valid generalisations from the interviewees' data is not possible. The goal of this study is to seek qualitative depth and understanding rather than definitive conclusions, as might emerge from quantitative data analyses. The responses of interviewees are their representations and they reflect their perceptions of reality which cannot be verified objectively. The researcher may have unintentionally misinterpreted answers and distorted the meanings intended. Such risks are common to all qualitative findings but here they were recognised and have been addressed as best as possible.

A limitation may arise out of respondents' sensitivities to revealing their feelings. Chinese interviewees may be concerned to preserve face in front of strangers. Such a concern may be mitigated by the youth of the interviewer, who attempted to appear junior and unthreatening.

Finally, qualitative research reports the subjectivities and experiences of the researcher. Subject observations cannot be replicated; for positivist researchers this may render the findings unreliable and unverifiable. However, the same can be said of book reviewers, which provide useful advice as to what is worth reading. While this researcher's perceptions of managerial discretion and staff accommodation in Chinese hospitality industry may not fully explain how internal management control weaknesses can occur, they do offer possible explanations for perceived internal management control weaknesses.

9.5 Suggestions for Future Research

Future research could adopt a gender perspective in investigating the problems in the Chinese hotel industry. The unequal treatment of migrant female staff could be investigated. The feelings and experiences of junior female staff when targeted by aggressive male managers may be of interest to many. Respect and obedience by junior staff gives licence to managers to behave without fear of staff complaints. The gender differences could be researched further and more deeply. Hwang and Staley (2008) examine the link between Confucian culture and whistle-blowing, especially with regard to the culture of *guanxi*. Their study suggests that *guanxi* is of more importance than codes of ethics, institutional affiliations, and legal standards. It infers that overseas firms, and auditors, will be disadvantaged if they

do not appreciate what their Chinese counterparts view as ethical. There is scope to explore the prevalence of guanxi in connection with hierarchical and gender relationships and its effect on performance reporting.

From the perspective of this study, it would be interesting to review how budgets are constructed and outputs are measured in the Chinese hotel industry. How, through the technology of accounting, is performance measured and individualised? Related concerns about internal management control weaknesses, and the systems in place with regard to: poor visibility, lax enclosure, and tolerance of inefficient bodies, could be of interest.

An investigation into managerial discretion could be of interest, for instance: How much do areas of managerial discretion impact on the bottom-line? What other pressures do managers consider when exercising their discretion? It seemed to the researcher that the large hotel chains, and participating government officials, evaluated their managers on financial considerations alone. If a hotel has achieved its expected revenues and profits, then managerial performance is generally not subject to further scrutiny.

9.6 Discussion and Conclusion

China is an influential power with a growing economy and Chinese practices in accounting and management may be applied elsewhere, particularly where Chinese investments are held. The thesis has considered the question internal management control from a micro Foucauldian viewpoint. It is argued that both approaches are valid; however, the quantitative approach is much more commonly used as it may

be considered by some to be more 'scientific' and, in this respect, the reader is referred to the limitations of this thesis presented in chapter 1.

Hotels are labour-intensive and, to be effective, management accounting controls must govern the behaviour of staff operating beyond visual supervision. Accounting systems provide information for management by means of budgets and cost centres, etc., as well as by providing a means for staff discipline by way of surveillance, enclosure, and performance metrics. Behavioural control weaknesses occur when staff subvert the controls in order to avoid or manipulate these disciplinary mechanisms. The thesis has shown such subversion occurs when accommodation to management compromises these standards. Chapter 7 reveals three prime motives for staff to seek accommodation: work avoidance, job security, and promotion. Avoidance in the form of the productive and symbolic functions of staff perhaps most undermines management controls. In the case of a symbolic function, the undermining of standards typically takes the form of seeking lighter duties, although performance metrics have generally been created to ensure required standards are met. Job security is perhaps less undermining of internal management controls, as staff, aware of their weak employment position, seek to avoid dismissal for trivial or personal reasons. Nonetheless, where a slow worker is concerned, the weakening of budgeted controls can be seen (from a strictly 'bottom line' perspective) as a means of keeping out hard workers and thereby weakening the financial position of the hotel. Where promotion is the motivation for accommodation or gift-giving, and the strategy is successful, it can be argued that the bottom line is being prejudiced as staff advancement should be based on merit and suitability.

China's hospitality industry is unusual because of the employment of a largely migrant labour force (The Economist, 30 September, 2015 cites the number of migrant workers in Guangzhou, China's third largest city as 9 million). The thesis has shown how managerial expectations echo the legacy of Confucian rules of conduct between superiors and inferiors. Managers prescribe to staff rules of department that include bowing. While most deny the experience of gift-giving, some are more can did: "I don't remember who gives me gifts, but I do remember who does not" (Wang & Hooper, 2017, p.27). As China's global influence spreads and grows, the practices outlined in this thesis may well be diluted by contact with other cultures. The legacy of Confucian rules of conduct may not transfer easily. However, China is proud of its heritage and of Confucian ideals and these are celebrated as making China distinctive. Thus, what may be viewed through Anglophone internal management control standards as the overriding object of providing satisfactory annual financial reports, may be viewed from a Chinese perspective as having lesser importance than the longer-term objective of preserving disciplinary relationships within an organisation.

The thesis shows how the legacy of Confucian rules of conduct still apply in East Asia. These 'virtues' were originally intended to cement a familial and social structure through rules of conduct. However, such concepts gravitated to business procedures and, as economies industrialised, the concepts became engrained into the social psyche. The morning parades held in most business organisations can be puzzling to foreign visitors who witness scenes where staff are harangued, inspected, criticised, and urged to do better. Many of the female workers support their families in the countryside from their earnings. These pressures create a situation where accommodation becomes a necessity for migrant labour.

Accommodation results in staff conspiring in their own subjugation (Foucault, 1980b). The empirical illustrations provided exemplify such self-subjugation. The researcher found herself reflecting on instances where she personally had kept quiet to avoid further criticism and shaming. In this respect, the researcher was accommodating the unspoken instructions of management; she became complicit in activities that compromised controls. The waitresses in the night bar accommodated the unspoken instructions of management and conspired in their own subjugation by becoming docile bodies. The mutilated feet of females in recent Chinese history paraded female subjugation and became a badge of gender inferiority. Accommodation by female staff in hotel corporations relies on self-subjugation as an expression of obedience. While obedience may be seen positively as supporting harmony and, therefore, an internal management control strength, the negative side of such obedience is that it encourages competition among workers and corrupts supervisors and managers because most accommodation is unauthorised and covert. A culture of obedience fosters secrecy, corruption, and exploitation without responsibility and as such ultimately jeopardises budgets, and financial planning. The essential feature of staff accommodation is that obedience serves implicit rather than explicit instruction. At a higher level of staff involvement, accommodation is cemented by self-criticism and sometimes by shaming. At the lower level of the staffing hierarchy accommodation to supervisors is simpler and involves giving small gifts and showing a willing desire to please.

The thesis began by quoting the accounting literature with respect to research into internal management control weaknesses at the macro level. This thesis makes a contribution at the micro level. The problem with research at the micro level is that it involves revealing internal management control compromises that no one wants

to talk about, but which most know are happening. Such micro research involves what Foucault (1980b) terms ‘knowledge’, but it ranks so low in the hierarchies of science that it may be considered as disqualified. Functional accounts of internal management controls are not concerned with social consequences and stories of resistance. Some critics might suggest that Foucault’s research is based on his knowledge of conditions in France and is, for that reason, of limited use in understanding Chinese society. However, Foucault depicts human behaviour that matches well with behaviours in China. Indeed, his approach has universal application as other researchers have found – for example, Sharma and Irvine (2016). By contrast, quantitative analysis of data to reveal and assess probabilities of internal management control weaknesses is seen as objective and scientifically respectable; such knowledge can be shared among all parties. Qualitative knowledge at a micro level, especially in East Asia, breaks the bonds of silence in support of harmony. Knowledge that breaches silences is not welcome, as some have found to their cost (The Economist, 2016).

The thesis has employed the micro approach advocated by Foucault (1980b) to consider the ‘knowledge’ disqualified by the scientific method. By ethnographic and qualitative means, internal management control weaknesses were investigated as a human weakness in terms of compromise and override. Many illustrations have been provided as sources of potential weakness. It should be recognised that accounting structures in most modern organisations are governed by accounting systems, budgets, performance targets, performance measures, and performance reported to achieve the financial goals set by management.; These are underpinned by controls that relate to staff performance.

The accounting structure can be likened to a plane flown by a computer program. The pilot may choose to override the program and when that happens there is potential for risk. Likewise, with managers in organisations, they may choose to ignore potential weaknesses and override the controls, and thereby make compromises.

Accounting systems establish budgets and performance metrics, all of which may be objectively measured and subject to analysis. However, accounting is a human construction and subject to the effects of human behaviour. The best mechanistic systems may be compromised. Accounting and accountability may be deemed most efficient when numbers are elevated to become superior to relationships. Nevertheless, in cultures or situations where relationships are paramount, accountability is at risk.

Finally, it is interesting to ask what can be learned from and why should readers be interested in this study. The thesis provides an insight into the behaviour of managers when they have a vulnerable workforce to control. Sharma and Irvine (2016) provide a similar study on a 19th century industry in Fiji. It might be thought that the exploitation of labour ended before the coming of 20th century. This thesis, however, shows that wherever managers acting as agents for profit-seeking corporations have at their disposal a workforce that is virtually captured and without labour rights, then exploitation survives. The unscientific genealogies reveal the social consequences of unfettered capitalism.

With regard to the functionings of accounting as a neutral mechanism which enables managers to view their budgets and performance standards with an

objective and neutral eye, Neu (2001) observes, this provides a viewpoint that limits questions of morality. Accounting lends itself, as Sharma and Irvine (2016) argue, “To domination and oppression, diminishing the voice of labour to maintain the hierarchical, capitalist culture” (p. 149). Of course, some readers may ask, ‘So what?’, taking the view that what happens in the developing world is of no consequence to the developed world. Leaving apart the humanitarian and ethical considerations, such an argument does not appreciate the social effects of practices that impoverish the poor in developing countries. Another question that could be asked from a reading of this thesis is why does the Chinese government not act to control the flow of migrant workers or, better still, grant such workers full labour and civil rights? The reality is that China is concerned at the massive exodus from the countryside into the already over-crowded cities and to grant city rights to migrants would add impetus to the exodus. Besides the granting of city rights would not only mean increasing wages to city rates, thereby raising costs, but would have effects on the provision of already crowded school and hospitals. The funding of city pensions for retiring workers would be difficult as city rates are several multiples higher than those that prevail in the rural provinces. For the Chinese government there is no easy answer.

9.7 Final Thoughts

In answer to the question: “What has the researcher learn from this theorisation?” Managers in Chinese hotels have a Confucian sense of authority and a corresponding expectation of obedience. They exercise considerable power over vulnerable workers and can impose exacting standards. Foucault (1980b) suggests

researchers follow the exercise of power to the point where it becomes violent. As a trainee manager, the researcher witnessed and experienced junior staff being shouted at, made to kneel, and being slapped. Staff either had to accept these forms of subjugation or resign.

Foucault also makes the point that when power is exercised there is always resistance. Staff do not like being humiliated, generally they respond not by overt resistance but by accommodation. This was the researcher's experience; she either had to allow herself to be humiliated and forced to resign or to become so obliging to her manager that the shortcomings (being late on duty) that formerly led to her being disciplined were no longer offensive. By accommodation, the researcher achieved a licence to be as late as she liked. The internal management controls that established when and where she would be on duty were, therefore, overridden through accommodation.

More generally, as this thesis shows, many staff take the opportunity to indulge managers and supervisors to a lesser or greater extent. It is a system corrupted by an exercise of power that is partly the product of an authoritarian legacy and partly a response to a free market in labour. Until such time as the government extends labour protections to workers and enforces restrictions on managers such practices and behaviours will continue unchecked. While a Foucauldian perspective has been employed to explain how power works to engender resistance, such thinking falls short of providing an emancipatory remedy. To change and curb behaviour within organisations necessitates a greater role for governments in labour relations. This thesis recommends that governments must accept that role.

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Appendix 1: Participant Information Sheet



Participant Information Sheet

Ethics Committee, Faculty of Computing and Mathematical Sciences

Date Information Sheet Produced:

30 October 2014

Project Title

How a structure of internal controls may be compromised by behavioural responses to managerial requirements within hotels in China

An Invitation

Dear XXX

I am Jenny Wang, a Doctorate student at The University of Waikato. I wish to invite you to take part in my research on how a structure of internal controls may be compromised by behavioural responses to managerial requirements within hotels in China.

This research is being undertaken as my Doctorate study and will be supervised by Professor Howard Davey and Professor Keith Hooper. Should you agree to

participate, it would be on a voluntary basis and you may withdraw your participation at any time up to the completion of the first draft of the thesis.

Purpose

The purpose is to investigate the role of accounting as underpinning the structure of organisations and by so doing transform behaviour (Mennicken & Miller, 2012; Roberts (2014); Miller & O’Leary, 1987; Hopper & Mackintosh 1993; Knights & Collinson, 1987). But, as these writers maintain accounting functions also to provide agency to managers with the possible effect of inducing varieties of passive resistance or in many cases accommodation.

What is this research project about?

Organisations, such as hospitals, hotels, universities, corporations, etc., are structured by a web of budgets aimed at producing a ‘bottom line’. The management of these budgets is by performance indicators (KPIs) that staff must achieve. Managers may determine the necessary KPIs for staff and assess their performance. Activities structured around calculations produce varieties of behaviour and allow managers agency in assessment. The empirical objective of the proposed study is to explore and explain staff behaviour, in terms of resistance and accommodation to KPIs and managerial agency in the hotel industry in China.

What will you have to do and how long will it take?

The proposal is to conduct some 50 interviews among participants within the BTG hotel chain in China. Each interview will take 30- 40 minutes and will be recorded with the consent of participants. A signed consent form will be obtained. Participants will be advised that they may withdraw from the interview and information they have provided at any time.

What will happen to the information collected?

The information collected will be stored in a secure, locked office and only available to the author and supervisor. After the degree is awarded the notes and recordings will be destroyed or erased.

Declaration to participants

If you take part in the study, you have the right to:

- Refuse to answer any particular question, and to withdraw from the study before ... analysis has commenced on the data.
- Ask any further questions about the study that occur to you during your participation.
- Be given access to a summary of findings from the study when it is concluded.

They can refuse to answer any question.

Who's responsible?

If you have any questions or concerns about the project, either now or in the future, please feel free to contact either:

Researcher:

Name: Jenny (Jing) Wang

Email: jennywangnz@gmail.com

Supervisor: (*if applicable*)

Name: Professor Martin Kelly

Email: martin.kelly@waikato.ac.nz

Appendix 2: Consent Form

Title of Project: How a structure of internal controls may be compromised by behavioural responses to managerial requirements within hotels in China

Researcher: Jenny Wang

- I have read and understood the information provided about this research project (Information Sheet date.....)
- I have had an opportunity to ask questions and to have them answered.
- I understand that the interview will be audio-taped and transcribed.
- I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- If I withdraw, I understand that all relevant tapes and transcripts, or parts thereof, will be destroyed.
- I agree to take part in this research.
- I wish to receive a copy of the final report from the research: tick one:
 - Yes No

Participant signature:

Participant name:

Participant contact details (if appropriate):

Date:

Approved by the University of Waikato Ethics committee on

Note: The Participant should retain a copy of this form.

Appendix 3: Interview Guide

Both managers and staff:

1. How are internal control mechanisms exercised by managers over staff in a hotel to determine behaviour and accountability with regard to their productive and symbolic functions?
2. What the forms of resistance are taken by staff to management control by key performance indicators?
3. How do staff accommodate their resistance to management?

Managers:

Productive function:

1. Could you give some examples of performance targets you set for staff, such as receptionists, housemaids, concierges, etc.?
2. What happens if performance targets are not met?
3. Do you have staff pretending to meet performance targets when they are not, examples?

Symbolic Function:

1. How important is uniform, appearance and dress? How are the standards maintained?
2. Can you give examples of unsatisfactory behaviour towards managers or to

guests?

3. Apart from dismissing unsatisfactory staff, what other disciplinary steps can be taken to discipline staff who are unsatisfactory in their performance?
4. Do you employ many staff who do not have a city identity? What percentage?

Staff:

Productive function:

1. How are you supervised? It is random and what do the supervisors look for?
2. What happens if you do not meet the standard required in the target time?

(What happens if your performance is not up to standard?)
3. Do you lose pay or work more hours if your work is not up to the standards required?
4. What are the rewards for good work – more pay or more promotion or something else?
5. How long are your working hours? Do you think there are too many hours or are they ok?
6. Are you required to stay in the same location for the working day?
7. What do you like about the job, and what don't you like about it?

Symbolic function:

1. Are you required to greet guests when they pass you?
2. What don't you like about guests – give some stories?
3. Do you think it is hard to please guests – give some stories?

Disciplinary function:

1. Do you have morning meetings? Do you like the morning meetings? What is said and what is not said?
2. Are some given more duties than others? Who decides which duties you should perform?
3. Are hotel jobs easy to get?
4. Do staff get dismissed or leave of their own accord? What do they get dismissed for?

Closing Questions:

1. Have I omitted any questions that in your opinion are important for understanding the impact of KPIs and how the KPIs affect behaviours?
2. Who do you recommend I interview next?

Appendix 4: Ethical Approval Letter

4th December 2014

Jenny Wang

21/508 Queen Street

Auckland

Dear Jenny

Ethical Application WMS 14/237

How a structure of internal controls may be compromised by behavioural responses to managerial requirements within hotels in China

As per my earlier email the above research project has been granted Ethical Approval for Research by the Waikato Management School Ethics Committee.

Please note: should you make changes to the project outlined in the approved ethics application, you may need to reapply for ethics approval.

Best wishes for your research.

Regards,

Amanda Sircombe

Research Manager

Appendix 5: Co-Authorship Form



Co-Authorship Form

Postgraduate Studies Office
 Student and Academic Services Division
 Wahanga Raionga Matauranga Akonga
 The University of Waikato
 Private Bag 3105
 Hamilton 3240, New Zealand
 Phone +64 7 838 4439
 Website: <http://www.waikato.ac.nz/sasdi/postgraduate/>

This form is to accompany the submission of any PhD that contains research reported in published or unpublished co-authored work. **Please include one copy of this form for each co-authored work.** Completed forms should be included in your appendices for all the copies of your thesis submitted for examination and library deposit (including digital deposit).

Please indicate the chapter/section/pages of this thesis that are extracted from a co-authored work and give the title and publication details or details of submission of the co-authored work.
 Chapter 1, p. 11; Chapter 2, pp. 25, 26, & 32; Chapter 3, pp. 67 & 68; Chapter 4, pp. 81, 86, 87, 91, 95 & 108; Chapter 5, pp. 140 & 141; Chapter 9, p. 238 & p.241. Wang, J & Hooper, K. (2017). Internal control and accommodation in Chinese organizations, *Critical Perspectives on Accounting*, 49 (2017), p. 18-30.

Nature of contribution by PhD candidate	My contribution is 75% as first author responsible for writing, literature review, theorizing and collecting data.
Extent of contribution by PhD candidate (%)	75%

CO - AUTHORS

Name	Nature of Contribution
Keith Hooper	Keith's contribution was to provide suggestions of structure, suggestions as to appropriate literature sources and proof read the manuscript.

Certification by Co- Authors

- The undersigned hereby certify that:
- the above statement correctly reflects the nature and extent of the PhD candidate's contribution to this work, and the nature of the contribution of each of the co-authors; and

Name	Signature	Date
Jenny (Jing) Wang		14/3/2018
Keith Hooper		14/3/2018

July 2015

Appendix 6: Internal Control and Accommodation in Chinese Organisations

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Internal control and accommodation in Chinese organisations



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ABSTRACT

Internal control is conventionally depicted as comprising technical practices designed to prevent or detect accounting errors and/or the loss of assets. However, high profile corporate collapses in recent years have fostered a recognition that internal control encompasses an organisation's broader cultural milieu. The paper argues that internal control may be ineffective – regardless of the technical routines in place – when an apparent acceptance of managerial discourse and managerial intentions is undermined by accommodation. The focus is on the hotel industry in China where junior staff is recruited from the ranks of internal migrants seeking work in the cities. Unprotected by unions or labour laws, such staff creatively cope with their situation by accommodation rather than overt resistance. Internal control systems in Chinese organisations outwardly reflect traditions of obedience, but various forms of accommodation serve to weaken the surface illusion of docility. The paper is illustrated with cases drawn from the researcher's experience as a trainee manager. Theoretical guidance is provided by Foucault's concepts of power/knowledge, discipline and subjugated knowledges: local memories regarded as unqualified or actively disqualified within scientificity.

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1. Introduction

The objective of this paper is to show how internal control weaknesses (ICW) may come about within organisations from accommodation at the micro level of human behaviour. Traditionally, internal control has been depicted as comprising the technical practices and routines that assist in protecting an organisation's assets and the integrity of its accounting records as well as fostering efficient and effective operations and regulatory compliance. For example, Australia's Auditing and Assurance Standards Board (AUASB) provides the following definition of internal control in its *Glossary* (AUASB, 2009, p. 24):

Internal control means the process designed, implemented and maintained by those charged with governance, management and other personnel to provide reasonable assurance about the achievement of an entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The term "controls" refers to any aspects of one or more of the components of internal control.

In this way, internal control is often focussed on technical processes, such as the segregation of incompatible functions, appropriate authorisation of transactions, timely reconciliation of accounts, and such. However, this paper contends that effective internal control is about more than just process. Rather, effective internal control must encompass a broader range of fundamental aspects concerned with how an organisation operates. This has been highlighted by high profile corporate

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