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When Voicelessness Meets Speechlessness – Struggling for Equity in Chinese-Ghanaian Employment Relations

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GIGA Research Programme:
Socio-Economic Challenges in the Context of Globalisation

**When Voicelessness Meets Speechlessness –
Struggling for Equity in Chinese-Ghanaian
Employment Relations**

Karsten Giese and Alena Thiel

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When Voicelessness Meets Speechlessness – Struggling for Equity in Chinese-Ghanaian Employment Relations

Abstract

In this article Chinese-Ghanaian employment relations are analyzed using the concepts of foreignness, the psychological contract, equity, and cross-cultural communication. Based on a qualitative study conducted in Accra, Ghana, we discuss the labor market in general and introduce the conditions under which Chinese sojourners operate their family trade businesses in the city. After discussing the phenomenon of Ghanaian employment within Chinese trade companies from a theoretical perspective, we explain how Chinese employers' and Ghanaian employees' culturally based perceptions of employment relations are contradictory and prone to conflict. We then show how, under the condition of the employers' foreignness, Ghanaian employees perceive their psychological contracts as being violated and Chinese employers regard the equity of exchange relations as distorted. We discuss how Ghanaian employees cope with this situation by means of voice, silence, retreat or destruction, while Chinese employers, who lack both sufficient language skills and effective sanctions, choose to endure perceived distortions of equity and in some cases ultimately terminate employment relations when inadequate cross-cultural communication results in a failure to mediate conflicts.

Keywords: labor relations, equity, psychological contract, trade, China, Ghana

JEL codes: J15, J24, J81, Z1

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When Voicelessness Meets Speechlessness – Struggling for Equity in Chinese-Ghanaian Employment Relations

Karsten Giese and Alena Thiel

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1 Introduction

Press reports on labor conflicts and labor rights violations by Chinese enterprises in Africa are abundant (Clark et al. 2008; Conway-Smith 2009; Appiah 2010; Bearak 2010). What both media reports and the much smaller number of scholarly accounts on such issues have in common is their focus on large enterprises within the industrial manufacturing, building or mineral resource extraction sectors (Yaw Baah and Jauch 2009; Wang and Flam 2007: 201–203; Utomi 2008: 42–43; Moumouni 2010). Labor relations within the small-scale manufacturing

and services sectors have been largely neglected, although these sectors have grown tremendously across the continent in recent years and these mostly family-run enterprises might offer a very different picture from the large-scale and rather impersonal ventures within the economic sectors mentioned above.

Chinese trading companies in particular have mushroomed in many places in Africa over the last couple of years. Such businesses are usually jointly run by small numbers of sojourning members of extended families and create employment for an almost equal number of Ghanaians. Hence it can be theorized that employer-employee relations in this kind of personalized economic venture follow a very different logic than the one at work within the large-scale, hierarchical and rather impersonal organizations that dominate both the above-mentioned sectors and the numerous analyses of conflictive labor relations therein. Moreover, given the sheer number of Chinese merchants in urban African settings, their presence within local societies, and the embeddedness of their activities within the local economic fabric, potentially conflictive employer-employee relations may have a much greater impact on the local settings than the intensely debated labor conflicts that arise in large-scale projects operating in isolation from the local society. Hence, conflicts between local employees and Chinese employers over violations of psychological contracts and perceptions of distorted equity may challenge the economic and the social integration of Chinese sojourners and their businesses. Far beyond the individual cases and due to close social scrutiny, such conflicts may also amplify latent sociopolitical conflicts sparked by the perceived impacts of the economic activities of the Chinese in general.

Based on in-depth ethnographic fieldwork conducted among Chinese merchants and their local African employees in Accra, Ghana from January to March 2011, we introduce the general situation of Chinese family-run trading companies as well as their position and roles within the local economy and labor market. By applying the theoretical concepts of equity, the psychological contract, and foreignness, we then explore Chinese-African employment relations for potential and actual conflicts, or the absence thereof. We analyze the underlying reasons for and the impact of cross-cultural (mis)communication on such conflicts. Owing to our regional specialization on Africa and China, we are able to present our findings from both the African employees' and the Chinese employers' perspectives.¹

2 Chinese Merchants in Ghana

Since the beginning of this millennium, Chinese entrepreneurs have arrived in Ghana, as they have almost everywhere in Africa, in substantial and growing numbers. Estimates range

1 Research for this publication was funded by the DFG Priority Programme "Adaptation and Creativity in Africa" and the GIGA project "Entrepreneurial Chinese Migrants and Petty African Entrepreneurs – Local Impacts of Interaction in Urban West Africa."

from 2,000 to 10,000 (see Ho 2008: 59–60; Sautman and Yan 2007; Mohan and Tan-Mullins 2009: 590–591) and even up to 20,000 to 30,000 (CTcb103 2011a),² depending on whether the employees of temporary infrastructure projects carried out by big Chinese construction companies are included or not. Most of the Chinese who arrive independently from large construction projects have chosen to import cheap consumer goods made in China. These Chinese trading companies, like all foreign-owned trade investments, are subject to the provisions of the Ghana Investment Act (1994). Every foreign person or group of persons intending to establish a company in Ghana is free to do so, though certain economic activities are reserved exclusively for Ghanaians – among others the “sale of anything whatsoever in a market, petty trading, hawking or selling from a kiosk at any place” (Ghana Investment Act 1994). This limitation is usually interpreted by both Ghanaians and Chinese as a ban on retailing for non-Ghanaians. Chinese merchants thus limit their activities to, as they interpret their business practices, import and wholesale, which require registration in accordance with the Ghana Companies Code (1963). In order for the operation of a wholesale trading company wholly or partially owned by a non-Ghanaian to be legal, two requirements have to be met:

- 1) the investment of no less than 300,000 USD as foreign capital or in goods of equivalent value and
- 2) the employment of at least ten Ghanaians.

Upon completion of registration, the foreign investor is entitled, among other things, to repatriate through legal channels any net profits from the investment and to an immigration quota of two persons for investment capital of up to 300,000 USD and an initial automatic quota of four persons for investments of 500,000 USD and above.

After registering the company, the foreign merchant must also register with the Ghana Investment Promotion Centre (GIPC), a specialized body established to hold records on all foreign investments in Ghana, except for those of mining and petroleum companies. The GIPC statistics indicate that a total of 126 Chinese companies engaged in general trade were registered within the period 1994–2010 (GIPC 2011). A simple count of Chinese wholesalers in the central market region of Accra in early 2011 leaves room for doubt about both the quality of these official data and the willingness of Chinese merchants to comply with the official demand for registration with the GIPC.

Chinese merchants tend to establish spatial clusters according to the goods they sell. This matches the Ghanaian logic of the spatial organization of both wholesale and retail markets in central Accra. Chinese shoe merchants, for instance, are highly concentrated around Zongo Lane, and latecomers follow this pattern by setting up shop in the vicinity. The result is a high concentration of Chinese shops in the core area coupled with African vendors engaging

2 Interviewees have been coded and made anonymous in order to protect their privacy and interests. The codes were chosen to provide the following general information on the informants: C = Chinese business; G = Ghanaian business; T = trade; E = external service provider; c = Chinese individual; g = Ghanaian individual; b = owner; e = employee; f = family member.

in smaller-scale wholesale and retail on the sidewalks adjacent to the Chinese wholesale businesses. The further away from this core area one goes, the more Chinese shops are intermingled with African shops. Chinese wholesale shops are generally very functional, and not fancy, establishments: a simple room completely open to the street furnished with a simple desk, some improvised seats and maybe a rack along the back wall to display the merchandise, floor space for paper boxes or plastic bags full of goods, and in some cases a warehouse directly attached to the back of the shop. As a rule, these simple vending spaces have to be rented for five to ten years at once, and full payment of 25,000 USD to 60,000 USD for the whole period is due when the contract is signed (CTcb131 2011b; CTcbf100 2011; CTcb161 2011b; CTcb112 2011). Additional initial investments include warehouse space rental (with full payment for two to ten years required), the renting of a house with a walled courtyard (with full payment for a two-year term required) in the greater Accra region to accommodate the investor and one or two family members cum business partners or Chinese employees, and the purchase of a car (usually an SUV because of safety considerations) to facilitate travel between home and the shop.

Although they are allowed to substitute cash with goods for the initial 300,000 USD investment required to register their businesses, Chinese sojourners generally prefer the cash option as it provides them with more flexibility with regard to accounting and taxes. Hence, a Chinese business man or woman setting up a wholesale business in Ghana for goods imported from China requires initial capital of at least 0.5–1 million USD, with the exact amount dependent on the kind of goods he/she is trading. Though this is not a negligible sum by any standard and the goods turnover of 30–80 full size containers per year, for an average shoe importer, for instance, is huge by Ghanaian standards, the vast majority of Chinese wholesalers nonetheless have to be regarded as small-scale operators. Due to the low value of merchandise (mainly very cheap consumer goods), a business model that emphasizes a high turnover with low profit margins, and the cutthroat competition between the Chinese in Ghana, year-end net profits do not allow for the amassing of large fortunes or fancy lifestyles. With net annual profits of 10,000 USD to 80,000 USD per person, the Chinese traders in Ghana generally lead a frugal lifestyle, sometimes below the standards back home and characterized by self-imposed saving and self-restriction (CTcb161 2011a; CTcb152 2011; CTcb130 2011; CTcbf162 2011). Together with the highly valued ability of “Eating Bitterness” (*chi ku*), which is deeply ingrained in the Chinese culture in general and the entrepreneurial mind-set in particular, these self-restrictions include, for instance, the separation of close family members such as spouses, small children and parents. In the same way that it makes them refrain from being accompanied by any unproductive kin, the Chinese entrepreneurs’ work ethic makes them roll up their own sleeves instead of spending money for additional helping hands.

That said, most of our Chinese interviewees are convinced that – referring to the scale and the simplicity of their businesses – they could do perfectly well without hiring any Gha-

naians. Therefore, the legal requirement to employ at least ten Ghanaians is regarded as a big (financial) burden and a politically imposed barrier to market entrance. In order to cut costs, all the Chinese merchants interviewed have circumvented this regulatory requirement by officially registering fictive employees for which payroll tax and social insurance fees are paid regularly in accordance with the legal minimum wages. In reality many Chinese merchants employ only one to three, mostly male, Ghanaians as shopkeepers, drivers, watchmen or interpreters – in many cases mainly to make their violation of the law less apparent to observers, and also because they have realized that local assistance is valuable for certain tasks.

3 The Ghanaian Labor Market and the Chinese Employer

The jobs in the Chinese trade businesses have been introduced above as generally being low-status, low-responsibility positions that require little to no training. Most of the employees in our sample have not attended any school higher than a junior secondary school. However, there is also a small group of employees who hold university degrees or are currently studying in institutions of higher learning. Some have also received vocational training in the construction and manufacturing sectors. The typical Ghanaian employee in Chinese trade businesses in Accra is male and between 20 and 30 years old. Female employees are usually in the same age group but number much fewer; this is possibly due to the perceived physical character of the work but more likely due to the fact that females have more options for alternative employment outside of the Chinese businesses.

In general, urban youth are particularly marginalized within the Ghanaian labor market. Statistics from the Ghana Living Standards Survey (Ghana Statistical Service 2008) attribute the highest shares of unemployment to the country's youth in the urban centers, especially in Greater Accra, with male unemployment rates slightly exceeding those of young women. Due to the additional presence of rural migrants who shun farm work, even though agriculture at least statistically provides more income-generating opportunities, access to the urban labor market is both strongly contested due to the number of job seekers and highly restricted due to persisting cultural and social norms and practices. As a matter of fact, the Ghanaian labor market is not accessed through education or training, as Chant and Jones (2005) put it; rather, employment opportunities for youth are largely dependent on their membership in or access to social networks and their ability to use them to their advantage (Elias 1981). The most prevalent access mechanism for labor-market entry in Ghana is patron-client relationships, or what was termed the "moral economy" in the academic literature of the 1980s and 1990s (Hyden 2006; Lemarchand 1989). While youth employment can take the form of apprenticeships, especially in the manufacturing sector (Velenchik 1995; Peil 1970), a strong preference for employing one's own kin persists throughout the Ghanaian economy (Collier and Garg 1999), and a young person's employment is best facilitated through a relative's – and only occasionally a close acquaintance's – introduction. This means that young employees/

apprentices enter into complex interpersonal exchange relationships in which relative distance based on kinship governs the socioeconomic transactions performed within the predominantly informal employment arrangement. The mutual obligations involved range from the exchange of training fees for skill acquisition in apprenticeships to wages for work; allowances in cash and kind (for example, for transportation, housing, medical bills or funeral attendance); additional nonmonetary benefits such as gifts, food items or accommodation; and, not least, rewarding the employee's long-term loyalty with the start-up capital needed for independent economic activities. A complex relationship of mutual obligations and entitlements based on shared norms of reciprocity emerges that, though informal in character, is enforced and sanctioned by means of social control in the existing networks.

Due to the weakness of Ghana's manufacturing sector and the limited opportunities to establish one's own manufacturing business, the trade sector has become a particularly widespread employment option for many Ghanaian youth of both sexes. Yet although Overå (2007) argues for the increasing influx of men into the profession, trade remains a predominantly female activity. This is perpetuated by the mechanisms of succession, which allow young women to follow in the footsteps of an established female relative. Young males, on the other hand, if they get access to employment in trade at all, more often remain the employees of strong female traders. Thus, in order to create their own trading businesses, young men in Accra rely more heavily on their own savings and external credit for their starting capital than women. Nonetheless, aspirations are high among male youths; statistical evidence quoted in Overå (*ibid.*) shows that once they achieve self-employment, their net earnings easily surpass those of their female counterparts, who are expected to invest in childcare and household tasks (Clark 1994; Seligmann 2001).

In view of these societal conditions, seeking employment with outsiders – who do not share the general cultural preference for employing their own kin, or at least do not have the option of doing so – is often the only viable way out of the urban unemployment trap for young Ghanaians, particularly the young men. While accessing employment with a Ghanaian employer requires considerable social capital, the Chinese businesses are breaking down the existing, culturally based labor market segmentation. As such, they are opening up the labor market to new social groups, which previously lacked the necessary access to entrepreneurial kin groups and other networks. However, although Chinese traders are not influenced by the gatekeeping mechanisms of the Ghanaian labor market, empirical evidence shows that their employment decisions are not exclusively based on market mechanisms either. Only rarely do Chinese wholesalers publish job offers in local media or employ the services of job placement agencies. The overabundance of inexpensive labor in Accra and Ghana generally provides cheaper and less complicated hiring options, one might argue. However, the hiring of one of the many applicants who voluntarily offer their labor to any newly established Chinese business is not the rule either. Informed by a logic of mutual social obligations similar to that within monocultural Ghanaian employment settings, Chinese

employers tend to prefer applicants recommended by a loyal customer (African or Chinese), a neighbor or other trustworthy acquaintances as the supposedly more reliable manpower.

4 Theorizing Chinese-Ghanaian Employment Relations

By grounding their employment decisions on their trust in third parties rather than merely adhering to market mechanisms, we hypothesize, the Chinese traders initiate employer-employee relationships that from their perspective are – at least partially – based on mutual trust and include social-emotional rewards in addition to monetary remuneration. If we employ the perspective of social exchange theory, we can say that the Chinese invest in relationships that are expected to resemble social exchanges (cf. Blau 1964) rather than purely economic exchanges, the latter of which Shore et al. (2006) negatively define as short-term, impersonal, pecuniary agreements. According to the Chinese logic of social relationships (*renqing, guanxi*), introduction through a trusted third party (guarantor) makes it likely that the employee will perform well, primarily because of the employee's social obligations to the guarantor and his/her desire to earn this person face. Thus, the Chinese employer makes a leap of faith based on two calculations:

- 1) trust in the third party and
- 2) the social control exercised by the third party due to the perceived social obligations of the employee to the guarantor.

When viewed in terms of the reciprocity norm (Gouldner 1960), this practice might serve as the foundation of an employment relationship positioned somewhere between balanced reciprocity and generalized reciprocity on the analytical continuum introduced by Sahlins (1972). Because the employer agrees to employ a young person who has been introduced by a trusted third party, this employment arrangement can often be understood as a personal relationship with the employee that exceeds the simple money-for-work logic that is regarded as being characteristic of balanced reciprocity (cf. Sahlins 1972; Coyle-Shapiro and Conway 2004). Not least because of the relationship with the guarantor, the employer is bound, due to social obligations, to treat the employee benevolently.

Within the Chinese cultural and social context of larger economic units, Wang et al. (2003: 515) assert that the employee “may feel obligated to reciprocate through harder work,” while Chen et al. (2005: 459) have observed “feelings of obligation to reciprocate (...) the exchange by demonstrating work attitudes and behaviours that benefit the organization.” That said, the Chinese owner-manager of a family-run trading company in Ghana who has established an interpersonal relationship with his/her employee (and the guarantor) through employment will share these expectations. Having internalized the Chinese sociocultural norm of immediate and equal repayment of financial and socioemotional debts as an essential element of nurturing relationships (cf. Tsui and Farh 1997; Xin and Pearce 1996), the Chinese

employer counts on Chinese employees' empirically proven adherence to the norm of reciprocity (cf. Buchan et al. 2002; Gabrenya and Hwang 1996; Xin and Pearce 1996; Yang 1994; Westwood et al. 2004; Wu et al. 2006) and transplants this logic to the African setting.

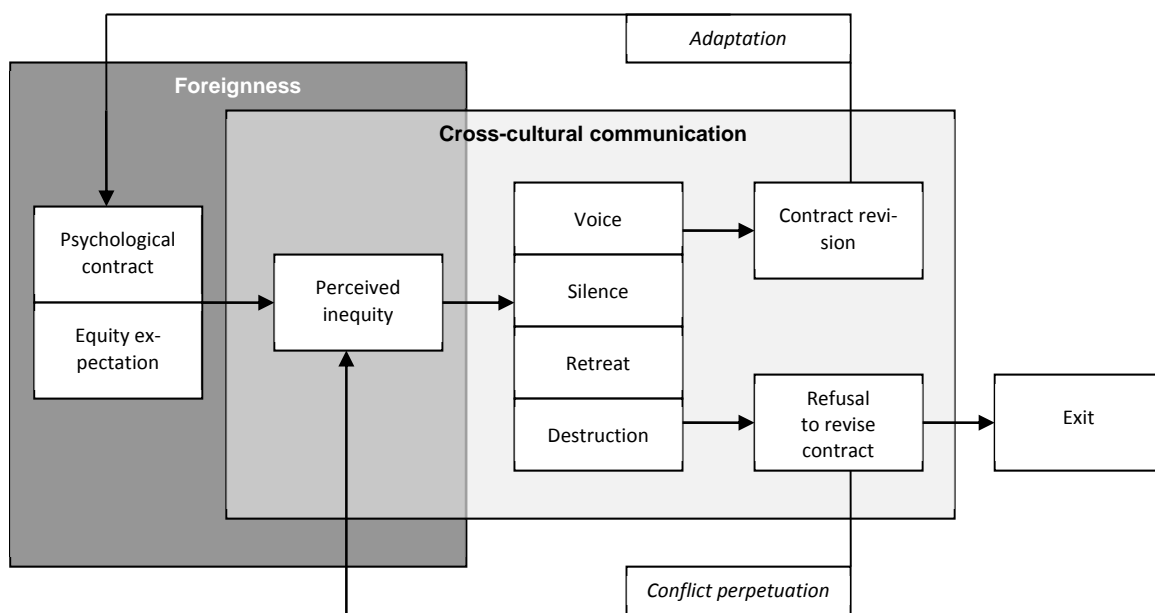
Although it is widely accepted that the norm of reciprocity is universal to all cultures (Gouldner 1960: 171), different sociocultural contexts give rise to cross-cultural differences regarding the form and nature of interpersonal exchange relationships in general and the attitudes and perceptions people share regarding employment relationships (in particular Baldry 1994; Bamber and Lansbury 1998; Pot 2000). Problems in Chinese-Ghanaian employment relationships can therefore be expected to arise on the basis of the foreignness of the Chinese traders in Ghana. Quite a few scholars have explored what they have coined the "liability of foreignness," although their theories focus almost exclusively on the internationalization and localization activities of multinational enterprises and the costs involved (Buckley and Casson 1976; Caves 1982; Dunning 1977; Hennart 1982). Although they are admittedly of a very different scale, the well-documented problems that arose from the Walt Disney Company's attempt to simply transplant its socioculturally grounded personnel policies from the USA to France (Brannen and Wilson 1996; Van Maanen 1992; Van Maanen and Laurent 1992; Brannen 2004) may serve as an indicator of how the liability of foreignness – the mutual unfamiliarity with sociocultural differences between Chinese employers and Ghanaian employees – could impact Chinese-Ghanaian employment relations.

Hence we hypothesize that foreignness and different interpretations of the reciprocity norm, and related social practices, may result either in the Ghanaian employee's perception that his/her psychological contract (Rousseau 1996) has been violated, or the Chinese employer's conviction that the equity of the exchange relation has been distorted. There is ample empirical evidence for the existence of the psychological contract in employment relations (Robinson et al. 1994; Rousseau 1990; Robinson and Rousseau 1994), which – as McFarlane Shore and Tetrick (1994: 93) put it – "the employee expects, looks for and creates (...) as a way of representing the employment relationship" based on pervasive social norms of reciprocity. A good deal of academic research that compares differences in psychological contracts and the related pervasive norms of reciprocity across cultures has been carried out, but hardly any author seems to have attempted to analyze how psychological contracts within cross-cultural employment relations function. We regard this construct as particularly suitable for exploring, analyzing and interpreting the phenomenology of Chinese-Ghanaian employment relations within family-run Chinese trade companies in Accra.

McFarlane Shore and Tetrick (1994: 98) suggest that it is very likely for a new employee to create a psychological contract that is only partially particular to his/her specific employment situation and is also based on related, specific external information. Moreover, the new employee tends to fill in information based on existing schemas (Salancik and Pfeffer 1978) informed by previous experiences and pervasive cultural norms. Messages sent by the employer that do not comply with these pervasive norms and reciprocity expectations may be

perceived as a violation of the psychological contract and result in reactions aiming to restore the equity of exchange – or, ultimately, to terminate both the psychological contract and the social exchange relationship (cf. McFarlane Shore and Tetrick 1994). Since the employee regards his reaction as a means of restoring equity, he/she at the same time rejects his/her responsibility for not meeting the employer's exchange expectations (cf. Murphy and Cleveland 1991) and for possibly further deteriorating the relationship. These theoretical considerations lead us to the following amended model:

Figure 1: Adaptation to Perceived Violation of the Psychological Contract under Conditions of Foreignness and Cross-Cultural Communication



Source: based on McFarlane Shore and Tetrick (1994: 103) and Geurts et al. (1999: 256).

In the following section we analyze the way in which Ghanaian employees may perceive their psychological contracts as being violated under the conditions of foreignness and mutual cultural unfamiliarity; how they react with voice, silence, retreat, destruction and exit (cf. Robinson 1993; McFarlane Shore and Tetrick 1994; Geurts et al. 1999); how Chinese employers interpret their employees' particular attitudes and behaviors as neglecting exchange obligations; the ways in which the behavior of one party is positively or negatively reciprocated by the other; and the ways in which cross-cultural communication and the mutual adaptation of signification between Chinese employers and Ghanaian employees may or may not mediate employment conflicts. Due to the variance and complexity of the individual situations observed, the following discussion is neither exhaustive nor representative of all Chinese-Ghanaian employment relations in the trade sector. What we present are archetypal examples of widespread perceptions and behavioral patterns on the part of the parties involved.

5 The Psychological Contract and Equity Expectations under Conditions of Foreignness

The Ghanaian trade sector, despite a recent influx of men, is dominated by female employers. While Overå (2007) states that these female employers' extensive displays of physical strength, their loud talk and their exercise of power over others are not considered unfeminine behavior but are rather acknowledged as a necessity of the business itself, Debrah (2001) regards the authority of Ghanaian employers, including female traders, as being laden with paramount cultural values of seniority and masculinity. In any case, the authoritative treatment of male employees by strong female traders is unanimously accepted and traders further reproduce their status through colorful and expensive clothing and accessories, body size, and a demonstrative general immobility that is expressed by sending subordinates on errands of all kinds. These traders are often referred to as *Mama Benzes* in reference to the highly successful textile traders of the 1960s, and their characteristic behavior has shaped an image that is symbolic for market success in current-day Ghana.

Ghanaian employment relationships in the trade sector are thus characterized by large power discrepancies. Family relationships, however, ensure that such employment arrangements do not derail or become too exploitative for either side. Youth employment is mostly seen as a way to give a person a chance to progress in life. Generally speaking, the young person can expect to be gainfully employed and to receive support in making the initial step into economic independence. Ghanaian employers have a high degree of authority, yet they are greatly appreciated for their provision of personal advice to employees. In this sense, employers take on the role of elders, figures of respect and wisdom who are to be followed on one's life path. It is thus through their mutual belonging in a shared moral universe that Ghanaian employees and employers are obliged to each other far beyond the bonds of kinship that generally infuse employment relationships.

Not least due to these cultural norms and the generally personal character of Ghanaian traders' and petty entrepreneurs' recruitment practices, employers display what one might call open-door, approachable management styles. This is not to say, however, that extensive negotiations occur when an employment relationship is established. At the beginning – though rural relatives sometimes send their children unsolicited to successful urban entrepreneurs – interpersonal relations ensure a certain level of knowledge about the job beforehand. Over the long run, however, social obligations on the side of the employer as well as the high degree of informality with regard to remuneration and welfare issues open the door for informal negotiations that bypass the highly authoritative figure of the superior through the seeking of assistance from a formally uninvolved, respectable third party (Debrah and Mmieh 2009). It is generally not the monetary remuneration that is renegotiated within these employment relationships. According to ILO statistics (ILO 2008), average monthly wages in Ghana's retail and wholesale trade sectors range from 70 to 120 Ghana cedis (GHS) (with higher wages paid in the wholesale sector); they thus often nominally undercut the legal minimum daily wage of 3.73 GHS (approx. 2.50 USD). More flexibility is usually displayed in

renegotiations regarding various allowances in cash or kind (for example, for transport, housing, food); access to credit; and most importantly, grants and leaves to attend to personal and family emergencies (for example, illness, funerals). Employers as well as masters in apprentice relations are generally expected to supplement the employee's income with these benefits.

Given the fact that quite a few of our Ghanaian interviewees explained that they lacked information about the nature of their job and their employment relationship when they were introduced to their Chinese employer, we can assume that the picture of the strong female trader and the general knowledge about the cultural norms and practices of Ghanaian employment relations in the trade sector also inform the psychological contract between the average Ghanaian employee and his/her Chinese employer. However, the general appearance and behavioral patterns of Chinese traders, as a starting point for comparison, could hardly be in starker contrast to the Ghanaian female traders' physical displays of wealth and power. Rather skinny, short and not endowed with outstanding physical attributes of either femininity or masculinity as compared to the average Ghanaian, these self-made men and women are, in order to cut costs and make their economic sojourn more profitable, used to rolling up their sleeves to get things done and to not indulging in any kind of personal luxury, fancy clothing or status symbols of any kind. Their humble and low-key appearance in casual attire such as T-shirts, Bermuda shorts and flip-flops can be seen as the result of the cultural value of frugality; of the analysis that the dress code is not decisive for economic success in their niche of the market; and of considerations of climate, comfort and practicality. Since Ghana is definitely not the arena where they demonstrate their economic success to their peers, Chinese traders largely follow the business logic of keeping inputs low. Even the expensive SUVs they use for transport and their fenced-in accommodation in relatively prestigious neighborhoods of Accra are justified by the Chinese traders as costly solutions for coping with the general feeling of vulnerability and the existential threat of armed robbery; they are not thought of as personal luxuries beyond the status quo ante back in China. Thus what appear to the Ghanaians to be symbols of wealth and status merely represent means of survival for the Chinese.

Such fundamental differences due to the foreignness of the Chinese in Ghana make it very difficult for potential and actual Ghanaian employees to interpret the mixed and predominantly nonverbal messages of their Chinese employers. When they compare the dominant image of the Mama Benzes to their Chinese employers, Ghanaian employees in Chinese trade businesses in Accra develop perceptions of their employers that are distorted by the high degree of noise in the cross-cultural translation process. Ghanaian employees intuitively ground their psychological contract more on Ghana's pervasive cultural norms than on non-existent experiences with Chinese traders. This set of misplaced assumptions combined with the misinterpretation of the Chinese employers' unimpressive physical appearance and inconspicuous industriousness often result in a general lack of respect towards the Chinese

employer. In the eyes of Ghanaian employees, the humble clothing of the Chinese signifies backwardness and provinciality rather than frugality (CTge16 2011); driving around in SUVs and renting houses in prestigious areas of Accra is seen as nothing else but showing off wealth. Ghanaian employees interpret this combination of behaviors as wealth coupled with greed, which is then translated into a widely accepted allegation that the Chinese exploit Ghanaian labor. The Chinese are seen as clearly capable of affording luxury items, and the Ghanaian culture expects those “who are fortunate enough to escape poverty” (GTgb2 2011) to share with those who supported them in the creation of their wealth.

The Chinese, on the other hand, who have geared their wage levels to the general situation in Accra and in quite a few cases also consciously pay well above average, do not understand their employees’ repeated demands for grants and allowances beyond the regular wages because they are unaware of the locally pervasive norms and obligations of employment relations, which are predominantly based on kinship ties. From the Chinese employers’ perspective frequent requests for leave in order to fulfill important social obligations such as attending funerals is a basis for wage cuts rather than for extra allowances. They feel that employees who have been introduced to them on the basis of mutual trust should demonstrate a high level of commitment to their work in order to justify the leap of faith the employer has taken and to earn their guarantor face before unilaterally asking for additional rewards without offering anything valuable in exchange.

Both the psychological contract of Ghanaian youth employed by Chinese traders and the equity expectations of the Chinese employers are grounded on perceptions and culturally informed conventions that do not comply with the cross-cultural nature of this social exchange relationship. When a mutual understanding of the other party’s culture is absent and communication skills are inadequate to resolve misunderstandings, largely due to the underdeveloped foreign language skills of many Chinese employers, cross-cultural miscommunication almost inevitably translates into perceptions of inequity that are based on different interpretations of the reciprocity norm.

6 Coping With Perceived Inequity in Chinese-Ghanaian Employment Relations

Numerous studies on employees’ perspectives have shown that perceived violations of the psychological contract are met with various coping strategies on the part of the employee that aim to restore equity or ultimately terminate the exchange relationship. Perceptions of distorted equity, however, are not a one-way street, particularly in exchange relations across cultures. Employers may thus interpret these coping strategies as attempts by their employees to unduly renegotiate, at the employer’s expense, what amount of work should be regarded as being of equal value to the remuneration. Hence, we expand the analysis of perceived equity violation to include the employer’s perspective as equally relevant to the understanding of

exchange relations under the conditions of foreignness mediated by cross-cultural communication.

Nevertheless, Chinese traders' expectations of their Ghanaian labor force are generally low. Forced to employ Ghanaians by law and aware of the simplicity of the tasks within the sales department of their miniscule family businesses, many Chinese sojourners are convinced that they do not depend on local employees as long as they hold a calculator in their hands so that they can conduct nonverbal negotiations over prices and sales volume. On the other hand, the perceived monotony of the work, expressed in repetitive, highly supervised tasks, is a central dimension of job dissatisfaction among the Ghanaian youth who work for Chinese businesses in Accra. Ghanaians are employed to carry out simple tasks like shifting goods from one place to another, fetching goods from the warehouse, or handing over purchases to the customer – tasks that the employers do not hesitate to carry out themselves in most of the cases observed. Because of the alleged simplicity of these duties, it usually does not occur to most of the Chinese employers that there is reason to cherish the Ghanaian workers or to openly and directly express satisfaction, a practice that is rarely seen in the purely Chinese context either.

Few Chinese employers appreciate that their employees' also make contributions in the form of enhanced communication with customers, which potentially results in increased sales, and the smoothing over of conflicts with customers and other third parties (CTcb128 2011). Only very rarely are long-term Ghanaian employees entrusted with tasks such as collecting debts, independently advising customers, running the shop when the owner is absent, and dealing with officials (CTge16 2011; CTge25 2011; CTge33 2011). Where Ghanaians are employed mainly to prevent shoplifting, their work is valued for decreased losses (CTcb130 2011). A large number of Chinese merchants, however, see their employees themselves as a source of losses because of repeated theft, an action which – without further reflection about this behavior as potentially being grounded in the perceived inequity of exchange relations – is attributed to a moral defect of the otherwise good-tempered nature of the Ghanaians (CTcb101 2011; CTcbf142 2011). Similar generalizations are frequently uttered with regard to the habits of lying and tardiness; the perceived lack of commitment to work, which is accompanied by an insatiable though unjustified hunger for ever-increasing rewards; a work ethic generally inferior to that of the Chinese; general laziness; and the failure to be as proactive as workers as the Chinese employers expect (CTce167 2011; CTcb152 2011; CTcb103 2011b; CTce168 2011; CEce138 2011; CTcb130 2011; CTcb103 2011b). In no case did a Chinese employer indicate that he or she would ask Ghanaian employees for their local expertise or take into consideration their advice with regard to business strategies – a fact that is gravely resented, particularly by the better-educated Ghanaians working for the Chinese (CTge29 2011).

The perceived lack of appreciation of their work and abilities is one of the most widely perceived breaches of the psychological contract stated by our Ghanaian interview partners

(CTge28 2011; CTge16 2011; CTge36 2011). The consequent feeling of being disregarded as a valuable addition to the business is expressed by one of our informants: "If the worker is doing good, and you don't say anything about it, the next time he won't come again" (CTge28 2011). This statement of dissatisfaction, only confidentially uttered to us and not disclosed to the Chinese employer, should, however, not be misunderstood as the intention to leave. Exit, as we shall show, does not seem to be a viable option for the employees reacting to perceived breaches of their psychological contract. Rather, it is the employer who ultimately reacts to what he perceives as repeated or continual inequity of exchange at his expense with the termination of the employment contract.

6.1 Voice – A Double Edged Sword

Beyond the issue of the perceived lack of appreciation of Ghanaians' labor, alleged breaches of the psychological contract in terms of the agreed-upon tasks also undermine work relations. Recruitment for Chinese businesses has already been described as being mediated through personal contacts. Unlike the case with Ghanaian businesses, these recruitment processes often leave the aspirant ill-informed about the actual quality and extent of the job. One young man stated that when his brother brought him to the Chinese business in Accra, about 270 km from his hometown, he did not know what work he was supposed to do or what salary to expect (CTge28 2011). When job descriptions are given, they are often so vague that Ghanaian employees are almost inevitably left with a feeling of resentment because their interpretation of the initial agreements has failed to materialize. Convinced that his pay was too low, one employee managed to negotiate a pay raise by complaining about the rising transportation fares, even though he lived within walking distance of the shop. In the face of his employer's initial refusal, the employee turned to nonverbal strategies of voice and started to purposefully and demonstratively come late to work every morning. This was how he finally succeeded in increasing his wage (CTge30 2011).

This example should be seen in the context of the Ghanaian employment culture, which has significant barriers to voicing discontent in a direct way. Voice is mediated through mechanisms of social control inherent in the kinship system. In the case of conflict, the large power discrepancy between employer and employee is bridged by an external mediator – a lineage elder, for example. In the Chinese-Ghanaian businesses, these moral watchdogs are absent, and although Ghanaian youth are usually introduced to the Chinese business by a third party, the latter does not fulfill the role of a guarantor, though the Chinese traders incorrectly perceive this as being the case. Thus, only the more self-confident and better-educated employees are, at given moments, able to verbally bring forward suggestions as to how a general situation and their employment conditions in particular may be improved (CTge25 2011).

Generally speaking, voice only works out positively in the rare situation that the two parties involved are not handicapped by language or psychological barriers and share a general mutual appreciation for each other, as the following case demonstrates. Despite the small salary she receives, one female employee interviewed stressed the fact that she is highly appreciated in the shop, with customers asking for her constantly and tasks which only she is capable to complete. She takes pride in the fact that she was asked to come back after being temporarily laid off for asking for a pay raise a couple of years ago. Because she has very good communication with her boss, this situation was resolved in a nonconflictual manner, without employee retreat or destruction. Today, despite her vocational training, which could secure her a considerably higher salary elsewhere, this employee declines any intention to exit. In her opinion, the Chinese “speak from their hearts,” be it critically or as commendation, when they engage with their Ghanaian employees (CTge28 2011).

The majority of cases follow a less positive pattern. Almost every Chinese employer we interviewed complained that their employees now and then demand what they deem to be unjustified tips (*xiaofei*) in exchange for normal tasks allegedly covered by their employment agreement. A worker employed to assemble aluminum window frames was reported to always ask for tips before agreeing to carry the components into the storage room each time a new delivery arrives from China (CTcb128 2011). A Ghanaian shopkeeper regularly acts reluctant when asked to buy soft drinks from a nearby shop until he is awarded a tip either in cash or kind, according to one Chinese informant (CTcb161 2011a). A third employer explained that her worker even dares to demand additional payment whenever he is asked to venture from shop to warehouse for stock (CTcb103 2011a). What these individual cases have in common is that the employees are voicing their dissatisfaction, not necessarily with carrying out basic tasks but with a more general perceived inequity in their psychological contract, by frequently demanding small extras. “The Chinese hire you for 80 percent work, expect 1,000 percent and pay 10 percent,” one young men explained to us in confidence (CTge16 2011).

This voicing of demands for the restoration of equity can also be related to the Chinese employers’ failure to fulfill their perceived obligations to grant allowances for a number of occasions, as described above. Ghanaian employees in Chinese businesses complain about their employers’ “no dash” policy,³ which forces them to constantly negotiate about payments for weekend work or tasks not covered by the initial employment contract. Many of the Chinese, however, being unaware of the widely accepted obligation to grant allowances in addition to low wages, have a different interpretation of their employees voicing of discontent. Since they themselves work long hours, endure monotony and are willing to eat bitterness for the prospect of future earnings, the frequent requests from their workers for tips in addition to what the Chinese employers perceive as above-average wages, without what

3 To “dash” in the Ghanaian context refers to the giving of extras and gifts.

they view as a corresponding level of commitment, simply come across as a behavior that lacks any reason. While some Chinese businesses have found ways to free themselves of their employees demands by demonstrating their superiority and authority as employers (CTcb103 2011a; CTcbf164 2011; CTce107 2011; CTcb152 2011), those who lack management and cross-cultural communication skills are doomed to pay and to reluctantly restore the equity as perceived by the employee (CTcbf 100 2011; CTcb103 2011a; CTcbf166 2011; CTcb141 2011).

Since most Chinese employers are reluctant to look for new workers, voice may work out favorably for Ghanaian employees; however, it can also backfire. A Ghanaian employee who received a financial incentive for not being late in the morning eventually returned to his old habits; this was met with the cutting back of his wage to the original level. When he voiced his dissatisfaction about what he perceived as the illegitimate withholding of a reward he was entitled to, he was laid off (CTcb131 2011a).

6.2 Silence – When Endurance is Most Viable

In the same way that not every Chinese employer is able to reject the allegedly unjustified demands voiced by his or her employees, not every Ghanaian worker finds him or herself in a position to openly challenge his employer through voice. Employees who have no voice and do not possess any other means to renegotiate perceived breaches of the psychological contract often feel that they have no choice but to endure their resentment in silence. With very few exceptions, all Ghanaian employees interviewed by us were more than eager to share their discontent about their employment situation and their employers with us; at the same time, however, most of them also explained that they had no way of communicating their views to the Chinese employers. Their outspokenness in our interviews was often in contrast to a general silence towards the employers.

In one case we witnessed a loud and intense argument between the male Ghanaian employee of one Chinese store and a young female family member from the neighboring Chinese shop. The owner of the first shop, in an attempt to calm the situation, asked his employee to sit down and to explain the situation. Although language did not pose any barrier to communication between these two men, the employee listened to his boss's calm rebuke but otherwise remained silent and did not take the opportunity to voice his own perspective. When the Chinese employer turned back to us, the employee remained seated for a short while before going back to the shopfront without any observable sign of discontent. When we interviewed him later on while his employer was absent, he was more than willing to share his perspective on what had caused his argument with the young Chinese woman next door. Moreover, he was rather agitated and full of complaints about unfair treatment; his employment situation; and what he perceived as a severe distortion of equity, not least due to a lack of appreciation of his abilities and his commitment to the success of the business (CTge29 2011; CTge30 2011; CTge31 2011).

Employees' perception that they have no means of voicing their dissatisfaction is not the only explanation for silence. Ghanaian employees find other ways to cope with perceived violations of the psychological contract, as we will demonstrate. Silence, however, is also practiced when equity distortions are perceived to be less severe. During one interview with a Chinese trader a female employee silently interrupted the conversation a few minutes past five p.m. by pointing at her watch, indicating nonverbally that she wanted to quit for the day. This request was met by a simple "Later, later," and it was explained to us that the shop usually closes at five but that employees are required to stay on if there are still customers waiting to be served (CTcb103 2011b). When interviewed alone, this female employee was full of praise for her employer, except regarding the wage (CTge33 2011). In the situation described above she was obviously ready to accept the perceived equity distortion because of her general level of satisfaction with her employment and decided to remain silent. Generally speaking, however, those employees who opt for silent endurance in their employment relationship almost inevitably also demonstrate low work motivation. They say they choose to routinely ignore (CTge28 2011) what they perceive as the callous character of the Chinese. Often these employees explain that they endure their allegedly bad work environment because they depend on their current job to support dependents and children and have no alternative income opportunities (CTge27 2011).

6.3 Retreat – The Common Weapon of the Weak

In many cases neither voice nor silence appears to be the preferred coping strategy. One of the most common ways employees attempt to restore equity is to partially retreat from assigned duties. Tardiness is, on the one hand, widely perceived by the Chinese as a general characteristic of the Ghanaians. On the other hand, it is also one of the most common forms of retreat that Ghanaian employees choose in response to perceived violations of their psychological contracts.

A number of Ghanaian informants regarded their psychological contracts as being violated by their Chinese employers' frequent demands that they provide unpaid labor on Sundays or in the evenings. Such complaints were usually raised by interviewees whose Chinese employers provided them with housing close to their own accommodation. This provision of free housing corresponds with the practice within purely Ghanaian employment relations involving youth from a distant village who come to work for their Ghanaian relatives. In these cases the young employees are also expected to contribute to the household duties. Unlike the case with the Chinese employers, however, complaints are seldom. While in Ghanaian-Chinese cases such housing arrangements are also beneficial for the employee, who saves on rent and daily transportation, they leave him or her with a feeling of being under constant supervision and socially isolated, as the transportation costs out of the Chinese employer's residential areas generally exceed the means of the employee. One informant stated that in

order to retreat from the repeated calls of his employers to undertake weekend work, he started to lie to them about his sick mother who needed his care (CTge30 2011).

More common than this arrangement of housing in exchange for additional work and its implications for the equity expectations of both parties, however, is the general feeling of Ghanaian employees that the amount of work they are expected to do is not duly reciprocated in cash or kind. The perceived absence of breaks during working hours is a complaint commonly voiced in our interviews. One female employee complained that she literally has no time to take a rest during her 12-hour workday; there are always tasks that have to be completed (CRge40 2011). Not surprisingly, the Chinese do not share this interpretation of the employment situation or are simply not aware of this perception. They allow their employees time off for meals and otherwise regard idle periods with no particular tasks assigned to their employees as rests. This logic is applied by the Chinese to both daily and seasonal work cycles. In many cases, it seems, it has not crossed Chinese employers' minds that what they see as their employees' general tardiness and laziness should be interpreted as purposeful acts of retreat intended to correct what is perceived as a distorted exchange relation (CTge30 2011; CTcbf123 2011; CTcbf122 2011; CTce151 2011; CTce167 2011).

What the Chinese view as a lack of proactivity is often a conscious strategy on the part of Ghanaian employees, who are well aware of the nonexistent opportunity for promotion (CTge25 2011; CTge28 2011). A Chinese employer complained in an interview that it would never cross his Ghanaian employees' minds to pick up a plastic bag from the ground and dispose of it. They would only do so when told, and would not proactively reproduce this behavior on another day; rather, they would casually kick the plastic bag or any other waste material around when passing by (CTce168 2011).

In some cases the Chinese employers are obviously able to see acts of retreat for what they are – strategies for coping with perceived inequity. Reactions naturally differ with regard to whether the perspective of the employee is accepted or not. One importer of commodities that have to be assembled before being sold on the Ghanaian market was confronted with low productivity. Unwilling to revise the employees' psychological contract, he reacted to the retreat by changing the mode of payment. From his perspective, the introduction of a piecework system successfully disciplined the assembly line workers in his trade business and restored the equity that had been temporarily distorted through their retreat (CTcb130 2011). In another case we could observe during our presence in the shop that the Ghanaian shopkeeper was engaged in lively conversations with colleagues in neighboring outlets rather than being present and at the service of his employer. The Chinese trader complained about her employee's behavior and added that he regularly arrives late for work in the morning and often disappears from her shop for up to three hours during the day. Although she was not happy with this behavior, she rationalized this form of retreat by explaining that "this bright young man was drawn away from his duties by computer games" (CTcbf142 2011), an activity tremendously popular among Chinese youths but almost nonexistent in

Accra. He was allegedly playing with some peers during his absence. As she was not really in need of this employee's labor, she accepted this revision of the psychological contract by reinterpreting the employment relation as providing support for a young man from a poor family background (ibid.).

6.4 Destruction – An Eye for an Eye

Quite a few of the Ghanaian employees from the businesses in our sample use more expressive means to deal with perceived equity violations, even though directly addressing the employer (voice) is seldom an option. If equity distortions are perceived to escalate or to continue without any prospect of improvement, coping strategies are enhanced with clearly destructive elements. Violations of the psychological contract that Ghanaian employees regard as being severe enough to merit destructive behaviors include feeling threatened by existential risks without any perceived willingness to help out on the side of their employers. Some of our Ghanaian informants denounced their Chinese employers as inhumane for allegedly failing to show any form of empathy for their employees' personal and family emergencies (CTge28 2011; CTge16 2011). Although quite a few of the Chinese traders we interviewed were convinced that they have established dependable relationships with their employees and take an active interest in the lives of their employees, regularly expressing their support through small and sometimes rather valuable presents from their travels to China (CTge16 2011; CTge33 2011; CTge27 2011), this perception is usually not shared by their employees. One employee, for instance, expressed his existential fear of falling sick as, far away from his family, there would be nobody to pay his hospital bills. To make things worse, he knew that his employer would deduct every day of sickness from his pay, thus further increasing the hardship, rather than granting paid sick leave and covering the medical bills, as Ghanaian employers would in many cases do (GTgb2 2011; GTgb7 2011).

Apart from this lack of emergency support, wage levels are a key cause of employee dissatisfaction. It is noteworthy that quite a few Chinese employers acknowledge the fact that Ghanaian salaries are not viable and wonder how their employees manage to survive (CTcbf100 2011a; CTce107 2011), while others tend to criticize their employees for their inability to save (CTcbf143 2011; CTcb103 2011a). While many youth depend on the additional support of relatives and informal credit sources, cases like that of the isolated internal migrant above hint at the graveness of the situation when social networks are absent. Only a few Chinese employers seem to be aware of the destructive potential that their own alleged greed and lack of empathy in combination with their employees' strong resentment of being heavily underpaid can foster. One Chinese trader complained that his idle employees do not care to remove packaging material and other waste from the space in front of their shop, even though they know perfectly well from more than one incident that their employer is at risk of being fined for polluting public space (CTcb101 2011). We had the opportunity to wit-

ness one employer dirtying his hands while his employees watched. The Ghanaian employee of another trader voluntarily reported that he had blackmailed his employers during a GIPC control visit to check the number of employees in the foreign-run business. During the control, he stated, he was asked about the true number of employees in the shop. He turned towards his employer, threatening to tell the truth about being the only employee in the shop and thus disclosing the business's fraud upon registration. He subsequently received a substantial pay raise for covering up his employer's legal offense (CTge30 2011).

It should be clear that this and similar destructive strategies are only utilized by the more self-confident, better-educated and well-informed Ghanaian employees. A much more common form of destructive behavior seems to be that Ghanaian employees simply take what they feel they are entitled to from their Chinese employers in order to restore the allegedly distorted equity. Almost every Chinese trader agrees with the notion that Ghanaian employees steal from their bosses when they are not supervised, and many are able to provide detailed accounts of theft that they themselves or their compatriots were victim to (CTcbf165 2011; CTcb152 2011). Reports range from the occasional removal of a single pair of shoes from the stock (CTcb101 2011) or the rolling of a tire out of the workshop (CTcb152 2011) to stealing as a regular habit (CTcb103 2011b; CTcbf111 2011). Some employers reported that domestic workers cooperate with shopkeepers and third parties to carry out large-scale thefts of commodities by the carton (CTcb101 2011; CTcbf122 2011). The prevalence of theft was freely admitted by our Ghanaian interviewees, though it was always justified as a reaction to the perceived exploitation (CTge28 2011; CTge16 2011). Other employees stated that though they were innocent they were accused of stealing and that being suspected tempted them to actually steal from their employers. However, "Christian faith prevented them from stealing on a large scale" (CTge28 2011).

Most of our Chinese respondents are convinced that stealing is inherent to the character of the Ghanaian and react with increased alertness and surveillance, without wasting a thought on other potential reasons for this allegedly widespread behavior (CTcb152 2011). Some, though they agreed with the general conviction that stealing is only natural for Ghanaians, unconsciously put this alleged misbehavior into context. When they stated that they are aware that their employees steal from their shops from time to time but have chosen to ignore this fact as long as losses are negligible (CTcb103 2011b), they clearly echoed their employees' considerations regarding the psychological contract and equity. Only one Chinese trader consciously interpreted theft in terms of Ghanaian employees' dissatisfaction with their exchange relationship. Replying to a general question on employment, he said that he only had one employee, who received a salary substantially above the average the Chinese were paying. He said that many Chinese traders employ two or three shopkeepers who are idle most of the time. Due to their resentment of the unproductive costs in times of low turnover, his compatriots usually resort to cutting wages. The employees, understandably discontent with their employers, are then likely to resort to theft in order to restore equity.

Employing only one Ghanaian shopkeeper and paying substantially more than the average wage, he was convinced, ensured this employee's loyalty and his commitment to work at times of high business volume, and prevented losses in the form of theft (CTcbf122 2011).

6.5 Exit – No Option for Employees

In a number of interviews Ghanaian employees stated that they were constantly looking for better employment options (CTge29 2011; CTge36 2011; CTge16 2011). Many would like to quit and never again work for a Chinese employer (CTge30 2011); however, we did not observe a single case in which this intention materialized. Due to the situation of urban youth in the Ghanaian labor market in general – contrary to what is usually suggested in the theoretical literature – exit is not a viable option for any of the Ghanaian employees in our sample. Although they were supposedly hunting for better jobs because of chronically defective psychological contracts, many of our interviewees had already been working for a Chinese business for a number of years (CTge31 2011; CTge28 2011). In all the cases in our study, perceived inequities may be temporarily addressed by means of retreat, silence or destruction. However, the psychological contracts are only rarely fundamentally revised. Without a realistic exit option, the employee must endure the perceived inequity.

Chinese employers, on the other hand, have the option of exit, which is possibly the only effective sanction, at their disposal. If they opt to exit from the exchange relation with their Ghanaian employees, they usually base the decision on a series of disappointed equity expectations, with one last incident that makes the continuation of the working contract unbearable. This final violation of their equity expectations could be anything from a lack of commitment to work, a lack of proactivity, being late one time too often, or the discovery of a theft from the shop (CTcb103 2011b; CTcb131 2011a). The employers we interviewed are generally quite reluctant to make use of this option and regard the termination of an employment contract as a last resort. Only very rarely are Chinese traders willing to hazard the consequences that can potentially arise from firing a Ghanaian employee. As they are convinced that all Ghanaians, with only a few exceptions, share the characteristics they dislike most – tardiness, laziness, and insincerity – they feel deprived of real alternatives to their current employees. Moreover, because employees have often having been introduced by supposedly trustworthy acquaintances, the employers probably also do not wish to antagonize their customers, neighbors or other relevant persons. One rare example of the opposite course of action was an investor who had only recently returned to Ghana after having realized that his Chinese manager was going to ruin the business. Eager to make a break, he dismissed more than half of his Ghanaian employees over a short span of time. The fact that he had not established personal relationships with these employees due to his absence made it easier for him to take such a radical step. However, he also admitted that he had suffered considerable setbacks because his actions had the side effect of antagonizing some of his more important customers (CTcb152 2011).

7 Conclusion

This paper set out to explore Chinese-Ghanaian employment relations and the conflictive potential of cross-cultural (mis)communication therein. Our empirical examples have illustrated how cross-cultural employment relations are characterized by social exchange rather than purely economic exchange – though with rather contradictory paradigms in terms of the reciprocity expectations of Ghanaian employees vis-à-vis Chinese employers. The Chinese traders' willingness to pay more than the legal minimum wage, even though labor is abundantly available on the urban market, can be interpreted as a unilateral investment in an employment relationship that is characterized by social exchange and generalized reciprocity and is founded on an interpersonal relationship (*renqing*) with a trusted third party who introduces the employee.

The general reluctance to fire an employee who fails to reciprocate this investment through commitment to work may be interpreted in terms of *renqing*. Their acceptance of the introduction of employees by trusted third parties and their retaining of underperforming employees may, however, also be a result of Chinese employers' feelings of vulnerability as foreigners with limited abilities to communicate, to understand the rules of the local society, and to find committed workers on the local labor market. These two interpretations are not contradictory but rather represent two different perspectives on one phenomenon and are at work simultaneously. However, under the condition of foreignness, the expectations of equity underlying this social exchange type of employment relationship are interpreted differently by employer and employee and are thus prone to a perceived failure of balanced reciprocity – that is, the violation of equity expectations.

While any employment relationship is subject to conflicts of interest, the cross-cultural situation observed in the Chinese trade businesses in Accra holds specific conflictive potential. This is due to the employers' foreignness and hence the absence of a number of mediating factors that are usually in play between the parties in monocultural settings. The Chinese employers' calculations described above are mirrored by the perceived and factual vulnerability of Ghanaian youth with regard to the local labor market. Both the employer's reluctance to fire and the absence of a viable exit option for the employee, even when he or she perceives his/her employment as exploitative and not conforming to culturally grounded expectations, are conducive not only to employment relations but also to the perpetuation of conflicts of interest.

These continuous loops of perceived inequity resulting from the repeated misinterpretation of the other party's reactions can only be broken when effective cross-cultural communication is established. This would require both parties to refrain from transplanting their own cultural perceptions into these cross-cultural employment relationships without any substantial adaptation. However, while Chinese employers are largely speechless due to their poor English language skills and their lack of investment in cultural learning, Ghanaian employees are voiceless in the sense that their attempts to point out and to address perceived violations

of their psychological contracts through various forms of voice, silence, retreat, and destruction remain unheard because of their Chinese employers' foreignness, which severely limits mutual understanding.

The Chinese employers' culturally based aversion to open conflict, paired with a general feeling of vulnerability born out of an ignorance of local customs and societal norms, not least due to their lack of communication skills in any language but Chinese, makes them largely speechless in the face of what they interpret as repeated distortions of equity by their employees. With their perception clouded by widely accepted and self-fulfilling negative stereotypes regarding the character of the Ghanaians yet forced by Ghanaian law to employ local labor, they feel that they are left without any real alternative to perpetuating their exchange relations with their allegedly underperforming employees. In an attempt not to antagonize the Ghanaian host society, they usually refrain from a range of sanctions widely utilized by employers in China, such as the cutting of wages for disciplinary reasons, and endure their Ghanaian employees' repeated acts of retreat and destruction until exit finally becomes the only bearable solution.

Ghanaian employees hired by a Chinese businessman or -woman, on the other hand, find themselves trapped in the misperceptions of this specific cross-cultural relationship. Informed by the specific equity arrangements in purely Ghanaian youth employment, which are mediated by kinship ties but also have significant barriers to entry, they unilaterally incorporate Ghanaian employers' obligations to their young employees into their perceptions of the benefits they are entitled to receive from their Chinese employers. To cope with perceived violations of their psychological contracts under Chinese employment, Ghanaian employees demonstrate creativity in the renegotiation of working conditions to better match their own terms. While, admittedly, a large group of Ghanaian employees resorts to silent endurance, the strategies of more forthright individuals involve the expression of dissatisfaction through words and actions; mental and physical retreat from the work environment; and more radical means of destruction – that is, the infliction of harm to the employer's interests, be it through theft or harmful avoidance of tasks and duties. Unfortunately, as creative and successful as these behavioral strategies may be for the psychological and material well-being of the employee in the short run, in the long run the Ghanaian employees tend only to achieve Pyrrhic victories. In the absence of effective cross-cultural communication these responses to perceived equity violations can hardly be interpreted as real successes, and they consequently fail in a large number of cases to secure a revision of the psychological contract. Exit, it has been established, is hardly an option for Ghanaian employees who lack viable income alternatives. For the Chinese employer, the termination of the employment relationship is a last resort when inequity is stretched beyond acceptable limits.

While the current level of cross-cultural communication is inadequate to successfully mediate mutual expectations and address perceived inequity, the negative stereotypes held by both parties – exploitative Chinese employers and nonperforming Ghanaian employees –

are mutually reinforced through the continuous misinterpretation of the behavioral strategies that both parties employ in their attempts to restore equity. Hence, this case study of Chinese-Ghanaian employment relations shows that only when effective cross-cultural communication is facilitated – through sufficient language skills, mutual respect, and openness to cultural learning – can foreignness be successfully mediated, perceptions of equity violations addressed, and successful adaptations across different cultures made possible.

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