

**CULTURAL VALUES AND HUMAN RESOURCE
MANAGEMENT PREFERENCES
IN THE PEOPLE'S REPUBLIC OF CHINA**

By

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Abstract

Managing human resources successfully requires a comprehensive understanding of the influences of both internal (for example, size of the organization, nature of industry and organizational life stage) and external (for example, legal, economic and cultural systems) environments of the organization. Of these factors, culture is perhaps the most intangible one, but it has a powerful impact on the management and organization behaviours (Joynt and Warner, 1996).

Budhwar and Sparrow (2002) proposed a number of mechanisms that can be used to study the influence of national culture on HRM. One of them is to study the influence of cultural values on HRM preferences. However, in the literature, many studies on culture and HRM are qualitative-based, which further lead to a tendency to either over-exaggerate or over-simplify the influences of cultural values on HRM. Some scholars have used quantitative-based methods to analyze the relationships between cultural values and HRM preferences (Sparrow and Wu, 1998; Nyambegera et al., 2000; Chandrakumara and Sparrow, 2004) but little has been done in China.

Based on 2852 questionnaires from 102 Chinese companies, this research has explored three research questions:

1. What are the cultural values of Chinese employees?
2. What are the HRM preferences of Chinese employees?
3. What are the relationships between cultural values and HRM preferences?

According to the research findings, first, China has a distinct pattern of cultural value orientations, for example, a 'hierarchical collectivism', which is significantly different from most Western cultures. Second, the HRM preferences of Chinese employees are different from that of Western employees, for example, there is a strong 'group orientation' and a strong emphasis on 'soft' factors. Third, based on the data above, the relationships between cultural values and HRM preferences have been analyzed. Some cultural values such as 'collectivism' and 'human nature' have greater predictive power on HRM preferences than other cultural values.

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Abbreviations

ACFTU = All China Federation of Trade Union

ANOVA = Analysis of Variances

BO = Being Orientation

CCP = Chinese Communism Party

China = People's Republic of China

CMRS = Contract Management Responsibility System

COEs = Collectively Owned Enterprises

CPQ8 = Cultural Perspective Questionnaire Version 8

CR = Collectivistic Relationships

DO = Doing Orientation

DRC = Development Research Centre of State Council of China

DRS = Director Responsibility System

FuO = Future Orientation

HE = Harmony with the Environment

HN = Human Nature

HN = Human Nature

HR = Hierarchical Relationships

HRM = Human Resource Management

HRMPQ = Human Resource Management Preference Questionnaire

ICBC = Industrial and Commercial Bank of China

ICFTU = International Confederation of Free Trade Union

ILO = International Labour Organization

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IR = Individualistic Relationships

MA = Mode of Activity

ME = Mastery over the Environment

MNCs = Multi National Companies

PaO = Past Orientation

PD = Power Distance

PM = Personnel Management

POEs = Privately Owned Enterprises

PrO = Present Orientation

RE = Relations with the Environment

RP = Relationships between People

SE = Subjugation to the Environment

SOEs = State Owned Enterprises

SVS = Schwartz's Value Survey

TO = Thinking Orientation

TO = Time Orientation

UA = Uncertainty Avoidance

VSM = Value Survey Module

WTO = World Trade Organization

CHAPTER 1 INTRODUCTION

1.1 INTRODUCTION

This chapter is structured as follows: first, the research background is introduced. Second, the three research questions are presented, followed by specific research objectives. Third, the research methodology is described, discussing the main research instruments and the data analysis methods used in this research. Finally, the structure of this thesis is listed.

1.2 RESEARCH BACKGROUND

Managing human resources successfully requires a comprehensive understanding of the influences of both internal (for example, size of the organization, nature of industry and organizational life stage) and external (for example, legal, economic and cultural systems) environments of the organization. Of these factors, culture is perhaps the most intangible one, but it has a powerful impact on the management and organization behaviours (Joynt and Warner, 1996).

How does culture influence management? Generally speaking, at the macro level, culture influences the development of management theories. Hofstede (1980; 2001) argued that all management theorists grew up in a particular society in a particular period of time. They are the children of their culture and their thought reflects the values of that culture. At the micro level, culture influences people's perception of management and their responses to

management policies and practices. Sweeney and Hardaker (1994) argued that culture affects the way in which people consciously and subconsciously think, make decisions and, ultimately, the way in which they perceive, feel and act towards opportunities and threats presented by the internal and external environments. Such behavioural assumptions are so powerful, underlying and unquestioned that they continue to influence organizational behaviour and strategic decision making even when the organization's business environment changes.

In last three decades, there have been growing interests in studying culture, HRM and how culture influences HRM. Cultural values have been related to leadership style (Fowlers et al., 1975; Adler, 1991; Glinow et al., 1999; Littrell, 2002; Javidan et al., 2006; Byrne and Bradley, 2007; Tsang, 2007); decision making (Rokeach, 1973; Feather, 1975; Ravlin and Meglino, 1989; Wang and Clegg, 2002); conception of management (Sparrow and Hiltrop, 1994); industrial relations (Black, 2005); negotiation styles (Chang, 2003); informal information sharing (Chow et al., 1999); counselling (Carter, 1991); advertising (Zhang and Shavitt, 2003); control and commitment (Nam, 1995; Tan and Akhtar, 1998; Black, 1999; McCarty and Shrum, 2001; Wasti, 2003; Tjosvold et al., 2004); motivation (Fisher and Yuan, 1998; Jackson and Bak, 1998); organizational development (Johnson and Golembiewski, 1992); organizational behaviour (Posner and Munson, 1979; Smith, 1992); managerial values (Cheung and Chow, 1999; Tan, 2002); HRD (McGuire et al., 2002); work values (Pelled and Xin, 1997; Westwood and Lok, 2003; Jaw et al., 2007); fairness (Tata, 2005); trust (Doney et al., 1998) and international business (Child and Yan, 2001).

Budhwar and Sparrow (2002: 389) proposed a number of mechanisms that can be used to study the influence of national culture on HRM:

1. The socialization process through which managers are 'made' and through which the managerial role is defined (Van Maanen and Schein, 1979; Hofstede, 1983, 1993; Schein, 1985; Terpstra and David, 1985). This influences the competencies that firm feel necessary to resource and for the subsequent shaping of selection and development systems.
2. The basic assumptions which shape managers' behaviour (Van Maanen and Schein, 1979; Hofstede, 1983, 1993). These influence the perceived relevance of HRM practices.
3. Their common value orientations, norms of behaviour and customs (Keesing, 1974; Hofstede, 1983, 1993; Tayeb, 1995). This influences the preferences individuals have for specific HR policies and the extent to which these policies will actually function effectively.
4. The influence of social elite or pressure groups unique to a country (Keesing, 1974), which can make the pursuit of specific HR policies politically and socially inappropriate.
5. The unique ways of doing things and management logics in a particular country, which are reflective of the broader national business system (Whitley, 1992; Sparrow and Hiltrop, 1997).

Many studies have used the third method, which is, studying the influences of cultural values on HRM preferences. However, in the literature, many studies on culture and HRM were qualitative-based. There was a tendency to over-exaggerate the influences of cultural values on HRM. Some tended to attribute all cross national differences in HRM to the influences of culture, arguing that every aspect of international business and international HRM is influenced by culture (Xing, 1995; Huang, 2000; Chen, 2002; Briscoe et al., 2004). There was also a tendency to over-simplify the relationships between cultural values and HRM. Some tended to use cultural values to predict HRM preferences but based on interviews with the managers, observations and qualitative assessments (Cable and Judge, 1994; Pun et al., 2000; Wah, 2001). However, the relationships between cultural values and HR preferences are more complex than that. To argue conclusively that there is a relationship between specific cultural values and specific HR preferences requires more quantitative evidence rather than mere qualitative assessment. One should be extremely careful in making such assumptions, and should test it before taking it for granted.

Some scholars have used quantitative-based methods to analyze the relationships between cultural values and HRM preferences (Sparrow and Wu, 1998; Nyambegera et al., 2000; Chandrakumara and Sparrow, 2004). These quantitative-based studies have provided useful information for international managers to adjust their HRM policies and practices to match the employees' expectations. However, compared with the qualitative-based studies, there have been just a few studies that have used quantitative-based methods. Moreover, little research has been done in China, except in Hong Kong and Taiwan.

With the further integration of China into the world business system, more MNCs will establish or expand their business operations in China and employ more Chinese employees.

They will also have more Chinese business partners. On the other hand, some successful Chinese MNCs such as Lenovo, Haier and Huawei have begun to extend their business operations worldwide and they will employ more and more local (non-Chinese) employees. This mutual communication system indicates that there are fast growing interactions between Chinese people and people from other cultures. As a consequence, there is an increasing demand for a better understanding of Chinese cultural values as well as the management expectations of Chinese employees.

China provides an ideal location for studying culture and HRM. First, there have been some studies on Chinese culture (Hofstede, 1980; Chinese Culture Connection, 1987; Chiu et al., 1998; Scarborough, 1998; Sparrow and Wu, 1998; Su et al., 1998), but many of them were done in the 1980s or 1990s and few were done in mainland China. China has gone through great changes in the last three decades because of the economic and social reform. It would be interesting to explore if Chinese cultural values have changed as a result of the dramatic economic and social changes. For example, what is the general pattern of Chinese cultural values? Are there any variations between different demographic groups? What is the direction of change? We need a study which provides up-to-date information on Chinese culture and the dynamics in it.

Second, previous studies (Warner, 1996; Sparrow and Wu, 1998; Hassard et al., 2004) have showed that Chinese HRM, as well as Chinese employees' HRM preferences, are very different from those of Western employees. Since the 1978 economic reform, China has showed great interests in benchmarking 'international advanced management practices' which in most cases, refer to management practices in developed countries. In HRM, more and more Chinese companies are adopting contemporary Western HRM policies and

practices (Cooke, 2005). It would be interesting to explore how Chinese employees respond to these practices. What are Chinese employees' HRM preferences? Have their HRM preferences changed? What are their responses to Western HRM concepts and practices? Is there any evidence of convergence or divergence in the HRM preferences between Chinese and their Western counterparts? While there have been some studies on Chinese HRM (Easterby-Smith et al., 1995; Pun et al., 1997; Verburg et al., 1999; Warner, 2000; 2003), many of them were based on the interviews with senior managers or HR managers, which probably reflects ideal or 'best practices' of HRM that those managers believed in, rather than necessarily the real HRM practices employed. Therefore, we need a large scale study on the HRM preferences in China, especially from the employees view.

Third, it would be interesting to explore whether, and how Chinese cultural values influence Chinese HRM preferences. What are the influences of Chinese cultural values on HRM preferences? Which cultural values have the strongest or weakest influence on HRM preferences? Are there any 'culture-free' HRM preferences? Would Chinese cultural values reinforce or undermine the adoption of Western HRM methods? There is a need, therefore, for a study which focuses on exploring the relationships between Chinese cultural values and HRM preferences, especially from a quantitative perspective.

1.3 RESEARCH QUESTIONS

Following the above discussion, this research focuses on exploring the cultural values and HRM preferences of Chinese employees, and the relationships between cultural values and HRM preferences. In particular, this study explores the following research questions:

1. What are the cultural values of Chinese employees?

Specifically, the research objectives of this research question are to identify the general pattern of cultural values of Chinese employees; to compare the differences in cultural values between different demographic groups; to compare the differences in cultural values with previous studies on Chinese culture and to discuss the likely development directions of Chinese culture.

2. What are the HRM preferences of Chinese employees?

Specifically, the research objectives of this research question are to identify the HRM preferences in China, especially from the employee side; to examine if these HRM preferences are reflected in the empirical HRM practices; to explore convergence/divergence in the HRM preferences and HRM practices between China and Western countries, based on the research findings and previous empirical studies; and to discuss the future of Chinese HRM.

3. What are the relationships between cultural values and HRM preferences?

Specifically, the research objectives of this research question are to identify which particular cultural values have what degree of influence on which HRM preferences and to identify 'culture-bound' and 'culture-free' HRM preferences.

1.4 RESEARCH METHODOLOGY

In this study, quantitative methods were employed to explore the cultural values and HRM preferences of Chinese employees. They were also used to analyze the relationships between cultural values and HRM preferences.

Two questionnaires were used in this study. The first one is the Cultural Perspective Questionnaire (CPQ8) (Maznevski and DiStefano, 2004), which was designed to test 13 cultural values in 5 cultural value dimensions: 'Relations with the Environment' (subjugation, harmony and mastery), 'Relationships between People' (individualistic relationships, collectivistic relationships and hierarchical relationships), 'Mode of Activity' (being, doing and thinking), 'Human Nature' (good and bad) and 'Time Orientation' (past, present and future). The second one is the Human Resource Management Preferences Questionnaire (HRMPQ) which was designed to test the HRM preferences. The HRMPQ was designed by the author, based on the questionnaire used in the study of Sparrow and Wu (1998). There are 45 pairs of HRM preferences, covering five main HR functions: 'Planning', 'Staffing', 'Performance Appraisal', 'Compensation' and 'Training and Development'.

Questionnaires were distributed in 102 enterprises in mainland China, under different ownership and in different locations. All of them have a minimum size of 200 employees. The respondents came from different departments, including non-management, basic management, middle management and senior management. Overall, 2852 usable questionnaires were collected.

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The cultural values and HRM preferences of Chinese employees were tested by the SPSS, followed by a One-way ANOVA analysis to compare the differences in cultural values between the different demographic groups. Three analyses were conducted to explore the relationships between cultural values and HRM preferences. First, the preliminary analysis of the relationships between cultural values and HRM preferences was conducted, using the Pearson Correlation analysis. Second, the Multiple Regression analysis was conducted to explore the relationships between cultural values and HRM preferences. Third, after controlling demographic variables and firm characteristics, a second Multiple Regression analysis was conducted to explore the relationships between cultural values and HRM preferences.

1.5 STRUCTURE OF THE THESIS

CHAPTER 1 INTRODUCTION

In this chapter, first, the research background of this study is discussed. Second, it presents the research questions, the research objectives of this study, followed by a discussion on the research methodology used in this research.

CHAPTER 2 LITERATURE REVIEW – CULTURE

In this chapter, the literature review of culture is presented, especially the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004). The second part of this chapter discusses the main features of Chinese culture in the Cultural Value Orientations Framework

CHAPTER 1 INTRODUCTION

(Maznevski and DiStefano, 2004) and the research hypotheses on Chinese cultural values are presented.

CHAPTER 3 LITERATURE REVIEW – HRM

In this chapter, first, a brief review of the development of HRM is presented, followed by the discussion on the debate of convergence and divergence in the HRM. Second, the influences of culture on HRM are discussed.

CHAPTER 4 RESEARCH METHODOLOGY

In this chapter, first, the main methodological concerns in the study of culture and management are discussed. Second, a review of the main research instruments in studying culture is presented, followed by the discussion on the two questionnaires used in this study: the Cultural Perspective Questionnaire (CPQ8) and the HRM Preferences Questionnaire (HRMPQ). Third, the data collection process is discussed, covering the pilot study, sampling strategy, selection criteria, questionnaires distribution and follow ups.

CHAPTER 5 DATA ANALYSIS – CULTURAL VALUES

This chapter addresses the first research question. Specifically, what are the patterns of cultural values of Chinese employees? First, the demographic characteristics of the respondents are summarized, followed by the preliminary analysis of the reliability and validity of the questionnaires. Second, the data, from 2852 questionnaires, is analyzed to identify the cultural values of Chinese employees. The research results on Chinese cultural

CHAPTER 1 INTRODUCTION

values are presented, followed by a discussion on the variations in Chinese cultural values by gender, age and educational level.

CHAPTER 6 DATA ANALYSIS – HRM PREFERENCES

This chapter deals with the second research questions. Specifically, what are the HRM preferences of Chinese employees? Using the data from the HRMPQ, the HRM preferences of Chinese employees are identified and discussed.

CHAPTER 7 DATA ANALYSIS – THE RELATIONSHIPS BETWEEN CULTURAL VALUES AND HRM PREFERENCES

This chapter deals with the third research question: what are the relationships between cultural values and HRM preferences. First, a preliminary analysis is conducted, using the Pearson Correlation analysis. Second, a Multiple Regression analyses is conducted to explore the specific relationships between cultural values and HRM preferences. Third, the research results are discussed.

CHAPTER 8 DISCUSSION

In this chapter, first, the research results on Chinese cultural values are discussed, followed by a discussion on the likely change directions of Chinese culture. Second, the Chinese HRM practices (Planning, Staffing, Performance Appraisal, Compensation, Training and Development) are discussed, based on the research findings and previous empirical studies. A

CHAPTER 1 INTRODUCTION

discussion on the convergence and divergence trend of Chinese HRM is presented, followed by a discussion on the future of Chinese HRM.

CHAPTER 9 CONCLUSION

This chapter concludes the whole study. First, the main research findings on the cultural values and HRM preferences of Chinese employees, and the relationships between Chinese cultural values and HRM preferences are summarized. Second, the main contributions of this study are presented, followed by the implications for both the HR practitioners and scholars. Third, after discussing the limitations of this study, some suggestions for future research are presented.

CHAPTER 2 LITERATURE REVIEW - CULTURE

2.1 INTRODUCTION

This chapter focuses on the literature review of cultural study. First, the basic concepts of culture such as the definition of culture, the layers and stability of culture are discussed. Second, a review of main cultural frameworks is presented. Third, Chinese culture is discussed in the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004). Hypotheses of Chinese cultural value orientations are also developed. Finally, a summary is drawn.

2.2 CONCEPT OF CUTLURE

2.2.1 Definition of culture

Culture is an essential and meaningful social concept. However, defining culture is difficult. Kroeber and Kluckhohn (1952) listed 164 different definitions of culture from scholars of different backgrounds. Fifty years later, many more definitions have been added into this list. Among those definitions, one of the most comprehensive and generally accepted definitions of culture is made by Kroeber and Kluckhohn (1952: 86):

‘Culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including

CHAPTER 2 LITERATURE REVIEW - CULTURE

their embodiments in artifacts; the essential core of culture consists of traditional (i.e., historically derived and selected) ideas and especially their attached values’.

Based on the definition of Kroeber and Kluckhohn (1951), Hofstede (2001: 9) proposed a shorthand definition of culture: ‘culture is the collective programming of the mind that distinguishes the members of one group or category of people from another’. Based on the definitions above, we can conclude that:

1. Culture is something that is shared by all or almost all members of a particular social group, something that shapes one’s behaviours and perception of the world (Adler, 1991). Culture is a shared system of values and meanings. It guides people on how to perceive the physical and social world around them. These patterns of values are shared among a group of people, which enable them to understand events and behaviours in the same or similar way, and determine their expectations of how others should behave in an ‘appropriate’ way.
2. Culture is learned. Culture consists of systems of values, attitudes and beliefs. These values, attitudes and beliefs are learned and then reinforced in the social environment we are embedded in. Cultural values are passed from generation to generation.
3. Culture is group-based. Culture is a collective phenomenon about shared values and meaning (Hoecklin, 1995). As a collective phenomenon, culture determines the uniqueness of a human group in the same way as personality determines the uniqueness of an individual (Hofstede, 2001). Since culture is group-based, a culture starts developing when a group of people have a shared experience (Schein, 1999; Browaeys and Price, 2008). As a result, there are many types of culture such as national culture, regional culture, organizational culture and professional culture.

2.2.2 Layers of culture

Culture, like 'needs', 'bad' and 'peace', is not a 'thing' that can be experienced directly through the senses. They are ideas constructed from within a society (Hoecklin, 1995). Culture is invisible until it manifests itself in behaviours or visible elements. Hofstede (2001) argues that Symbols, Heroes, Rituals and Values are commonly used to describe visible manifestations of culture. As Figure 1 shows, at the outermost layer are Symbols. Symbols refer to words, gestures, pictures and objects that carry certain meanings which are recognizable to those who share the culture. Examples are slangs, hairstyles, and flags. Symbols lie at the outermost and most superficial layer because they are easily developed, transformed, and replaced. At the second layer are Heroes. Heroes refer to people who possess characteristics which are highly valued in a culture and thus serve as models for behaviours. These people could be alive or dead, real or imaginary. At the third layer are Rituals. Rituals refer to collective activities that keep individuals bound within the norms of the group and they are considered to be socially essential. Examples are the ways of greeting to each other, the forms of social and religious ceremonies.

These outer layers, namely Symbols, Heroes, and Rituals, are subsumed under the term Practices, which means they are visible to outsiders. However, their cultural meanings are invisible to outsiders who do not understand the core layer: the values.

Systems of values are the core element of culture (Hofstede, 2001). Kluckhohn (1967: 395) defined a value as 'a conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable which influences the selection from available modes,

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means and ends of actions'. Rokeach (1972: 160) also argued that, 'to say a person has a 'value' is to say that he or she has an enduring belief that a specific mode of conduct or end-state of existence is personally and socially preferable to alternative modes of conduct or end-states of existence'. In short, a value is a broad tendency to prefer certain choices over others. Values are the core elements of culture. Therefore, studying cultural values is the first step to understand a culture.

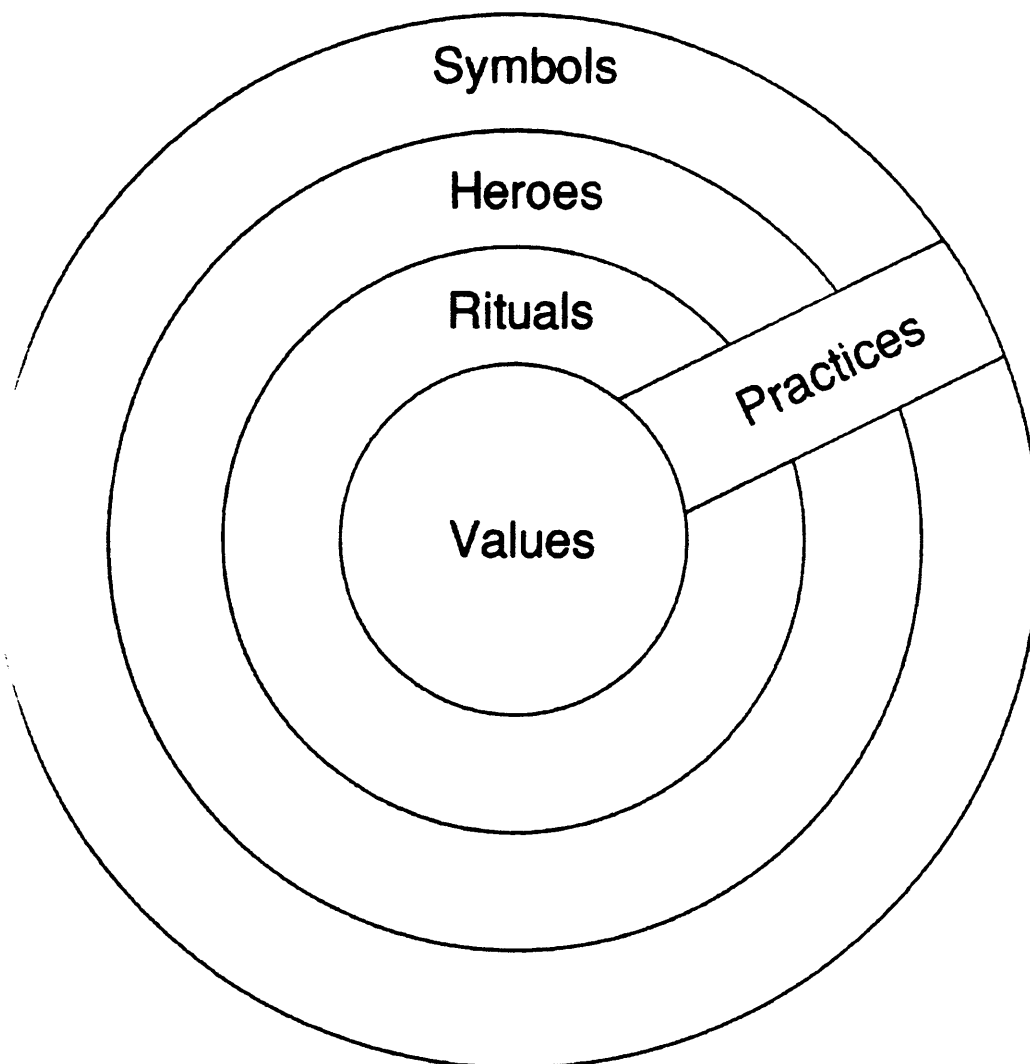


Figure 1. The 'Onion Diagram': Manifestations of Culture at Different Levels of Depth
Source: Hofstede (2001)

2.3 MODELS OF CULTURAL DIMENSIONS

Dimensions study, starting with identifying independent dimensions of culture then building a cultural framework, is a commonly used method for studying and comparing cultures. The basic premise underlying dimensions study is that there are common themes in the issues or problems that different societies have to face throughout time, but on which they develop different ways of coping with these issues or problems (Lane et al., 2006). When studying culture, these issues or problems are developed into independent dimensions, which enable us to view and compare cultures more objectively. Scholars have developed different cultural frameworks. Depending on the number of dimensions, these cultural frameworks can be categorized into single dimension models and multiple dimensions models (Morden, 1999).

2.3.1 Single Dimension Models

Hall's (1976) High/Low Context Model

Hall (1976) argued that the cultures of the world could be compared on a scale from high to low context. The degree of high or low context is determined by how people seek information and knowledge from the environment.

A high context (HC) communication or message is one in which most of the information is already in the person, while very little is in the coded, explicit, transmitted part of the message. A low context (LC) communication is just the opposite; that is, the mass of the information is vested in the explicit code (Hall, 1976).

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High context people such as Japanese people rely on extensive personal networks, through family, friends, colleagues and clients to obtain information and knowledge before they make a decision. By contrast, low context people such as Americans, Germans, and other northern Europeans compartmentalize their personal relationships, their work, and many aspects of daily life. Although they would listen to their family members, friends and colleagues, they rely much on formal research-based methods such as reading, reports and database before they make a decision.

Lewis's (1992) Monochronic/Polychronic Model

Lewis divided cultures into monochronic and polychronic culture. People from monochronic cultures such as Germans and Americans act in a focused manner, they prefer to concentrate on one thing at a time within a set time scale. Time is viewed as a scarce resource which has opportunity cost. By contrast, people from polychronic cultures such as Indians and Latin Americans hold a different view towards time. To them, being flexible is important and time is not a scarce resource which can be equated to money. As a result, they are likely to do several things at a time and pay lesser attention to meeting the schedules.

Fukuyama's (1995) High/Low Trust Model

Fukuyama divided cultures into high trust society and low trust society. He argues that in a low trust society such as China and Russia, rigid hierarchies are necessary because hierarchical relations and explicit rules have to be employed in order to achieve efficiency. By contrast, in high trust societies such as America and Japan, there is lesser need for rigid bureaucratic rules and organizations in these societies are more likely to delegate power to lower levels.

Single dimension models are straightforward and easier to grasp. However, they are too simplistic. They could be problematic in empirical research because most cultures are hybrid. Cultures seldom fully correspond to a single dimension. Furthermore, a single dimension of culture is lesser convincing in analyzing cultural values, and explaining the relationship between cultural values and management. Therefore, most cultural frameworks are multi-dimensioned.

2.3.2 Multiple Dimensions Models

Kluckhohn and Strodtbeck's (1961) Cultural Framework

Florence Kluckhohn and Fred Strodtbeck are two influential US anthropologists, whose work has influenced not only anthropologists but also scholars from various backgrounds such as management and politics. Based on their fieldwork and their extensive analysis of other ethnographic studies of cultures, they proposed a cultural framework as follows:

1. **Relations to Nature.** Do people have a need to control nature (mastery), to submit to nature (subjugation) or to keep a harmonious relationship with nature (harmony)?
2. **Human Nature.** Are people inherently good, bad, or neutral?
3. **Relationship between People.** The greatest concern and responsibility is for one's self and nuclear family (individualistic), for one's group (collateral), or for one's group that are arranged in a hierarchical order (lineal).

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4. Focus of Activity. Should people 'work to live' (being), 'live to work' (doing) or avoiding extremes and emphasize rational planning (being-in-becoming)?
5. Time Orientation. Should people make decisions based on traditions (past orientation), on events in the present (present orientation), or on events in the future (future orientation)?
6. Use of Space. What do people think of the physical space we use? Is it private, public, or a mixture of public and private?

Hofstede's (1980) Cultural Framework

Among those multiple-dimensional cultural frameworks, Hofstede's model is probably the most-cited one. Based on his research on IBM employees in more than 50 countries, Hofstede (1980) proposed a cultural framework which has four dimensions:

1. Power Distance (High/Low) is the extent to which the less powerful members of organizations and institutions (for example, family) accept and expect that power is distributed unequally. It is a measure of the interpersonal power or influence between the superior and inferior in a hierarchical system. The higher the power distance, the higher degree of controlling power the superior has.
2. Uncertainty Avoidance (High/Low), which refers to 'the extent to which the members of a culture feel threatened by uncertain or unknown situations'. The higher the index, the lesser tolerant with uncertainty and ambiguity.
3. Individualism/Collectivism, which refers to the relationship between the individual and the group that prevails in a given society. The more individualistic the society, the looser the ties between the individuals.

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4. Masculinity versus Femininity, which refers to the distribution of roles between the genders. In a 'masculine' society, people tend to be more assertive and competitive. In a 'feminine' society, people tend to be less assertive and competitive and more modest and caring.

Chinese Culture Connection's (1987) four dimensions

In this cultural framework, there are four dimensions:

1. Human-heartedness. This refers to kindness, patience, courtesy and a sense of righteousness.
2. Integration. This refers to tolerance, harmony, trustworthiness and contentedness.
3. Moral discipline. This refers to moderation, being disinterested and pure and having few desires.
4. Confucian dynamism. This refers to thrift, persistence and sense of shame.

Trompenaars's (1993) Cultural Framework

Another well-known cultural framework is developed by Trompenaars (1993). Using a value questionnaire, he collected data from more than 15,000 managers around the world. This model is based on the work of Kluckhohn and Strodtbeck's (1961) and Hofstede (1980). In this model, there are 7 cultural dimensions (Thomas, 2008):

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1. Universalism versus Particularism. Universalism is a belief that truth and goodness can be discovered and applied universally. Particularism is a belief that truth and goodness are determined by unique circumstances.
2. Collectivism versus Individualism. Similar to the dimension in Hofstede (1980), this dimension deals with individualistic or collectivistic interpersonal relationships.
3. Affective versus Neutral relationships. In affective cultures, it is nature to express emotions. In neutral cultures, emotion should be held. There is a great emphasis on self-control.
4. Specificity versus Diffuseness. The extent to which individuals allow access to their inner selves to others.
5. Achievement versus Ascription. In achievement cultures, status and power are determined by what a person does. In ascription cultures, status and power are determined by who a person is.
6. Time. Similar to the time dimension in Kluckhohn and Strodtbeck (1961). This dimension divided time into future orientation versus past orientation; linear versus holistic view of time.
7. Environment. Similar to the relations with nature dimension in Kluckhohn and Strodtbeck (1961). This dimension refers to the extent people feel that they are the primary influence on their own lives; or the extent people feel that environment is more powerful than they are.

The GLOBE Cultural Framework (House et al., 2004)

The cultural framework of the GLOBE (Global Leadership and Organizational Behaviour Effectiveness) project is a relatively new model. Data was collected from 17,000 managers in 62 different societies. In this model, there are 9 cultural dimensions. The first 6 cultural dimensions are similar to the model of Hofstede (1980) and the next 2 dimension are based on the work of Kluckhohn and Strodtbeck's (1961). The 9 cultural dimensions are (Javidan et al., 2006):

1. Institutional Collectivism. The degree to which organizational and institutional practices encourage and reward collective distribution of resources and collective action.
2. In-group Collectivism. The degree to which individuals express pride, loyalty and cohesiveness in their organizations or families.
3. Power Distance. The degree to which members of a collective expect power to be distributed equally.
4. Uncertainty Avoidance. The extent to which a society, organization, or group relies on social norms, rules and procedures to alleviate unpredictability of future events.
5. Gender Egalitarianism. The degree to which a collective minimizes gender inequality.
6. Assertiveness. The degree to which individuals are assertive, confrontational, and aggressive in their relationships with others.
7. Humane Orientation. The degree to which a collective encourages and rewards individuals for being fair, altruistic, generous, caring, and kind to others.
8. Future Orientation. The extent to which individuals should engage in future-oriented behaviours.

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9. Performance Orientation. The degree to which a collective encourages and rewards group members for performance improvement and excellence.

These multiple-dimensioned cultural frameworks were designed by different authors and used for different purposes, conducted at different times and with different samples. However, they have great similarities. One reason for the overlapping of dimensions in these cultural frameworks is that they have been influenced, directly or indirectly, by the work of Kluckhohn and Strodtbeck (1961). For example, the 'Masculinity/Femininity' dimension and 'Power Distance' dimension in Hofstede's (1980) model are similar to the dimensions of 'Being/Doing/Being-in-becoming' dimension and 'Lineal interpersonal relationship' in the work of Kluckhohn and Strodtbeck (1961). The 'Time' dimension and 'Environment' dimension in Trompenaars's model (1993) are similar to 'Time' dimension and 'Relations to Nature' dimension in the work of Kluckhohn and Strodtbeck (1961). The first 6 dimensions of the GLOBE model have their origins in the dimensions of culture identified by Hofstede (1980) and the work of Kluckhohn and Strodtbeck (1961) as well.

The work of Kluckhohn and Strodtbeck (1961) has a high level of validity, which has been demonstrated in extensive field research (Kluckhohn and Strodtbeck, 1961; Thomas, 2008). This model also has great influence on most of the existing cultural frameworks. However, due to a lack of psychometric instrument that can be used to measure these dimension, there have been relatively few quantitative studies based on this model. However, more recently, Maznevski et al. (1993) and Maznevski and DiStefano (2004) have simplified the work of Kluckhohn and Strodtbeck (1961). They also developed a questionnaire, the Cultural Perspective Questionnaire (CPQ), to measure the cultural dimensions in this model. The CPQ has been used widely worldwide and have high level of validity and reliability.

In this study, the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004) and the latest version of the Cultural Perspective Questionnaire (CPQ8) is used to explore the patterns of Chinese cultural values. In the following section, a brief discussion of the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004) is presented.

2.4 THE CULTURAL VALUE ORIENTATIONS FRAMEWORK

Based on the work of Kluckhohn and Strodtbeck (1961), Maznevski et al. (1993) and Maznevski and DiStefano (2004) have developed a simplified model of cultural framework. As Table 2.1 shows, in this model, there are 5 cultural dimensions. Each dimension has two or three variations. In the following section, the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004) is discussed.

Dimensions	Variations		
Relations with the Environment	Subjugation	Harmony	Mastery
Relationships between People	Individualistic	Collectivistic	Hierarchical
Mode of Activity	Being	Thinking	Doing
Human Nature	Bad		Good
Time Orientation	Past	Present	Future

2.4.1 Relations with the Environment

This dimension refers to the relations between human beings and social and physical environments. It reflects how people in a society ought to orient themselves to the world around them and to the supernatural (Lane et al., 2006). There are three orientations in this dimension: Subjugation to the Environment (SE), Harmony with the Environment (HE) and Mastery over the Environment (ME). These three orientations could be observed at the same time in most cultures. However, there is usually a dominant orientation in a particular society.

People who have a SE value believe in predetermined or preordained life. There is a tendency to discourage attempts to alter the fate because it is believed that these actions will be futile at best and blasphemous at worst. Therefore people should simply accept their fate and submit themselves to nature. Compared with HE and ME, SE is the least dominant value in most cultures (Lane et al., 2006).

People who have a dominant ME value believe human beings can control the environment most of the time. They believe that it is normal and beneficial to shape the natural environment, as well as the social environment, to suit their own needs or desire (Maznevski and DiStefano, 2004). There is also a tendency to believe that anything is possible if enough time, money and resources are provided.

People influenced by a HE value see themselves as a part of the integrated and holistic environmental system rather than something separated from it. Harmony and balance are highly emphasized. They believe that people should behave in concert with the physical and social environments. HE implies achieving a harmonious relationship with not only the

physical environment but also with other people in the social environment, therefore it is different from the strong environmentalism which focuses primarily on the physical environment (Lane et al., 2006).

2.4.2 Relationships between People

This dimension deals with the relationships between people. What types of interpersonal relationships are considered to be most natural or most effective? Who should we responsible for? Who should we obey? In this dimension, there are three orientations: Individualistic Relationships (IR), Collectivistic Relationships (CR) and Hierarchical Relationships (HR).

People from an IR culture emphasize independence. The underlying assumption is that people should take care of themselves and members of their nuclear family. In the CR culture, group interests and harmony have great priority. There is a strong emphasis on maintaining a harmonious relationship within the group and members belong to the same group are encouraged to take care of each other. People have a different attitude towards members of the in-groups and members of the out-groups, with preference given to members of the in-groups. In a HR culture, people tend to define themselves in the social structure hierarchically. The authority is associated with the status in the hierarchical ladder. Those who at the higher level of the hierarchy have great authority, in return, they are expected to look after those at the lower level of the hierarchy. In many cases, a HR culture also develops a high degree of collectivism (Lane et al., 2006). All three orientations could exist in a society at the same time but there is always a dominant cultural value. For example, individualism, collectivism and hierarchical orientation are all reflected in today's China, but it is generally accepted that China is a collectivism-dominated society.

2.4.3 Mode of Activity

This dimension asks the questions of ‘what is the best mode of activity suits the particular society?’, ‘how should one engage in activity and how should we count on others to act?’ (Lane et al., 2006). There are three orientations in this dimension: the Being Orientation (BO), the Doing Orientation (DO) and the Thinking Orientation (TO).

In the BO culture, there is a belief that ‘one works to live, one does not live to work’. Work is important but it does not prioritize over other things. People emphasize spontaneity and fully experiencing each moment, they tend to behave impulsively according to their feelings. In the DO culture, there is a strong emphasis on hardworking and achievements. To people from a DO culture, work and work-related activities are likely to be the central to their existence. Being active and decisive is highly valued, ‘better to make the wrong decision than no decision’. The doing orientation is usually associated a high level of materialism, and an orientation of mastery over the environment. In the TO culture, rational thinking and planning before action are highly emphasized. Quick decisions without careful analysis and planning are viewed as impulsive and unintelligent. This orientation is usually associated with the harmony with the environment orientation, as they believe harmony and balance only can be achieved by rational thinking and moves (Maznevski and DiStefano, 2004; Lane et al., 2006).

2.4.4 Human Nature

This dimension reflects the belief about the fundamental nature of human beings. It is not a belief in how an individual person should behaves, but what the underlying nature of whole

human species is. It asks the questions of 'are people fundamentally good or bad?'. There are two variations in this dimension: Good Human Nature and Bad Human Nature. In some cultures people believe that humans begin life basically bad. As a result, people tend to engage in high levels of self-protection and monitoring of others. By contrast, some cultures believe that people begin life basically good and there is a high level of trust between people (Maznevski and DiStefano, 2004).

2.4.5 Time Orientation

This dimension refers to the general orientation towards time rather than how one thinks about or uses specific units of time. There are three variations: the Past Orientation (PaO), the Present Orientation (PrO) and the Future Orientation (FuO).

In the PaO culture, there is a great emphasis on traditions and respecting ancestors. When encountering problems, they tend to look back to the past for answers and advices. In the PrO culture, people tend to view time as a type of scarce resource and there is a strong emphasis on the immediate or short-term needs. In the FuO culture, people tend to focus on long-term needs, sometimes they even sacrifice immediate or short-term needs for long-term plan (Maznevski and DiStefano, 2004).

In the following section, a review of Chinese culture is presented. Next, the hypotheses of Chinese cultural value orientations in the Cultural Orientation Framework of Maznevski and DiStefano (2004) are developed.

2.5 A REVIEW OF CHINESE CULTURE

Contemporary Chinese culture in the People's Republic China consists of three major elements: traditional Chinese culture, communist ideology and Western thought. In this section, an analysis of Chinese national culture is presented. It starts from a brief discussion of the three elements of Chinese national culture, followed by a detailed discussion on Chinese culture in Maznevski and DiStefano's (2004) Cultural Value Orientations Framework.

2.5.1 Main elements of Chinese culture

Cultural values, especially national cultural values, are deeply embedded in everyday life and fairly resistant to change (Newman and Nollen, 1996). The stability of national culture makes it possible to study national culture. On the other hand, national culture is evolving. The forces of change come from various sources such as foreign conquest, technological development and more importantly, changes in the economic and political systems. The evolving nature of national culture makes the studying of national culture necessary. Japan is a good example to illustrate the stability and evolving nature of culture. During the Meiji Reform period (1868-1912), a large scale of simple reproduction of Western political, military, educational, legal and economic systems was adopted by the Japanese government, which is believed to be one of the most important factors that has made Japan stand out from the rest of Asian countries. But compared with Western countries, Japan still had a distinct cultural system, which shows the stability of culture. However, if we compare current Japan with Japan of fifty years ago, we may find that Japan has changed in many ways, for example, it has become less-collectivist and more-individualistic, which shows the changing nature of

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culture. Therefore, despite the fact that certain changes have been brought into the Chinese political, social and economic systems during the last century, it is still possible to identify certain core cultural values that are held common by most Chinese people. Contemporary Chinese culture consists of three major elements: traditional Chinese culture, communist ideology and Western thought. In the following part, a brief discussion of these three elements will be presented.

TRADITIONAL CHINESE CULTURE

As a Han-Chinese dominated country (92% of the population), the value systems in mainland China are influenced deeply by traditional Chinese thought (Bond, 1991; Redding, 1993). Over centuries in China, there have been many competing schools of thought such as Confucianism, Buddhism, Taoism, Yin and Yang School, Military School and Legalism School. Nevertheless, Confucianism, Buddhism and Taoism are undisputedly the most influential ones (Haber and Mandelbaum, 1996).

Confucianism

Confucianism is based on the doctrines of Confucius (551-479 B.C.) and Mencius (371-289 B.C.). Confucianism has been the dominant educational and moral system in China for more than two thousand years. Moreover, Confucian classic such as the 'Four Books', namely 'Great Learning', 'The Doctrine of Mean', 'Confucian Analects' and 'Mencius' were used as the official textbooks for the Imperial Examinations System from 1313 to 1905. The main ideas of Confucianism are:

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1. The importance of 'harmony' in social order, which can only be achieved through following the 'Five Cardinal Relationships' (wu lun). The 'Five Cardinal Relationships' refer to the relationships between: first, the ruler and the ruled; second, the father and son; third, the husband and wife; fourth, the (elder) brother and (younger) brother and fifth, the (senior) friend and (junior) friend. These five relationships are unequal. The senior partners owe the junior protection and consideration in exchange for respect and obedience.
2. The importance of 'ren' and 'li'. 'Ren' or benevolence means 'not treating others as one would not like to be treated by the others' (Confucius Analects). 'Li' or 'the Rules of Propriety' consists of well-established and concrete norms governing how people should act and behave when socializing with others in the 'Five Cardinal Relationships'. Confucius believed that by following 'ren' and 'li', individuals would act appropriately and made a vital contribution to the overall harmony in the society.
3. The importance of family and 'Filial Piety' (xiao) in family values. Filial piety means respecting and being obedient to parents; supporting parents when they are old and offering sacrifices to parents regularly when they deceased. Confucius saw the family as the prototype for all social organizations (Hofstede, 2001). As a result, the emphasis on filial piety in the family further leads to the great emphasis on respecting traditions, age, authority and be loyal to the superiors in the workplace.
4. The value of 'the Doctrine of Mean' (zhong yong). 'The Doctrine of Mean' was originally a chapter of 'The Rules of Propriety'. It was then reorganized and published as a new book in 1190 by Zhu Xi and became the central theme of New-Confucianism since then. In Confucianism, Zhong Yong is a broad and all-embracing idea that encompasses virtually every relationship and activity of life. In practice, it means

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avoiding extremes and keeping in the middle way at all times and in every situation.

For example, a friend should be neither too close nor too remote.

Confucianism provides the basis for the norms of Chinese interpersonal behaviours. It has greatly influenced the Chinese people's attitude towards interpersonal relationships, social structures, virtuous behaviours and work ethics (Fan, 2000).

Taoism

Unlike Confucianism, which is primarily a social philosophy and seeks to solve pragmatic problems, Taoism, sometimes called 'The Way', addresses metaphysical problems. Taoism is an indigenous philosophy, compared to Buddhism which originated in India. Developed from the philosophy of Lao Tzu and Chuang Tzu, Taoism seeks to explain the origins and processes of the universe and emphasizes the inter-relationships and interactions of every entity in the world. It advocates following the Tao and living in harmony with both the social and physical environments. The core values of Taoism are:

1. Wu Wei, which means not interfering and letting things take their own course;
2. Qing Jing, which means rejecting all forms of self assertiveness and competition;
3. Naturalism, which emphasizes being in tune with the nature;
4. Simplicity, which means avoiding extravagance;
5. Pacifism, an aversion to violence.

Taoism and Confucianism disagree on the role of government. Confucianism is more pragmatic and supports a progressive emperor, whereas Taoism holds a quasi-anarchistic

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attitude. The Taoists call for the emperor not to interfere and just let things take their own course. Graham (1960:10) argued that this is referred to 'doing nothing as a means of ruling, not as an abdication of ruling'. Taoism has greatly influenced Chinese people's attitudes towards the social and physical environments, and their attitude towards competition, 'success' and material achievement.

Buddhism

Compared with Confucianism and Taoism, Buddhism is basically a foreign thought. Buddhism was developed as a tiny religion in Northern India about 2,500 years ago, and has emigrated from India to China, Japan, Southeast Asia and ultimately the Western world. According to Buddhism, all beings in the universe are equal in nature, the lives of all human and animals are inter-related, mutually developing and inseparable. Therefore, human beings should keep a harmonious relationship with not only mankind but also animals and vegetation. In China, Buddhism has been reformed in order to attract more believers. It has reconciled certain Taoist and Confucian values and become more respectful of duties to the family and the ancestors, more pragmatic and consistent with the Chinese respect for harmony with environments (Eckel, 2003)

Since the 19th century, Western thought has been gradually introduced into China and have become popular, particularly among the intellectuals. In the second half of the 20th century, a communist ideology has overtaken traditional Chinese culture and became the central theme in the Chinese educational system. These new values have brought certain changes into the Chinese value system and influenced social norms. In the following section, the diffusion of the Western thought and communist ideology in China is briefly discussed.

Western Thought and Communist Ideology in China

From the late 19th century, as part of the reform plan of the Qing Dynasty, thousands of Chinese students were sent to Japan, Europe and the United States to study Science, Economics, Law, Engineering, Education and Military. Upon their return they were appointed at important positions. Their writings and teaching had a powerful influence on the upcoming generations of students. In 1905, the millennial Imperial Examinations System which was based on Confucianism eventually ceased to function. Much of the emphasis on education was then shifted from Chinese classics to modern knowledge. In 1905, it was reported that there were 111 new Western-style specialist colleges with over 20,000 enrolled students, most of them were studying Politics and Law (Xu and Lao, 2001). In 1911 the Qing Dynasty was overthrown, marking the end of thousands of years of imperial rule in China. Since then, new-style state schools and foreign-run missionary schools were established around the country. It was reported that, in 1915, there were more than 4,000,000 students enrolled in 130,000 new schools (Xu and Lao, 2001). The development of a new style education saw a larger scale diffusion of foreign thought in China.

In 1915, Chen Duxiu funded the 'La Jeunesse' (New Youth) magazine to promote Western thought in China, which signalled the start of the New Cultural Movement (1915-1920). The New Cultural Movement was led by radical intellectuals who had received their education in Japan, Europe and the United States. They criticized almost every aspect of traditional Chinese culture and ethics and exalted Western ideas, particularly 'Science' and 'Democracy'. Traditional Chinese culture was criticized as the main cause of China's poverty and backwardness. They argued that China's development and prosperity relied on the importing

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of advanced technologies, but more importantly, the successful transplanting of Western political and cultural value systems. Hu Shi, one of the most influential scholars and leaders in the New Cultural Movement, argued that China should adopt a 'Wholesale Westernization' strategy which would eventually lead to the westernization in every aspect (political system, legal system, cultural values, language and religion). In this period, Western thought, as well as Marxism, were systematically transplanted into China to replace traditional culture. The New Cultural Movement led to a reorganization of the Chinese Nationalist Party (CNP) and directly spurred the birth of the Chinese Communist Party (CCP). After the New Cultural Movement, there was a great rise of Western thought and a decline of traditional Chinese values in China. However, since the movement was centred in the cities, traditional Chinese culture remained as the dominant culture in Chinese rural areas. From 1920, with the fast growth of the Chinese Nationalist Party (CNP) and the Chinese Communist Party (CCP), there was a further diffusion of Western thought and communist ideology in Chinese society, especially in rural areas.

In 1949, the People's Republic of China (PRC) was established. Soon after the establishment of the PRC, the Chinese Communist Party (CCP) launched a Thought Reform to promote communist ideology and reduce the influence of Western thought and traditional Chinese culture in China. In the educational system, Western thought and Chinese classics were re-interpreted or rejected according to the communist ideology. Since the 1960s, the communist ideology education had been greatly strengthened.

Influenced by the split of the Chinese Communist Party (CCP) and the Communist Party of the Soviet Union (CPSU) in the 1960s, Mao Zedong believed that the Soviet Union was turning back to 'capitalism' and China was in the danger of going back to 'capitalist road'.

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Therefore, he insisted that a new Thought Purifying Campaign was necessary. In 1966, the Cultural Revolution was launched, marking ten years of a restless 'revolution' period. In the Cultural Revolution period (1966-1976), China moved extremely left. Mao encouraged the Red Guards to attack all traditional Chinese culture and 'capitalist thought' by breaking 'the Four Olds' (old ideas, customs, culture and habits of mind). Maoism became the central and the only guide to all things in China. The Cultural Revolution seriously damaged the Chinese economy in the short-term, but more importantly, undermined the Chinese socio-cultural system in the long-term. One of the consequences was the diffusion of factionalism from inside the CCP to the whole society. Factional conflicts between different social groups led to a lack of trust and harmony among individuals, especially to members of the out-groups. On the other hand, factional conflicts also helped develop a great need for allies and protection. Since the changing political winds were very unpredictable, people were impelled to rely more than ever on their families and close friends in coping with uncertainties. Therefore, in spite of all the rhetoric about supreme loyalty to Chairman Mao, family ties and friendship loyalty had been greatly strengthened (Whyte, 1991), which further led to a higher degree of collectivism within the in-groups and a colder attitude to the out-groups.

The other effect was the emergence of the so-called 'Lost Generation', which refers to those who were born in the 1950s and 1960s. The 'Lost Generation' had missed their education in their youth because most of the schools were shut down during the Cultural Revolution (1966-1976). To those who attended the schools, most of the time was spent on either studying Maoism or going to the factories and countryside to do manual work. As a result, a whole generation experienced a disrupted education. A gap in the succession of traditional Chinese culture was therefore emerged (Meng and Gregory, 2002). Moreover, denouncing Cultural Revolution in the post-Mao era meant the collapse of their basic beliefs, which

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further led to a serious crisis of confidence in the future of the CCP, the country and themselves. The enduring consequences were political cynicism, a passivity and lack of initiative in work, and a growing materialism and acquisitiveness (Harding, 1991).

At the end of the Maoist era in the 1970s saw Deng Xiaoping's economic reform. Since then, the Chinese government has lessened the limitation on non-communist thought as part of the economic reform. There was a tendency to restore traditional culture in the 1980s. Organizing religious activities, worshiping ancestors, as well as celebrating traditional festivals and customs, were allowed again. Interpersonal relationships were also restored to a much normal level because of the decrease of factional conflicts. There were also great interests in learning from the West. Since the Cultural Revolution has undermined the confidence in communist ideology and values, a quasi-vacuum in the belief system was shaped. Impressed by the economic success of most Western countries, Chinese people became very eager to learn almost everything from the West. Western works were again allowed in on a scale that hadn't been allowed in the previous thirty years. Foreign books were translated, foreign films were showed, and foreign radio stations could be listened to again (Whyte, 1991). Once again, Western thought was praised as the first step to modernization and comprehensively discussed in China, ranging from members of the Central Committee of the CCP to the high school students.

The process of 'westernization' reached its peak in 1989. After that, there was an introspection of the match between Western values and the characters of Chinese society. Chinese began to realize that 'modernization' should not be linked with 'westernization'. More and more scholars and government officials began to call for a renaissance of traditional Chinese culture. They argued that traditional culture, particularly Confucianism,

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should be reinstated as the ‘moral foundation’ of Chinese society. The proportion of traditional culture in the educational system has been gradually strengthened since then. In 2002, ‘Building a Harmonious Society’, which reflects a Confucian perspective, was announced at the CCP’s 16th Congress. In the April 2006, the first international religious gathering in communist China - the First World Buddhist Forum - was held at Hangzhou city, which also signalled an accelerated renaissance of traditional Chinese culture.

To summarize, modern Chinese culture consists of three key elements: traditional Chinese culture, Western thought and communist ideology. Western thought has been systematically introduced into China since the late 19th century. In the first half 20th century, Western thought had gained many supporters, especially among the intellectuals and younger generation. However, from 1949, the communist ideology gradually replaced Western thought as the main doctrine in Chinese educational system. From the 1980s, China has lessened the limitation on non-communist values. Impressed by the economic success of most Western countries and frustrated at the Cultural Revolution, Chinese showed a high degree of interest in the Western economic, political and cultural system and began the short-period ‘westernization’, which reached its peak in 1989. After that, there was an introspection of the match between Western values and the characteristics of Chinese society. Traditional culture, after experiencing the attacks from Western thought and communist ideology, became popular again. A renaissance of traditional Chinese culture has gained more and more attention since the 1990s. Taking into account the fact that more than 745 million Chinese live in rural areas, which is mainly influenced by traditional culture even in the ‘Extremely Left’ era, and the fact that China has put so much efforts on restoring traditional culture recently, it is believed that traditional culture would continue to play a major role in constituting Chinese national culture. However, with the process of globalization, a further

diffusion of foreign values in Chinese society is unavoidable, particularly among younger generation.

In the following section, hypotheses of the contemporary Chinese cultural value orientations are developed in Maznevski and DiStefano's (2004) Cultural Value Orientations Framework.

2.6 HYPOTHESES OF CULTURAL VALUE ORIENTATIONS

2.6.1 Relations with the Environment (Subjugation, Harmony, Mastery)

Both Taoism and Buddhism contain some values of fatalism, which indicates a 'subjugation to the environment' value (SE). However, Lane et al. (2006) argued that 'subjugation to the environment' has never become a dominant cultural value in most cultures. Therefore, I would hypothesize that SE is the least dominant cultural value in China, compared with mastery over the environment (ME) and harmony with the environment (HE).

When the CCP came into power in 1949, it soon started several Thought Reform campaigns against traditional Chinese culture. Those 'subjugation' elements in Confucianism, Taoism and Buddhism were criticized and re-interpreted according to the communist ideology. On the other hand, the 'mastery' values were highly praised. In the educational system, it was emphasized that human beings were the masters of the earth; the nature could/should be reshaped for the well-beings of the people. As Mao Zedong put it, 'there is no such thing as poor land, but only poor methods for cultivating the land'. The second wave came along with the 1978 economic reform when China opened the door to the world. Since then, modern Western technology and values have been introduced into China along with the foreign

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investments. The economic success and acquisition of advanced technology reinforced the belief that 'Man Can Control Nature'. These values were reflected in the tremendous constructions such as the Yangtze Three Gorges Project and the South-to-North Water Diversion Project. Therefore, the 'mastery' orientation is expected to continue to increase due to the influence of communism and expanding modern Western thought and technology.

The 'harmony' with the environment orientation (HE) refers to the belief that people should maintain a harmonious relationship with the social and physical environments. Buddhism, Taoism and Confucianism helped develop a high level of HE in China. Buddhism advocates that all beings in the universe are equal in nature, lives of all human and animals are inter-related, mutually developing, and inseparable. Therefore, human beings should protect not only mankind but also animals and vegetation (Eckel, 2003). Taoism also urges the individuals to live in harmony with the environment. Influenced by the value of 'wu wei', the Taoist believe that human beings should integrate with the environment rather than dominating it. Compared with Buddhism and Taoism, Confucianism focuses more on achieving a 'harmony' in social environment by following 'five cardinal relationships'. As a result, I would hypothesize that that there is a high level of HE in China.

To sum up, it is no doubt that 'subjugation to the environment' (SE) has supporters in China but it never became the dominant cultural value. Two competing dominant values in guiding Chinese people's attitude towards environments are 'harmony with the environment' (HE) and 'mastery over the environment' (ME). HE is reflected in the traditional Chinese culture, especially Taoism, Buddhism and Confucianism. ME is reflected in the communist education and reinforced by the recent acquisition of advanced technology. It is hard to project which one is the dominant orientation without an empirical investigation. However, due to the

renaissance of traditional Chinese culture, the greatly strengthened propaganda of environmentalism since the late 1990s, and more importantly, the Chinese government strategy to 'build a harmonious society' in recent years, it is believed that, HE would gain more and more supporters. Therefore, I would hypothesize that Chinese employees would score in the order of 'harmony' over 'mastery' over 'subjugation' in their attitude towards the environment.

2.6.2 Relationships between People (Individualistic, Collectivistic and Hierarchical)

Collectivism

Collectivism in China has a long history. According to Confucianism, each individual is part of a system of interdependent relationships rather than an isolated entity. An individual does not exist independently but in a network of relationships. The communist education has further reinforced the development of collectivism in China. For example, the prevalent 'Cog Spirit' (luo si ding jing shen) in Chinese educational system which calls for the individuals to give up personal preference and be ready to work anywhere for the interests of the CCP, the country and the people (Zhu and Dowling, 2002). Therefore, for Chinese people, group interests and relationship-building tend to override individual concerns and self actualization (Pun et al., 2000).

In their research on individualism and collectivism, Ho and Chiu (1994) reported that Chinese people had a different view about individualism when compared to their Western counterparts. In most Western countries, individualism was viewed as affirming the

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uniqueness, autonomy, freedom, and intrinsic worth of individual but insisting on personal responsibility for one's own conduct, well-being, and salvation at the same time. By contrast, Chinese people tended to associate individualism with selfishness, lacking of concern for others, placing self-interests above group interests and aversion to group discipline. In the Chinese educational system, individualism and liberalism were treated as negative values. Chinese people were educated to 'act collectively and avoid individualism' early in their childhood.

Central to the collectivist view of life is the distinction between the 'in-group' and 'out-groups', the former being trusted, the latter being suspicious. According to Triandis et al. (1988:75), 'in-groups are groups of individuals about whose welfare a person is concerned, with whom that person is willing to cooperate without demanding equitable returns, and separation from whom lead to anxiety'. In short, the in-groups are usually characterized by the similarities among the members. Each culture has its own important in-groups. The family is the key in-group in most societies, but depending on the culture, other groups may function as in-groups such as political parties (communist or democratic), social classes, religious groups (Buddhist or Christian), language (English or French), alumni (Harvard or Yale), economic, location, and racial (Triandis et al., 1988). In China, the most important in-groups are: Consanguineous group (xue yuan), Location group (xiang yuan), Education group (wen yuan) and Work group (shang yuan), which are discussed in the following section.

Consanguineous group

The consanguineous group refers to people who are related by blood or marriage. The family is the key in-group in most societies, but, Chinese people tend to place a much stronger

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emphasis on strengthening family relationships. Unlike in most Western countries where independence is highly emphasized in children-rearing, in China it is filial piety and familism that is emphasized. As a consequence, many Chinese people choose to live with their parents when they grow up. If this is not possible, they will visit their parent as long as they can (Triandis, 1995). The Chinese concept of family is a broad one, which includes both the nuclear family and extended family. There are frequent interactions between the extended families, both socially and financially. It was reported that over 90% of the private-owned enterprises in China are family enterprises. Only 4% of them used banks to finance their businesses, the rest of them relied on families and friends for finance (Zhang, 2005). During the early stage of the family business, the family members practically work without pay for years just to ensure the survival and long-term success of the family business (Wah, 2001).

Location group

The location group refers to people from the same town or village (xiao tong xiang) or the same province (da tong xiang) depends on the situation. Despite the fact that managers from different provinces all share a common Chinese cultural heritage, many subcultures arise when they are compared to each other (Cheung and Chow, 1999). Before the widespread of use of Mandarin in 1950s, educated Chinese could read and write Chinese characters but they spoke dialects and there were significant phonatory differences between these dialects. Therefore, it was hard for people to talk fluently with people from other areas because of the phonatory differences (though they can read and understand the same article). Since the 1950s, Mandarin has become the official language and now most Chinese can speak Mandarin. However, in richer areas such as Canton and Shanghai, local dialects remain important business languages. In my fieldwork in Shanghai in 2005, many local managers

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spoke to me in Shanghaiese. When they realized that I was not a local, they then switched to Mandarin. Besides language difference, the business style also differs by regions. For example, 'Wenzhou model' and 'Ningbo model' are two famous but divergent business styles despite the factor that both of them lie in Zhejiang province.

Influenced by these historical and cultural factors, Chinese people tend to group themselves by their hometown. This tendency is apparent among both university students and the overseas Chinese. Whereas the Students' Union is the formal association for university students, in every Chinese university there are also different associations organized according to the members' hometown (for example, the Beijing University Xiamen Association). These associations are informal but influential for student life. It functions like a family and the members take care of each other, a lot of activities are organized and information is released within the association only. It is common and natural for new members to rely on more senior students from their hometown for instructions on study and personal issues. Similar associations exist among the overseas Chinese as well (for example, the UK Beijing Association). These associations are formal and highly organized, some of them can be traced to more than a hundred years ago (for example, the San Francisco Jiaying Association was established in 1869). These associations keep a close link with the hometown government and play an important role in promoting business not only with their hometown but also among the members.

Education group

The education group refers to people who attended the same schools or colleges rather than the education level of each individual. Alumni relationship is an important relationship in

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both Eastern and Western cultures. However, alumni relationships mean much more in Chinese society. This tradition can be traced back to the feudal times when the emperor used the Imperial Examinations System to select officials. The Imperial Exams were held at county, provincial and national levels every three years. The successful examinees at the county and provincial level would receive a title, a regular financial income and some privileges from the government for lifetime. If they passed the highest level exam they would be appointed as the head of a county or city. Because of the traditionally low social status of businessmen and the high authority of the officials, for centuries, the life-long goal of most Chinese was to achieve a position in the government (still reflected in today's Chinese society). Although the examiners and examinees might not know each other before the exam, they soon established a master-pupil relationship between the examiners and examinees and alumni relationship between examinees after the exam. They kept a very close relationship and supported each other politically and financially. When one of them was promoted to a senior position, he would immediately fill all important positions with his fellows. When he stepped down, his fellows would soon be replaced. In those days, the preferential treatment for these in-groups was expected and tolerated. Sometimes it was praised as a virtue rather than being criticized as nepotism.

Modern China retains many of these practices and values. In the Chinese educational system, even as early as in the kindergarten, many competitions between classes are organized in order to develop a team-spirit in the same class. When the students enter the boarding school or college, students are allocated to a large room and they have to live collectively and closely in the following three to four years. Room-changing is rare so they have to learn to compromise and live harmoniously with others. At the same time, competitions between dormitories and classes are frequently held and the results are used as criteria for scholarship

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and award such as ‘model dormitory’ and ‘model class’. Therefore, it is natural to develop a team-spirit within the group when facing outsiders and this continues to exist as important social connections when they graduated.

Work group

The work group refers to those who used to work together or have done business before. The emphasis on work group relationship has its roots in traditional Chinese cultural values and has been further strengthened since the establishment of the PRC. Traditionally, Chinese State-Owned-Enterprises (SOEs) were responsible for providing workers jobs-for-life and various welfare such as housing, medical care and schooling for workers and their dependents (Hassard et al., 1999; Hassard et al., 2004). Furthermore, labour mobility was extremely low in China which meant that most workers were attached to the ‘work unit’ permanently (Howard, 1991). Therefore, the Chinese ‘work unit’ functioned like a social unit rather than a production unit (Child, 1994). As a result, it was natural to develop a closer relationship among Chinese workers than their Western counterparts. In the Cultural Revolution (1966-1976), factionalism was spread from the CCP to the whole society, involving every government agency, enterprise and the CCP committee. Factionalism resulted in a fragmented society. However, constant factional conflicts also developed a great need for allies and protection. To those who survived the Cultural Revolution period together, the friendship and loyalty had been strengthened. Consequently, ‘connection’ (guanxi) became important than ever and encouraged people to ‘go by the back door’ which means providing preferential treatment for friends (Whyte, 1991).

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Since the 1978 economic reform, Chinese enterprises have been gradually reformed from the 'social units' to the 'production units' to the 'business units'. Reinforced by an enhanced labour mobility, there was a tendency to de-emphasize work group relationships in Chinese society. However, it is believed that the work group would remain as an important in-group because of the importance and emphasis of 'connection' in Chinese society.

It has to be pointed out that although China has a high level of collectivism, collectivism in China is narrowly defined. In China, collectivism is mainly limited within these four in-groups: Consanguineous Group, Location Group, Education Group and Work Group. One person can belong to several groups simultaneously, but the family is undoubtedly the most important in-group. The social interactions within these groups are close and frequent, which also affords little privacy. Within the groups, despite occasional conflicts, all members show a high degree of tolerance and self-sacrifice for the interest of the group. However, teamwork is rare outside the groups (Wong, 1985). Beyond the in-groups, the feelings of responsibility fade out quickly. This narrowly defined collectivism in Chinese society further leads to a crisis of lacking a concern for the community, which is quite obvious when compared with other collectivism-dominated society such as Singapore and Japan.

Hierarchy

Confucianism stresses that an individual is part of a system of interdependent relationships rather than an isolated entity, which is the cultural roots of Chinese collectivism. Confucius further defined this system into 'Five Cardinal Relationships', which form the second feature of Chinese interpersonal relationships: hierarchical relationships.

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According to Confucianism, society is based on 'Five Cardinal Relationships' (wu lun), namely, first, the ruler and the ruled, second, the father and son, third, the husband and wife, fourth, the (elder) and (younger) brothers and, fifth, the (senior) friend and (junior) friend (Liu, 2004). The relationships in this system are not equal (first four relationships are explicitly vertical). It was arranged in a superior-inferior basis. The senior partners owe the junior protection and consideration in exchange for respect and obedience. In this system, each person is assigned to certain roles in a hierarchical position. And by referring to 'The Rules of Propriety' (li), which consists of well-established norms governing how people should act and behave in relation to people in other roles, people would act appropriately by carrying out the duties that were attached to these roles. It was argued that by fulfilling these roles and the duties attached, each individual would make a vital contribution to the overall harmony of the society. Bond and Hwang (1986) defined it as 'harmony-in-hierarchy' and suggested it as the key to understanding Chinese social behaviours.

Of the five relationships, three are family relationships. For family relationships, filial piety is the core value. Filial piety requires people to respect and obey their parents, support their parents when they are old, and offer sacrifices regularly when they deceased. Children-rearing practice in China is consistent with the filial piety value. It aims at training for obedience, impulse control and the acceptance of social obligations, rather than emphasizing independence, assertiveness and creativity as in more individualistic societies (Tang and Ward, 2003). This training is then reinforced in the educational system. The highly teacher-centred educational system emphasizes discipline and obedience in the classroom. Students only speak when they are invited by the teachers and they have to stand up to answer the questions. To argue with the teachers and express disagreements in public are considered to be misbehaviours (Branine, 2005). The teachers are treated with special deference in and

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outside the school - their role is similar to the father-figure in the family. An old Chinese saying is 'he who teaches me one day is my teacher (or father) for all life' (yi ri wei shi, zhong shen wei fu). Spencer-Oatey's (1997) comparative research on student-tutor relationship in China and the UK concluded that the student-tutor relationship in China was closer but more unequal than that in the UK. In the study, some respondents did compare the student-tutor relationship to a father-son relationship. Therefore, through the family and school education, the value of respect for hierarchy and authority is programmed into the youth's minds before they enter the workplace.

According to Confucianism, the family is the prototype for all social organizations (Hofstede, 2001). Influenced by the great authority of father in the family, paternalistic management became common in many Chinese organizations. The great power distance in Chinese organizations has been reported in many studies (Lockett, 1988; Redding, 1993; Child, 1994; Martinson, 1996; Ng, 1998; Warner, 1999). Aside from work, Chinese managers also have great influence on their subordinates' personal life. For example, before 1st October of 2003, marriage or divorce is not possible for Chinese without achieving the endorsements from the head of their 'work unit'.

The communist ideology has further reinforced the attitude towards hierarchical relationships. Since the CCP came into power in 1949, it soon established an elaborately designed hierarchical grading system for governmental officials. This grading system was then further applied to all social organizations such as the army, state-owned enterprises, hospitals, schools and universities. In this grading system, everyone was graded in a hierarchical order regardless of their occupation. For example, a mayor, a professor and a general manager of a large SOE were all graded between 8 and 12, belonging to the 'senior cadre' category. As a

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result, their social status became directly comparable. Furthermore, their wage, pension, housing, transportation and even medical treatment are determined by their grade rather than their job title or performance (though little difference could exist between large and small organizations). Today, this system still functions despite some modifications such as the abolishment of grade-based wage. Therefore, having been influenced by this hierarchical system, the mainland Chinese are especially sensitive to hierarchy and grade in the workplace.

Individualism

Individualism and liberalism are treated as negative values in the Chinese educational system. Since 1949, the Chinese government has launched regular Thought Reform campaigns to decrease the influence of individualism and liberalism among Chinese people. However, with the introduction of the 1978 economic reform and the 'open door' policy, China has absorbed not only foreign investments but also Western thought, which inevitably has brought certain changes into the Chinese value system, economic structure and social order. The process of 'westernization' and 'globalization' is leading China to a more individualistic society (Lee, 1996), in which a much stronger emphasis is placed on individual rights and achievement. Ralston et al. (1995) and Ralston et al. (1999) argued that new generation of Chinese managers were more individualistic and more likely to work independently than their elder counterparts. It is therefore believed that individualism would continue to increase in China, especially among the new generation managers who are more receptive to foreign values (Ng, 1998).

However, the individualism of Chinese managers is relative. Previous studies (Ralston et al, 1992; Holt, 1997; Ralston et al., 1997; Robertson, 2000; Mellahi, 2001) showed that Chinese

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managers still held a high degree of collectivism when compared with managers from Western countries. Cheung and Chow (1999) conducted a comparative research on the managerial values of managers from mainland China, Hong Kong and Taiwan. Their research showed that although Hong Kong and Taiwan have been exposed to Western thought for a long time, managers from all three regions scored high on collectivism. Tang and Ward (2003) argued that it would be foolish to expect collectivism and hierarchy in Chinese society to fade into insignificance because of the influence of traditional patterns of children-rearing in the Chinese families. Wu's (1996) research on Chinese childhood socialization also showed that even among the third generation of Chinese immigrants in America, Chinese children-rearing patterns remained distinctly different from the rest of the population in their adherence to traditional Chinese cultural values.

Therefore, despite the growing 'individualism', 'collectivism' and 'hierarchy' are expected to remain as the dominant cultural values in the Chinese society for guiding interpersonal relationships. I would therefore hypothesize that the mainland Chinese would score in the order of 'collectivistic' over 'hierarchical' over 'individualistic'.

2.6.3 Mode of Activity (Doing, Being, Thinking)

'Doing' and 'Being'

In a 'being' culture, the emphasis is on spontaneity and fully experiencing each moment. 'One work for live, one does not live for work'. Some of the values of Taoism are associated with the 'being' orientation, for example, 'wu wei' or 'non-action' which means not interfering and letting things take their own course; 'qing jing' which means rejecting all

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forms of self assertiveness and competition. However, the 'being' orientation in the Chinese society has been limited to a certain level due to the strong emphasis on Confucian education, which adopted a more pragmatic approach towards life (Yang, 1986; Redding, 1993).

In a 'doing' culture, the emphasis is on hardworking, achievements and materialism. People from such a culture are more likely to view work-related activities as central to their life. Many of the 'doing'-associated values such as diligence, work-centred are highly valued virtues in most Asian countries. In their research on the psychology of Chinese people, Redding and Wong (1986: 293) attributed the tendency of working hard among Chinese society to the following factors:

1. the importance of wealth as a surrogate for security and the clear connection between effort and reward;
2. the long tradition of obligation to the family, which sponsors seriousness of purpose;
3. the acceptance of discipline in a high power distance and status-conscious culture;
4. the demonstration, in many of their environments, of the success attributed to work;
5. the relative lack of other universally valued attributes used in the ascription of status;
6. highly sensitive social networks and forms of group pressure which are able to influence the individual to conform to the general ethic, and to avoid the odium and the loss of belonging which are caused by being considered lazy.

The emphasis of the family in the Confucian value system leads to a high degree of familism in Chinese society, which then becomes the driving force for hardworking (Redding, 1993).

The familism has implications for working hard through a strong moral obligation on individuals to glorify their ancestors and make a contribution to the well-being of both

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nuclear and extended families. Contemporarily this has increasingly meaning in monetary terms through work and business activity (Westwood and Lok, 2003). Family members are therefore willing to work long hours and yet remain enthusiastic and dynamic (Wah, 2001). In mainland China, the other factor that contributed to the development of a 'doing' orientation is the communist education. For example, the 'Patriotism Education' and 'Iron Man Spirit' (wang jin xi jing shen) which call for the individuals to work hard for the interest of the country.

Materialism is another important indicator for a 'doing' orientation. Materialism, closely associated with the pursuit of wealth, is criticized in traditional Chinese culture and communist education. 'The mind of the superior man is conversant with righteousness; the mind of the mean man is conversant with gain' (Confucius Analects). Influenced by this value, for centuries, Chinese businessmen had a very low social status. Since 1949, materialism had been further suppressed in communist China. In the Chinese educational system, materialism was associated with extravagance and greed and therefore criticized as the 'poisonous grasses' of the capitalist thought. However, Harding (1991) argued that there was a growing materialism and acquisitiveness among Chinese, especially among the 'Lost Generation', as a consequence of the disillusionment of communism after the Cultural Revolution (1966-1976). Since the 1978 economic reform, the attitude of Chinese government towards personal possessions has gradually changed from advocating 'Egalitarian' to encouraging 'Some Get Rich First'. In last two decades, the overall living standards of Chinese people have been greatly improved. However, people did not benefit from the economic reform equally and the distribution of wealth in China is highly imbalanced. According to the United Nations 2005 Development Programme Report, the Gini Coefficient, the most frequently used indicator to measure income inequality, of the

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PRC had reached 0.47 in 2001 (1 means the greatest income inequality), which was higher than most of the developed countries (the Gini Coefficient of the UK was 0.36 in 1999, the highest in Europe). Stimulated by the huge income differentiation, the attitude towards materialism is changing in China, from 'Looking Forward' (xiang qian kan) to 'Looking for Money' (xiang qian kan) (same pronunciation in Mandarin). Therefore, it is believed that, materialism, in the form of eagerly pursuing wealth, would continue to grow among Chinese society.

Thinking

In a 'doing' culture, being active and decisive is highly valued. 'Better make a wrong decision than no decision'. People from such a culture prefer to take action and to figure things out along the way (Schneider and Barsoux, 2003). By contrast, the emphasis in a 'thinking' culture is on strong rational thought and planning before action. Making quick decisions is seen as immature and naive. 'Better make no decision than a wrong decision'. People from such a culture neither act impulsively by their feelings, nor compulsively by some hidden force of necessity, rather, mind moderates body (Maznevski and DiStefano, 2004).

Chinese society is a collectivism-dominated society which involves intense social interactions, therefore, avoiding conflicts and maintaining harmony become of utmost importance. Confucianism, Taoism and Buddhism all emphasize achieving harmony through self-control and inner developments. Taoism and Buddhism both urge people to avoid conflicts and think things through carefully before action. Confucianism also urges the individuals to think twice before acting, 'look not at what is contrary to propriety; listen not to what is contrary to

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propriety; speak not what is contrary to propriety; make no movement which is contrary to propriety' (Confucian Analects XII. Yen Yuan). The hierarchical nature of Chinese society also discourages making quick decisions and personal decisions. From their childhood, the Chinese people are educated to rely on their superiors and the group for instructions and advice when encountering new problems. As a result, Chinese tend to spend much more time on consulting, analyzing and planning before making decisions.

Both 'being' and 'doing' orientations are reflected in the Chinese society. However, they have been mediated by the philosophy of 'Doctrine of Mean' (zhong yong). 'Doctrine of Mean' was the central theme of New-Confucianism developed by Zhu Xi. For centuries, it has been one of the dominant principles in guiding interpersonal relationships and doing things in China. In practice, 'Doctrine of Mean' means keeping in the middle way and avoiding extremes. One example of the influence of this 'Mean' philosophy was the economic reform process adopted by the Chinese government, which termed as a market reform with 'Chinese Characteristics'. As such, Chinese chose a 'third way' path to economic and organizational reform, which is different from the 'big bang' approach adopted by Russia (Hassard et al., 2004). In this way, China has gradually moved away from the traditional planned economy to a more Western-style market economy, but retained many distinctive Chinese practices. The influence of 'Doctrine of Mean' can be observed elsewhere in China such as the common value of never strive for 'the best' and just accept 'good enough' and be contented and happy.

The 'central harmony' or 'keep in the middle way' philosophy has mediated the values of 'doing' and 'being' orientation in Chinese society, which further leads to much more emphasis on the 'thinking' orientation. Therefore, it is expected that, despite some growing

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‘doing’ values such as diligence and materialism, ‘thinking’ would continue to exist as the dominant value orientation because of the importance of ‘central harmony’ in Chinese mind, and the ‘collectivist’ and ‘hierarchical’ nature of Chinese society.

Therefore, I would hypothesize that, in terms of the Mode of Activity, Chinese people would score in the order of ‘thinking’ over ‘doing’ over ‘being’.

2.6.4 Human Nature (Good, Bad)

For centuries, the predominant social fabric of Chinese culture is the combination of Confucianism, Taoism and Buddhism. However, there are other schools of thought that have influenced China deeply, for example, the Legalism School, represented by the teachings of Han Fei Tzu; the Military School, represented by Sun Tzu, who is also the author of the ‘The Art of War’; the Peasant School and Yin and Yang School (Su et al., 1998). Both the belief of ‘good’ and ‘bad’ human nature can be traced in ancient Chinese schools of thought.

Taoism makes no assumptions about human nature. The attitude of Confucius to human nature is vague, but he constantly emphasized the needs of self-discipline in the book of ‘Confucian Analects’. Mencius (371 B.C.-289 B.C.), who is the most influential Confucian philosopher after Confucius, argued that human nature was fundamentally good. However, he also argued that one’s nature could be enhanced or perverted by one’s environment. In general, Confucianism believes that human nature is primarily good but it could only be maintained through education, constant introspection and strict self-control. By contrast, the Legalism School believes that human nature is fundamentally bad and it is hard for people to be good; social order could only be achieved through strict laws and punishments. Other

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ancient Chinese sages such as Gao-Tzu and Wang-Yang-Ming argued that human nature was neutral and changeable. As a result, it is hard to hypothesize the human nature orientation based on traditional Chinese thought. Therefore, in order to hypothesize the human nature orientation of the mainland Chinese, the research results of other contemporary research was needed. In 'My Country and My People', the famous Chinese writer and sociologist -Lin Yutang- commented that in China 'the family, with its friends, became a walled castle, with the greatest communistic cooperation and mutual help within, but coldly indifferent toward, and fortified against, the world without' (Lin, 1935: 180). Fukuyama (1995) analyzed the relationships between trust, social capital and the development of organization and management. He identified and compared high trust and low trust societies. In his analysis, he defined China as a low trust society which had a low level of trust outside the family. Wong (1985) showed that that Chinese people tended to be suspicious of people outside the group; collectivism was limited to the in-group only and teamwork was rare outside the group. Chu and Ju (1993) also reported that 85% of the 2,000 respondents in their survey said that they would not trust people from out-groups. The constant factional conflicts since 1949, especially the irrational ideological and physical violence in the Cultural Revolution, is believed to be the main cause of low level trust in mainland China today. Therefore, I would hypothesize that Chinese people would score higher on 'bad' than 'good' in terms of human nature orientation.

2.6.5 Time Orientation (Past, Present, Future)

Chinese society shows a tendency of a long term, or future, orientation. The long term orientation can be observed in the children education in most Eastern Asian countries such as China, Japan and Korea, which are all under the influence of Confucianism. In these

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countries, long-term-oriented values such as education, frugality and perseverance are viewed as virtues and emphasized to the children from the time they enter school. Children are required to learn thrift, persistence, and not expect immediate gratification of their desires (Bond and Wang, 1983). The long term orientation is also reflected in the high savings rate in Chinese society. As Zhou Xiaochuan, head of the China's central bank - the People's Bank of China – has noted at the World Economic Forum 2006, 'influenced by the traditional cultural value, the overall Chinese savings rate has reached 46%. The overall personal savings and corporate savings have reached RMB 1,600 billion and 1,000 billion respectively' (Workers' Daily, 6th February, 2006). The long term orientation can also be observed in the way of conducting business in China. In a more short-term-oriented culture such as USA, yearly, quarterly and monthly profits are major concerns and therefore used as major appraisal criteria for managers. These criteria are also adopted in more long-term-oriented culture such as China and Japan, but in China and Japan, great attention is also paid to long-term business relationship building and the achievement of market share. Some companies are willing to lose money for a period of time to establish a market presence (for example, the Nissan strategy for entering the American market and Toyota's commitment to the Lexus in the American market), or to develop business contacts with important new partners (for example, the practices among the overseas Chinese) (Wah, 2001).

China is one of the oldest continuous civilizations in the world. The long history of China is one of the key elements in constituting Chinese national pride. As a result, traditions are highly valued in China. Although there was an anti-traditions tendency such as the 'Breaking Four Olds Campaign' in the Cultural Revolution, it has never become a popular idea. The 'past' orientation is partly reflected in the great emphasis of ancestor worship in Chinese society, which has been discussed in depth in the Cambridge History of China (Macfarguhar

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and Fairbank, 1991). One vivid example to illustrate the importance of ancestor worship to Chinese is: the last thing Jiang Jieshi, head of the Chinese Nationalist Party (CNP), did in China before he retreated to Taiwan in 1949, and the first thing Mao Zedong did when he returned to his hometown after liberating the whole China, was going to worship their ancestors. Influenced by the ancestor worship, honouring ancestors and respecting traditions became critically important in Chinese society. When encountering problems, Chinese people tend to look back to the past for answers and advice. When there is no answer, traditions and customs are often referred as the reasons for doing or not doing something (Schneider and Barsoux, 2003).

A 'present' orientation is less valued by Chinese people. In traditional Chinese classics, a short-term, or present, orientation is discouraged. 'The great man looks at long-distant horizon; the little man looks at present'. Lewis (1992) divided cultures into 'monochronic' and 'polychronic' cultures. People from monochronic cultures such as Germans and some North Americans prefer to concentrate on one thing at one time within a set time scale. Time is also seen as a scarce resource which has opportunity cost. On the contrary, to people from polychronic cultures such as Indians and Latin Americans, time is neither seen as a resource nor as an opportunity cost that equates to money. They may not be interested in the adhering to tight time schedules and tend to do many things at once. In his research, Lewis defined China as a medium-polychronic society (time is not scarce). Since time is not scarce, setting tight short term plans becomes less emphasized. However, with the deepening of the economic reform and the process of globalization, Chinese companies are more and more driven by the pressure of survival and pursuing profits. Therefore, a short term orientation is expected to grow among the Chinese managers.

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Chinese people have a high degree of 'future', or long term orientation. On the other hand, Chinese people are especially proud of China's long history. Reinforced by the dominant cultural value of filial piety, which advocates honouring ancestors and traditions, Chinese people show a high degree of 'past' orientation. Yu et al. (2004) argued that the time orientation of Chinese was a mix of 'future' and 'past' orientation. A 'present' orientation is relatively less emphasized in Chinese society. It is normal for Chinese people to sacrifice the short term or present needs for the long term development and goals. However, with the process of globalization, it is expected that the 'present' orientation would continue to grow because of the pressure of pursuing profits and survival. Therefore, I would hypothesize that in terms of Time Orientation, Chinese employees would score in the order of 'Future' over 'Past' over 'Present'.

In this section, a discussion of Chinese culture has been presented in Maznevski and DiStefano's (2004) Cultural Value Orientations Framework. Before making a brief conclusion, several points must be emphasized again:

1. Understanding Chinese cultural values is useful to understand Chinese management. Although culture is a necessary factor to understand and explain Chinese managerial values and behaviours, it is not a sufficient one. It should be borne in mind that culture has several levels such as national culture, regional culture, organizational culture, and industry culture. These cultures, as well as other non-cultural factors, are interacting with each other. All of them have certain influence on shaping managerial activities and should not be neglected. Cultural determinism is not acceptable.
2. It should not be assumed that Chinese people's values are wholly determined by their national culture. There is diversity within the national borders so that 'national

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uniformity cannot be presumed' (McSweeney, 2002: 110). Whereas Chinese 'national culture' study might provide a general picture of Chinese cultural values, it should not be assumed that all Chinese are collectivist and past-oriented.

2.7 SUMMARY

In this chapter, the literature review of culture has been presented. First, Kroeber and Kluckhohn's (1952: 86) definition of culture was adopted in this study. 'Culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (for example, historically derived and selected) ideas and especially their attached values'. Based on this definition, we can conclude that culture is shared values of a particular social group. Culture is group-based and learned. The core elements of cultures are values and they are passed from generation to generation. Therefore, studying cultural values is the first step to understand a culture.

Second, a few cultural frameworks (Kluckhohn and Strodtbeck, 1961; Hall, 1976; Hofstede, 1980; Chinese Culture Connection, 1987; Lewis, 1992; Trompenaars, 1993; Fukuyama, 1995; House et al., 2004; Maznevski and DiStefano, 2004) have been briefly reviewed. There were great similarities between these models as most of the cultural frameworks have been influenced by the work of Kluckhohn and Strodtbeck (1961). More recently, Maznevski et al. (1993) and Maznevski and DiStefano (2004) have simplified the work of Kluckhohn and Strodtbeck (1961) and developed the Cultural Perspective Questionnaire (CPQ) to measure the cultural dimensions in the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004). The CPQ has been used worldwide. In this research, the Cultural Value

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Orientations Framework (Maznevski and DiStefano, 2004) and the latest version of Cultural Perspective Questionnaire (CPQ8) was used.

Third, a review of Chinese culture has been presented. Contemporary Chinese culture consists of three main parts, the traditional Chinese culture, Western thought and Communist ideology. These main elements of Chinese culture have been discussed.

Fourth, the hypotheses on Chinese cultural value orientations have been developed. More specifically, in terms of the dimension of 'Relationship to the Environment', it was hypothesized that Chinese people would score in the order of 'harmony' over 'mastery' over 'subjugation'. 'Subjugation to the Environment' is less likely to be the dominant cultural values in most cultures (Lane et al, 2006). The 'mastery' orientation has been strengthened since the CCP came into power in 1949 by the communist education. Reinforced by the acquisition of advanced technology recently, it is expected that the 'mastery' orientation would continue to grow in Chinese society. The 'harmony' orientation of Chinese people has its roots in traditional Chinese culture such as Confucianism, Taoism and Buddhism. More recently, Chinese government has put great efforts to restore traditional Chinese culture and has adopted a new strategy of 'building a harmonious society'. Therefore, it was hypothesized that 'harmony' would be the dominant cultural value in China.

In terms of 'Relationships between People', it was hypothesized that Chinese people would score in the order of 'collectivistic' over 'hierarchical' over 'individualistic'. Both 'collectivism' and 'hierarchy' in China have a long history. From a Confucian perspective, each individual is part of a system of interdependent relationships rather than an isolated entity. Moreover, they exist in a hierarchical network of relationships based on 'Five Cardinal

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Relationships' (wu lun). Since 1949, the communist ideology has further reinforced the 'collectivism' and 'hierarchy' orientations by introducing a well-designed grading system in almost all social organizations. Recently, there is a growing 'individualistic' orientation in Chinese society, especially among the younger generation, because of the influence of Western thought. However, when compared to a typical individualism-dominated society such as US, Chinese managers still show a high degree of collectivism. Therefore, it was hypothesized that Chinese people would score in the order of 'collectivistic' over 'hierarchical' over 'individualistic'.

In terms of 'Mode of Activity', it was hypothesized that Chinese people would score in the order of 'thinking' over 'doing' over 'being'. Since 1949, the 'being' related values in traditional culture have been criticized and reinterpreted according to the communist ideology. The influence of 'being' orientation therefore has been reduced to a relatively low level. Some 'doing' related values such as diligence and work-centred are seen as virtues in traditional Chinese culture. The communist education such as the 'Iron Man Spirit' which calls for the individuals to work hard for the development of the country also reinforced these values. However, the 'doing' orientation has been reduced by the influence of the dominant cultural value of 'Doctrine of Mean' which advocates avoiding extremes and keeping in the middle way. Therefore, the 'thinking' orientation, which emphasizes keeping balance between extremes and rational thinking before action, is expected to be the dominant orientation.

In terms of 'Human Nature' orientation, it was hypothesized that Chinese would score higher on 'bad' than 'good' orientation because of the low level of trust among Chinese society.

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In terms of ‘Time Orientation’, it was hypothesized that Chinese would score in the order of ‘future’ over ‘past’ over ‘present’. Chinese peoples’ high degree of ‘future’ orientation is reflected in the traditional thought, the children’s education and the high savings rate in the Chinese society. Besides ‘future’ orientation, Chinese people also have a high degree of ‘past’ orientation. The national pride of a long history and the emphasis on ancestor worship are believed to be the main causes for ‘past’ orientation. Traditionally, the ‘present’ orientation is discouraged. However, with the process of globalization, it is believed that the ‘present’ orientation among Chinese managers would continue to grow due to the pressure of survival. The hypotheses of Chinese cultural values are summarized in Table 2.2 below.

Table 2.2 Hypothesized Chinese Cultural Value Orientations in Maznevski and DiStefano’s Cultural Value Orientations Framework (2004)				
Relations with the Environment	Relationships between People	Mode of Activity	Human Nature	Time Orientation
‘Harmony’ over ‘Mastery’ over ‘Subjugation’	‘Collectivistic’ > ‘Hierarchical’ > ‘Individualistic’	‘Thinking’ over ‘Doing’ over ‘Being’	‘Bad’ over ‘Good’	‘Future’ over ‘Past’ over ‘Present’

CHAPTER 3 LITERATURE REVIEW – HUMAN RESOURCE MANAGEMENT

3.1 INTRODUCTION

In this chapter, a brief review of the rise and development of HRM is presented, which lead to a discussion on the convergence and divergence debate of HRM, and the cultural and institutional perspectives in explaining divergence trends in HRM. The relationships between culture and HRM are also discussed. Finally, a brief summary is presented.

3.2 THE RISE OF HRM

HRM did not emerge by accident. Beer et al. (1985) argued that many pressures have led to a shift from traditional personnel management to a broader, more comprehensive and more strategic perspective with regard to the organization's human resource. These pressures included:

1. increasing international competition demanded dramatic improvements in human productivity;
2. increasing complexity and size of organizations required new ways of managing employment relations;
3. slower growth, and in some cases declining markets, have dramatically affected an organization's ability to offer advancement opportunity to high potential employees and employment security to long-service employees;

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4. greater government involvement in employment relations made organizations re-examine their people management policies and practices and to develop new ones;
5. the increasing education of the work force caused organizations to re-examine their assumptions about the capacity of employees to contribute and the amount of responsibility they can be given;
6. changing values of the work force, particularly relative to authority, made organizations re-examine their employee involvement programmes;
7. more concern with career and life satisfaction made organizations re-examine traditional assumptions about career paths, to provide alternative career paths and take into account employees lifestyle needs;
8. changes in work force demography, particularly the infusion of women and minorities into organizations, made organizations re-examine all policies, practices, and managerial values that affected the responsibilities, treatment, and advancement of these employee groups.

A much more competitive economic environment caused by globalization was the main driver for the emergence of HRM (Redman and Wilkinson, 2006). The acceleration of globalization has created a much more competitive global economic environment, followed by a series of mergers, acquisitions, re-engineering and downsizing. These radical changes posed new challenges upon organizations and demanded new organizational forms. After being downsized and decentralized, organizations became less hierarchical in nature and adopted more flexible forms. The changes in organization forms further led to the changes in the type of staff employed and the ways to manage them. There were more and more female employees, part-time-based employees, subcontractors, consultants, temps and interims. The ways of employment management also changed. They had to be managed across

organizational boundaries, public, private, partnerships, franchises, agencies and other forms of inter-firm contractual relations. In short, new forms of work and organization demanded new people management strategies and practices (Marchington et al., 2004; Wilkinson, 2004; Redman and Wilkinson, 2006).

Although globalization is a vital factor in explaining a great deal of organizational changes and people management changes, it cannot, by itself, serve as the only point of reference. In addition to globalization, there were other factors which helped spur the development of HRM in the US, Europe and the rest of the world (Beaumont, 1992; Singh, 1992; Walton, 1999), which included:

1. a declining level of work force unionization in the USA and the UK;
2. the rapid growth of the service sector created more white collar employees;
3. the 'positive lessons' of Japanese management system and their expanding overseas establishments provided an opportunity for the introduction of new initiatives in people management;
4. the inability of traditional personnel management to cope with the new challenges;
5. the development of new technology facilitated moves towards flexible working arrangements and new reward systems.

3.3 EARLY DEVELOPMENT OF HRM

Over the past two decades, there have been a variety of contributions suggesting that HRM, which is significantly different from Personnel Management, is a revolutionary approach to people management. HRM, as a primarily US-developed concept, has been heavily

influenced by two separate but mutually reinforcing models developed in the early 1980s, namely: the Michigan Model and the Harvard Model.

3.3.1 The Michigan Model

The Michigan Model, sometimes called the ‘Matching’ Model, was developed by Formbrun et al. (1984). It emphasizes the ‘fit’ (hence the name ‘matching’) between business strategy and HR systems. Vertically, there should be a fit between business strategy and HR system; horizontally, there should be a fit between various HR systems. By integrating business strategy and HRM systems, the desired outcomes are improved organizational effectiveness and individual performance.

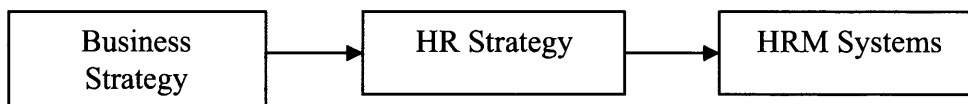


Figure 3.1 Strategy and HRM

Source: Formbrun et al. (1984)

According to the Michigan Model, as Figure 3.1 shows, business strategy is the organization’s reason for being; HRM is designed to achieve the strategies or goals of the organization. Therefore, organization’s business strategy defines and determines what kind of employee performance is desired. Once the desired types of performance were identified, four HR systems, namely Selection, Appraisal, Rewards, and Development, should be employed to channel individual behaviours toward specific performance goals: ‘Selecting people who are best able to perform the job defined by the structure, appraising their performance to facilitate the equitable distribution of rewards, motivating employees by

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linking rewards to high levels of performance, and developing employees to enhance their current performance at work as well as to prepare them to perform in positions they may hold in the future' (Storey and Sisson, 1993: 17).

The Michigan Model represents a 'hard' HRM model. It was embedded in the neo-classical economic framework, with labour as an 'input' and a factor of production (Armstrong, 2003). As such, it relates to the business-focused and calculative aspects of managing human resources in as 'rational' way as any other factors of production. It emphasizes detached and coolly-rational planning, and stresses the 'resource' aspect in human resource management (Storey, 2001). Sparrow and Hiltrop (1994: 7) criticized the Michigan Model for treating people like other economic resources, 'they are to be obtained cheaply, used sparingly and developed and exploited as fully as possible'. The Michigan Model was also criticized by Pascale and Athos (1982), Boxall (1991) and Sparrow and Hiltrop (1994) for:

1. being highly culture-bound and culturally-specific and not tending to fit easily with other countries such as the UK and the continental Europe;
2. taking a reactive view of HRM and ignoring the possible contribution HRM could make to the formation of strategy;
3. not basing the strategy process and business differentiation on situation contingencies;
4. underestimating the importance of incremental process of strategy making and strategy change;
5. assuming the rigidity of personality and stereotyped managers;
6. creating unrealistic requirements for mobility and flexibility.

3.3.2 The Harvard Model

The other early model of HRM is the Harvard Model developed by Beer et al. (1984). In the Harvard Model, as Figure 3.2 shows, HRM consists of four key components:

1. **Employee Influence**, this refers to how much responsibility, authority, and power should the organization voluntarily delegate and to whom?
2. **Human Resources Flow**, this refers to managing the flow of people into, through, and out the organization. Personnel specialists and general managers must work in concert to ensure that personnel flow meets the organization's long-term strategic requirement for the 'right' number of people and mix of competencies. Furthermore, serious attention should also be paid to meet the needs of employees for job security, career development, advancement, and fair treatment.
3. **Reward System**, this refers to the design and administration of equitable and fair reward systems to attract, motivate, and retain employees at all levels.
4. **Work System**, this refers to the arrangement of people, information, activities, and technology at all levels of the organization. Management choices about these arrangements affect the quality of the decisions people make, coordination between functions and tasks, the extent to which people's competencies are utilized, the extent to which people are committed to organizational goals, and the extent to which people's needs for development and quality of work life are met.

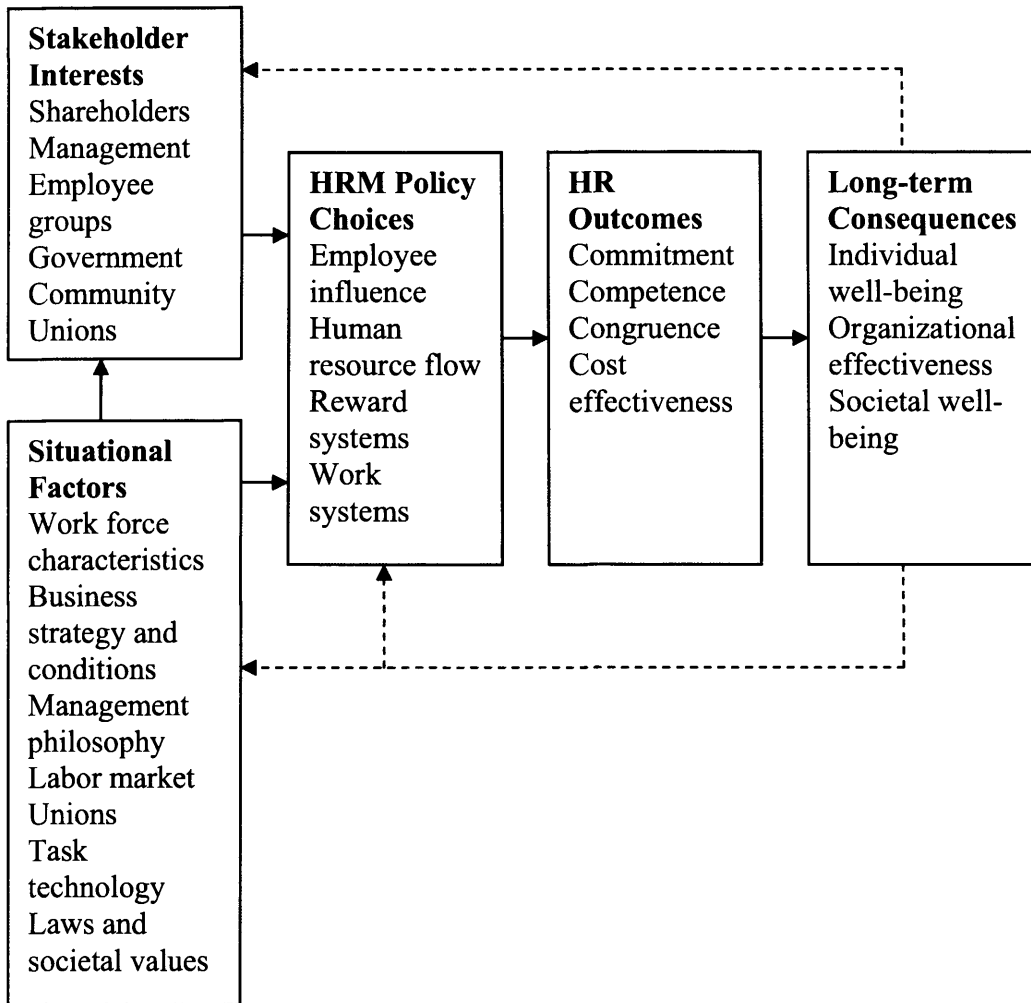


Figure 3.2 The Harvard School Map of the HRM Territory
Source: adapted from Beer et al. (1985)

These four HRM policies are influenced by two major considerations: **situational factors** and **stakeholder interests** and produce **immediate organizational outcomes** and certain **long-term consequences**. In the short-term, HRM policies affect the commitment of employees; the overall competences of employees; the degrees of congruence between the goals of employees and those of the organization; and the overall cost effectiveness of HRM practice (4Cs). In the long-term, striving to enhance these 4Cs (commitment, competence, congruence, and cost effectiveness) will lead to better individual well-being, organizational

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effectiveness, and societal well-being. On the other hand, these long-term consequences also affect situational factors and stakeholder interests and make the whole process a circle. For example, lower profitability affects stakeholder interests and then further lead to changes in HRM policies.

The Harvard Model represents the 'soft' HRM model, which has its roots in the Human Relations School. In contrast to the Michigan Model, the Harvard Model emphasizes the 'human' aspect of human resource management. It stresses commitment, development, flexibility, high trust, autonomy and adaptability (Armstrong, 2006). It suggests that competitive advantage could be gained by avoiding short-term cost-cutting and encouraging long-term building of employee commitment (Storey, 2001). Employees should be treated as humans with their own views and expertise which could create value from the others resources (Gooderham et al., 2004) rather than another kind of economic resource. Therefore, the management of work relations should be arranged around the value of commitment (Walton, 1999), which indicates treating employees as valued assets, a source of competitive advantage through their commitment, adaptability and high quality of skills (Storey, 1989).

'The emergence of HRM in the US can be viewed as an attempt by US firms to cope with the disappearance of large and stable markets by moving beyond mass standardized production to flexible production by synthesizing the elements required for co-operation and self-regulation. It also attempts to counteract the inheritance of a lack of trust and co-operation between workers and managers, and the effects of short-term systems of cost-benefit calculation' (Gooderham et al., 2004: 20). The Michigan Model and Harvard Model are frequently compared and contrasted in terms of their approaches to the use of human resources. They have great influence on the theory of HRM, in the USA, UK and the rest of the world.

3.4 THE CONVERGENCE/DIVERGENCE DEBATE OF HRM

3.4.1 Controversies over the ‘Meaning’ and ‘Practices’ of HRM

When the concept of HRM was introduced into the UK in the 1980s, there was a debate on the ‘meaning’ of HRM, the nature of the US model and its relevance to the UK situation. These controversies focused on the imprecision, variability, ambiguity and even contradictions which have been seen to imbue the construct. It also focused on the relationship between HRM and traditional personnel management (Storey, 2001; Sparrow and Hiltrop, 1994).

On introducing HRM, some scholars questioned the US HRM concept by studying its societal and cultural roots. Guest (1990) argued that the US concept of HRM was underpinned by: a belief in the potential for human growth; a desire to improve the opportunities for people at work and a reinforcement of the importance of strong leadership. He argued that these were also elements of the ‘American Dream’. Therefore, HRM was just ‘a contemporary manifestation of that dream’ (Guest, 1990: 391). Clark and Mallory (1996) argued that the US HRM concept was highly culture-bound. It ‘would transfer most readily to, and be incorporated into, the management repertoire of those nations which are characterized by this combination of cultural factors’. They proposed a list of cultural prerequisites that underpinned the American concept of HRM:

1. a willingness to delegate responsibility for HR policies and a belief that employees should be encouraged to take responsibility for their own development and performance.

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2. a recognition that there are risks attached to delegating responsibility for HR issues and empowering individuals.
3. an emphasis on the individuals resulting from: 1). A desire to nurture and release employee potential rather than stifle it; and 2). The reinforcement for the importance of strong leadership.
4. a recognition that the way in which employees are managed, such as through the development of a strong corporate culture, makes a critical difference to the overall effectiveness and performance of the organizations.

When HRM was introduced into the UK in the 1980s, there was a fundamental schism in British thinking about HRM between academics from the 'industrial relations' tradition and those from the 'excellence' tradition (Sparrow and Hiltrop, 1994). The scholars from 'industrial relations' tradition debated the concept of HRM in the context of political changes in the UK, particularly power shift from the hand of trade unions to the management. Some argued that HRM was just good personnel management practices and there was no fundamental difference between the two. HRM, compared to traditional personnel management, was just 'new wine in old bottles' (Armstrong, 1987; Storey, 2001). Therefore, HRM was dismissed as 'mere rhetoric' (Daniel and Millward, 1983; Torrington et al., 1985; Tyson, 1985; Millward and Stevens, 1986; Marginson et al., 1988; Storey, 1989; Legge, 1989; Fowler, 1990; Guest, 1987; 1990). On the other hand, the scholars from the 'excellence' tradition argued that there was fundamental difference between HRM and personnel management, using HRM as label for observable changes and challenge for deficiencies (Hendry and Pettigrew, 1986; Sparrow and Pettigrew, 1987; Sparrow and Pettigrew, 1988a; Pettigrew et al, 1988; Hendry et al., 1989; Hendry and Pettigrew, 1990; Whipp, 1991; Storey, 1992a). After the debate on the 'meaning' of HRM, it was generally accepted that there was a

fundamental shift in the nature of personnel management, 'now the main features of HRM are relatively clear and arguable no more prone to ambiguity, contradiction and uncertainty than any other managerial or social construct' (Storey, 2001: 5).

More recently, with the availability of more empirical data from large-scale surveys and detailed case studies, controversies about the 'practices' of HRM have emerged. The first stream focused on the extent of use of certain practices; the second stream focused on the impact and outcomes resulting from the implementation of these practices (Storey, 2001). As the debate advanced, much more attention has been paid to the issue of convergence and divergence of HRM policies and practices around the world. As HRM is a primarily US-developed concept and many HRM policies and practices are first proposed by US organizations, many scholars have raised the research questions: does the US-version HRM apply to other countries? Is there a 'universal' model of HRM? Are HRM policies and practices differences among countries increasing (divergent) or decreasing (convergent)? In the following section, the convergence perspective and divergence perspective are discussed.

3.4.2 The Convergence Perspective

Many convergence theorists argued that the process of industrialization and the spread of advanced technology would move all countries towards political, economic and industrial system similar to that of the USA (Rowley and Benson, 2002). As early as in the 1920s, Max Weber argued that, regardless of whether it was on a capitalistic or socialistic basis, the employment of a bureaucratic system was a universal rule to the organization if it wanted to apply technical knowledge efficiently. This functionalist mode of thought, which explains management exclusively by reference to its contribution to technical and economic efficiency

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and neglects the socio-political context in which the organization operates, has influenced many convergence theorists. For example, there was a thought that professional managers would successfully impose their professional, as opposed the patrimonial or political, management systems on their respective societies (Drucker, 1954).

In 1960, the American scholar Kerr et al. (1960) proposed a 'logic of industrialization', which argues that the process of industrialization and spread of advanced technology would drive all countries to social, political and economic systems similar to those of America. Kerr et al., (1960) argued that technology was the underlying force of 'logic of industrialization'. The more closely organizations are tied to technology, the more uniform they are held to be across societies (Pot and Paauwe, 2004). Regarding industrial relations system, Kerr et al. (1960) believed that there were 'universal truths' that can be applied - similar to Taylorism's implication that there is 'one best way' of managing. As a result, Kerr et al. (1960) argued that the convergence of industrial relations system was inevitable and it would eventually lead to the US model. This technology-determined convergence theory has been criticized by scholars who believe that cultural values are always mirrored in organizations. By providing ample evidence of diversity among organization which could not be explained by the force of technology alone, they criticized convergence theory for over-simplifying industrial development and giving too much emphasis to the influence of technology (Sorge and Warner, 1980; 1986)

In the 1990s, a new version of convergence theory appeared. Instead of stressing the force of technology, this group of convergence theorists argued that globalization was the driving force behind management convergence. Sparrow et al. (2004) summarized the main arguments of this convergence theory:

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1. Power of market. The power of markets ensures that only productive companies with lower costs will survive. As a result, others will be forced to copy them to survive.
2. Transaction cost economics. Transaction cost economics theory argue that there is one best solution to organizing labour at any one point of time, as a result, companies will seek out and adopt the best solutions to organizing labour in order to survive (lower costs win). Therefore, in the long term, not only structure but also practice will converge.
3. Like-minded international managers. The US and UK business schools are reported to be attracting most of the business students, as a result, it is believed that the thought process of the future generation of world leaders is influenced by the Anglo Saxon culture.
4. Cost, quality and productivity pressures. With the spread of global communication methods, travel and consumer products, regional integration and internationalization, more and more companies bear the combined pressure of cost, quality and productivity. Companies will be driven towards adopting 'best practice' to achieve competitive advantages.

Along with the traditional version of convergence, which argues that market and technological forces are the driving forces behind the convergence of HRM and it would eventually lead to the US 'universal' HRM model (Kidger, 1991), there was an institutional version of convergence theory, mainly from European scholars. The institutional convergence theorists believed in regional convergence rather than global convergence. The institutional convergence theorists argued that, instead of globalization, institutional factors were the driving force behind regional convergence. It was argued that, if institutional factors were strong antecedents of differences in management policies and practices, then converging

institutions could also lead to converging management practices. For example, there is extensive social and employment legislation at the EU level which influences all organizations within the EU. These institutional changes would, directly or indirectly, influence the HRM policies and practices in member countries of the EU. In the long term, this may lead to a diminution in the differences between the ways in which these countries handle their HRM, and possibly towards a European model of HRM (Brewster, 1999; Harris et al., 2003; Sparrow et al., 2004).

To sum up, convergence theorists view management as a dependent variable that evolves in response to technological and economic change rather than with reference to the socio-political context (Sparrow et al., 2004). They argued that, as nations embrace capitalism, the value systems would evolve towards the value systems of the established Western capitalistic economies (Neghandi, 1975; Pascale and Maguire, 1980). Moreover, convergence theorists argued that driven by 'power of markets'; 'transaction cost'; 'like-minded international managers' and 'cost, quality and productivity pressures' and thus, in the long term, a clear trend towards the adoption of 'best practices' should be apparent (Sparrow et al., 2004: 34).

3.4.3 The Divergence Perspective

In response to the early convergence view of the 'logic of industrialization' which argues that the more closely organizations are tied to technology, the more uniform they are held to be across societies, divergence theorists criticized this technology-determinism view. They argued that cultural differences were always mirrored in economic organizations. Since human actors' economic preferences are socially constructed by their particular national environment, there are different ways in which they relate to each other and the firms.

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Therefore, diversity among organization could not be explained or determined by the force of technology alone (Pot and Paauwe, 2004).

Divergence theorists also criticized the notion of universalistic 'best practices' stressed by the convergence theorists. Thang et al. (2007) argued that, firstly, there was no consensus on what these 'best practices' are, with their conceptualization, interpretation and measurement, among people, countries and time. Some practices were taken as 'best' just because of their presence in successful and high profile companies. Secondly, there was contradiction in the concept of 'best practices'. Best practices theory argues that there are management practices which are: first, 'best' (can provide competitive advantage) and second, 'universally transferable', and one way of transferring best practices is through benchmarking. In other words, best practices are best because they can provide competitive advantages and can be benchmarked. However, benchmarking is more like imitation than innovation. Therefore, here exists a contradiction: If HRM can be easily imitated (benchmarked) then it cannot provide competitive advantage because HRM has to be 'rare' and 'inimitable' to generate competitive advantage. If HRM cannot be benchmarked, then it is not universally transferable and hence not the 'best'. In either way, there is a dilemma. Therefore, in response to the 'best practices' argument, Thang et al. (2007) argued that, management practices such as HRM, contained underlying assumptions and conditions for their successful application. Past success in a situation is not automatically sufficient to ensure effective application elsewhere, particularly when there are likely to be potential clashes of cultural values. In other words, universally transferable 'best practices' are highly questionable.

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Both Pieper (1990) and Clark and Mallory (1996) analyzed the major developmental differences in HRM between the US and Western Europe. They argued that convergence of HRM towards the US model is hard, if not impossible, because of:

1. The extent of governmental influence. Compared to the US, most governments of the European countries play a more active role in designing education and vocational training; determining income levels; and intervening with people management at the organizational level. As a result, European organizations have less independence and fewer choices in managing their human resources. European employees are also less mobile both professionally and geographically.
2. The influences from trade unions. Compared to the US, European countries have stronger trade unions. Although trade union membership and influence varies from country to country, it is generally significant. In practice, trade unions play an important role in managing human resources at the organizational level. Furthermore, what has not yet been regulated is left to collective bargaining at the state or regional level and to direct codetermination at the organizational level.
3. Differences in the historical development of HRM. In Europe, many countries have a strong tradition of employee involvement. For example, employee representatives in Germany and the Netherlands have the right to delay managerial decisions in recruitment and redundancy.
4. Differences in cultural value systems. As was discussed earlier, the US HRM is underpinned by American cultural values, especially the high level of individualism. Those HR practices such as individual-based appraisal, training and development and performance-related pay systems reflect American cultural values. However, in highly collectivistic societies, work assignments are likely to be allocated at the group level

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with shared responsibilities and compensation. Consensus decision-making is also more common.

In response to the convergence view of converging institutions lead to converging management practice, divergence theorists argued that, national institutions were slow to change because they were developed from deep-seated beliefs and values systems. Moreover, change is path-dependent. In other words, convergence in institutions does not necessarily lead to convergence in management practice (Sparrow et al., 2004). Sparrow and Hiltrop (1994), Brewster and Harris (1999) and Brewster et al. (2004) all argued that there was evidence that European HRM was moving away from the US model and has showed some signs of convergence towards a 'European' model. However, HRM in European countries 'remain very substantial differences, perhaps even continuing further divergence, in terms of final convergence' (Mayrhofer et al., 2004: 434). In other words, even regional convergence could take a long time to achieve.

Divergence theorist also disagreed with the view that globalization lead to converging management practice. In Sparrow's (1999: 117) research on reward systems in the USA, Europe and Japan, he reported that these countries, though facing similar competitive pressures and business transitions, were still pursuing distinctive policies and practices. He argued that HRM scholars and practitioners needed to analyze the way in which national culture influences both the approaches to, and attitudes towards, new HR practices; and the cultural influence on employee behaviours in other countries if they want to know when to converge practice or not, and around which issues. Moreover, in a study of examining hiring practices in 10 different countries and regions, Huo et al. (2002) showed that there was more divergence than convergence in the hiring practices between these countries. Huo et al. (2002)

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argued that current recruiting practices and selection criteria were driven by each country's prevalent cultural values. More recently, in a study on the new organizational forms and HRM in Japanese organizations, Morris et al. (2006: 1504) concluded that, 'although there is some limited sign of convergence with a more flexible, post-bureaucratic model of business and employment practice, Japanese practice is deeply embedded and remains relatively robust and there is as much evidence of continuity as there is change'.

Compared with convergence theorists, divergence theorists focused much more on the influences from the social processes beyond the organization's boundaries. They believed that 'personnel managements, far from being economically or technologically derived, reflect national institutional contexts which do not respond readily to the imperatives of technology or the market' (Gooderham et al., 2004: 19; see also, Sparrow et al., 2004). They argued that each country developed its own institutional setting, such as political system, legal framework, labour and capital market, the framework of corporate governance, the educational and training system, industrial relations system, and cultural values (Pieper, 1990; Sparrow and Hitrop, 1994; Ferner, 1997, Edwards, 1998; Gooderham et al., 1999). These institutional settings influence both organization and individual in a particular way. Each is effective in a particular context but not necessarily effective elsewhere. In these various institutional settings, organization develops its 'logic of action' on managing leadership styles, decision-making process, organization's international and external relationship, and market development (Hofstede, 1993). Although there has been a rapid process of globalization in last two decades, national institutions remain quite distinct and slow to converge. Moreover, since change is path-dependent, convergence of institutions does not necessarily lead to convergence of management.

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In short, divergence theorists believed that global diversity of management was unavoidable because of differing values and behaviours, differing stages of economic development and unevenly distributed global resources (Joynt and Warner, 1996). Rowley and Benson (2002) and Bamber and Lansbury (1998) summarized the reasons that prevent converging HRM practices as:

1. countries are at different stages of industrial and economic development;
2. they have distinctive political-economic frameworks;
3. they have unique value systems, cultural features, and institutions;
4. there is intra-national heterogeneity (increasing with organizational decentralization and flexibility);
5. there are different choices at macro (society) and micro (organization) level on the nature, content, and process of employment relationships;
6. there is divergence between stated institutional frameworks and the reality of practice;
7. there are variations in the spread, take-up, and operation of technology; and
8. there are alternative solutions to common problems.

The convergence/divergence debate seems endless but trends in HRM research suggest that the verdict appears to be cast, somewhat, in favour of divergence. 'There may be convergence in structure whilst there is continuing divergence in process. There may be convergent trends, but trends which start from such different position that they are unlikely to lead to a convergence in practice in any foreseeable future' (Sparrow et al., 2004:38).

3.4.4 Explanations of divergence in HRM

In explaining divergent trends in HRM, explanations can be categorized into two schools, namely the 'institutional perspective' and 'cultural perspective' (Child and Warner, 2003).

The first set of explanation is from the institutional perspective. The institutional perspective stresses that organizations cannot be immunised from the institutional context in which they are embedded (Whitley, 1992, Dacin et al., 1999; Hall and Soskice, 2001). The different institutional foundations in different societies shape the different management and business systems. Major institutions such as the political system, legal system, financial system and industrial relations system create the social organization of a specific society. The forms these institutions take and their economic role shape the so-called 'national business systems', and then the norms and rules of such 'national business systems' influence the organization structure and managerial behaviours of the society in question (Whitley, 1992; Doremus et al., 1998; Warner, 2003).

By contrast, the cultural perspective argues that, whilst the institutional perspective provides a convincing view to explain the diversity of management practices, it does not provide a complete explanation (Bartholomew and Adler, 1996; Tolbert and Zucker, 1996; Child and Warner, 2003). It is the underlying cultural values differences, rather than institutional differences, that cause divergence in HRM policies and practices (Hall, 1976; Hofstede, 1980; 2001; Laurent, 1986; Schwarz, 1990; 1992; Adler, 1991; Trompenaars, 1993). The cultural perspective argues that institutions are actually the product of underlying cultural values. Institutions may modify cultural values and its effect in the short term, but only those reflecting deeper cultural values can survive in the long term (Child and Warner, 2003)

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because 'culture provides meaning and purpose, rules (including legislation) and norms (ethical standards) (Gooderham et al., 2004: 11).

The cultural perspective considers culture as one of the most important factors in understanding and explaining HRM, especially those policies and practices from other cultural background. Bartholomew and Adler (1996) argued that, traditionally, international interaction took place primarily within hierarchies. At the macro-level, it takes place between headquarters and subsidiaries in different countries; at the micro-level, it takes place between managers and subordinates from different countries. In both cases, for contextual and historical reasons, one culture traditionally dominates. However, recent changes in global business have brought great changes into these relationships. At the macro-level, certain MNCs now have multiple headquarters rather than single world headquarters, senior executives of MNCs are generally of numerous nationalities. As a consequence, MNCs increasingly no longer have a single national culture which inherently defines their organizational culture. At the micro-level, individual and organizational relationships are defined increasingly by networks of equal status rather than by hierarchies of dominance and subordination. As the nature of interactions changes, the needs to understand cultural values of countries in which the MNCs operate - similarities as well as differences - become paramount.

Hofstede (2001: 378) argued that 'not only organizations are culture-bound but also theories about organizations are equally culture-bound'. He argued that all management theorists were humans like us, and as humans they grew up in a particular society in a particular period of time, they were the children of their culture and their thought reflected values of that culture.

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In other words, all management theories and techniques, including HRM, are based on certain cultural assumptions and values and not universally applicable.

HRM, as a highly people-concerned practice, is probably the most sensitive one towards cultural diversity among all areas of management studies. Although the US-originated term of HRM has been universally accepted now and there is something called 'HRM' in most countries, its meaning and the way people conduct 'HRM' differs, to a more or lesser extent, from one country to another. In fact, HRM itself - the concept, process and outcome - is all culture-bound.

First, the concept of HRM is culture-bound, in two ways. Firstly, the term of HRM is culture-bound. The idea of treating people as a 'resource' is not appreciated in all cultures. Moreover, as an American concept, it is not difficult to understand its meaning in the English language. However, when it was translated into other languages, it sometimes became confusing. For example, when Human Resource Management was introduced to replace Personnel Management in the Chinese universities in the 1990s, many people thought Human Resource Management was a new course for training future officials for National Population and Family Planning Commission of China rather than a course about managing people in the organizations. Even in these days, few can tell the differences between 'renli ziyuan guanli' (HRM) and 'renshi guanli' (Personnel Management). In fact, HRM and PM are used interchangeably in China, even by HR practitioners. Secondly, the underlying meaning of HRM is culture-bound. Guest (1990) argued that HRM was just 'a contemporary manifestation of the American Dream' which reflects underlying American cultural values. Tayeb (2005) also argued that HRM was a product of Anglo-American scholarly culture rooted in its wider political economic and societal context. Some underlying implications of

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HRM such as decentralization, employee empowerment and participation, which are very important in the Anglo-American HRM concept, are less emphasized or even not appreciated in other cultures.

Second, the process of HRM is heavily influenced by the dominant cultural values. HR policies and practices are designed and implemented by people, and people are heavily influenced by their national cultural values. For example, unlike in Western countries where independence is highly valued in defining international relationships, in China 'group interests' and 'hierarchy' are emphasized for guiding interpersonal relationships. Chinese employees are also more tolerant with a high 'power distance' hierarchy than their Western counterparts. In a hierarchical society like China, those who at the higher level of the structure have more authority over their subordinates, in return, they are expected to act decisively and be highly intelligent so that they can protect and look after their subordinates. These cultural values such as acceptance of high power distance and hierarchical relationships then further lead to the design and implementation of Chinese HRM policies and practices such as paternalistic leadership style, greater centralization and stronger control system.

Third, the outcome of HRM is heavily influenced by the dominant cultural values. In practice, HR managers always use certain techniques and criteria to recruit and select job candidates; appraise job performance; determine compensation and identify training and development needs. The outcomes of HRM (who should be hired, who has better performance, who should be better rewarded) depend on, first, what type of HR policies and practice are used and, second, what measurement criteria are used and how they are interpreted. Firstly, the outcomes of HRM would be different if different types of HRM practice are used. For

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example, the hiring decision is likely to be different if one relies on social connections to select job and the other use job application forms, reference letter and rounds of complex interviews to select job. Similarly, the hiring decision is likely to be different if one company favours the policy of 'promotion from within' while the other uses the labour market actively in order to attract the 'best' candidate. As was discussed earlier, the design and selection of these HR policies and practices (HR preferences) are influenced by dominant cultural values. As a result, the outcomes are influenced by culture as well. Secondly, even using the same HRM policies and practices, the HRM outcomes are still likely to be different if different measurement criteria are used or the criteria are interpreted in different ways. For example, in a research on American and Chinese recruitment practices and preferences, Peppas et al. (2001) reported that, although there was no big difference in the recruitment and selection techniques in the companies studied, American and Chinese managers did exhibit considerable differences in choosing selection criteria and rating these criteria, which ultimately led to very different hiring decisions. Another example is the implementation of Performance-related Pay (PRP) in China. PRP is considered to be an effective way to improve productivity in Western countries. However, when PRP was introduced into China, there was heavy resistance from the managers who viewed it as an undermining force for their group harmony, a cultural value highly emphasized in China. Later on, PRP became more acceptable. But the criteria used to measure performance are defined differently. In Western countries, performance is measured by objective criteria which can be quantitatively-defined such as sales volume and profit level. Chinese managers also use these objective criteria to measure performance, however, they also put as much, if not more, weight on subjective criteria such as loyalty and group spirit to measure the overall performance of the employees. As a result, a well-performing Western employee could be considered as an under-performing one in the Chinese system, and vice versa.

To sum up, the institutional perspective and cultural perspective are two main schools of thought in explaining divergent trends in HRM. Both of them claim themselves being a more fundamental force behind HRM divergence and treat the other as minor influence. The institutional perspective claims that culture is simply one of the institutions they are addressing. By contrast, the cultural perspective views institutions as a product of the underlying cultural values. In fact, it is not necessary to argue which one, institutional factors or cultural values, is the more fundamental force behind HRM divergence. They are both important. As was pointed out by Sparrow et al. (2004), the differences between them were merely a question of definition, and hence these two perspectives were bridgeable.

3.5 HRM in CHINA: CONVERGENCE OR DIVERGENCE?

The debate of convergence and divergence has attracted a lot of attention in the literature. For example, the studies of convergence or divergence in HRM in Europe (Sparrow and Hiltrop, 1994; Brewster et al., 2004) and Asia (Warner, 2000; Rowley and Benson, 2002). China provides an ideal location to study the convergence and divergence in HRM. On one hand, from the convergence perspective, there would be signs of convergence in HRM between China and Western countries as a result of China's further integration into world business and the acquisition of advanced technologies. On the other hand, from the divergence perspective, there would be signs of divergence in HRM between China and Western countries since China has a distinct national business system and cultural value system. So, what is the developing trend of Chinese HRM? Is Chinese HRM becoming more similar to or different from Western HRM?

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There have been some attempts to explore the convergence and divergence trend in HRM between China and Western countries (Warner, 1993; 1997; 2002; 2003; Saner and Yiu, 1994; Easterby-Smith et al., 1995; Verburg et al., 1999; Aycan et al., 2000; Peppas et al., 2001; Hutchings, 2003; Selmer, 2005). Many of these comparative studies examined the convergence and divergence trend at the macro level, focusing on the forces of globalization, technology, the differences in political systems, legal systems and industrial relations systems. Although the forces of globalization, technology and the differences or similarities in the institutional systems may place substantial pressure on the convergence and divergence in HRM practices, local customs and the responses from the employees do provide serious constraints on the degree of convergence or divergence (Rowley and Benson, 2002). The companies may benchmark 'best practices', however, the final adoption and success of these practices, to a large extent, depend on the feedback from the employees. Therefore, others examined it at the micro level, studying and comparing the HRM policies and practices used in Chinese and Western companies (Warner, 1993; 1997; 2003; Easterby-Smith et al., 1995; Verburg et al., 1999; Peppas et al., 2001; Yan, 2003). But, many of them tended to examine it from the employer's side, normally based on observations or interviews with top managers or HR managers, the opinions of normal employees have been largely neglected. Since the information was mainly provided by the employer's side, there was a potential bias issue because feedback from the top managers or HR managers probably reflects ideal or 'best practices' of HRM those managers believed in, rather than necessarily the actual HR policies or practices being used in the organization.

An alternative way is to research from the employee view, studying employees' preferences towards specific HRM policies and practices. As Rowley and Benson (2002) noted, the responses from the employees provided serious constraints on the degree of convergence or

divergence. In other words, there is an upward influence from the employees. The convergence and divergence of HRM preferences among employees could further lead to convergence and divergence in HRM policies and practices. Therefore, it would be interesting to explore how Chinese employees respond to common Western HRM policies and practice, which is the second research question of this study:

Research question 2: What are the HRM preferences of Chinese employees?

Specifically, the research objectives of this research question are to identify the HRM preferences in China, especially from the employee's view; to examine if these HRM preferences were reflected in the empirical HRM practices; to explore convergence/divergence in the HRM preferences and HRM practices between China and Western countries, based on the research findings and previous empirical studies; and to discuss the future of Chinese HRM.

3.6 HOW DOES CULTURE AFFECT HRM PRACTICES?

Previous research on the influence of cultural values on collective human behaviours challenges the assumption that there is universally applicable management theories and practices (Harris et al., 2003). HRM, as a highly people-centred management practice, has been considered to be the most sensitive one towards cultural diversity. The concept of national culture has attracted considerable attention in management research over last two decades (Sohal et al., 1998). Some argued that every aspect of organizational behaviour and HRM were impacted by culture (Briscoe and Schuler, 2004). But, do people organize and manage differently across cultures? How do cultural differences affect the way people work

together? Generally speaking, cultural values influence HRM policies and practice at both 'macro' level and 'micro' level.

3.6.1 Macro level

At the macro level, first, cultural values influence HRM practices through the force of institutional factors. At this level, cultural values have an indirect influence over HRM policies and practices. As was discussed earlier, institutions are heavily influenced by the dominant cultural values. Some institutions could modify cultural values and its effect in the short term, but only those reflecting deeper cultural values can survive in the long term (Child and Warner, 2003). In practice, institutions such as the role of the government, educational and training systems, employment legislation, and financial systems are main factors that causing cross-national HRM differences. Variations in these institutions such as different laws regarding the role of the trade unions, worker's rights, and minimum wage level can lead to significant differences in cross national HRM policies and practices. One example is the recognition of trade unions at Wal-Mart China. In most countries the recognition of trade union is optional. The companies have the right to decide whether they would accept trade unions in their workplace. Wal-Mart is famous for its anti-unions stance. However, Wal-Mart met a serious challenge in China because according to Chinese Trade Union Law, a trade union committee should be set up at any organization with more than 25 members of the All-China Federation of Trade Unions (ACFTU) – the only officially recognized trade union in China. Moreover, every month, that organization should pay 2% of the payroll of all employees to the ACFTU as a source of funding. Wal-Mart China tried to maintain its non-union policy in China but conceded finally before the great pressure from the Chinese government, ACFTU and the public. The first trade union at Wal-Mart China was established

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on 29th July 2006. After that, 18 more trade union committees were established in one month (China Daily, 20th September 2008). Wal-Mart China now has to adjust its HR policies and practices from a 'non-union' situation to meet the new 'with-union' environment.

Second, cultural values influence the development of HRM theories. Hofstede argued that there were no universally applicable management theories and practices. He argued that those generally accepted US management theories such as those of Maslow, McClelland, and McGregor might not apply, or only very partially apply, outside the border of their country of origin because these management theories reflected the constraints of the environments. A living example is that many companies in East Asian countries did not follow most of the generally accepted US theories, but this did not prevent them from being effective and successful (Hofstede, 2001).

Third, culture influences employees' conception of organizations. Inzerilli and Laurent (1983) and Laurent (1986) argued that American managers held an 'instrumental' view of the organization. Organizations were seen as a set of tasks to be achieved through a problem solving hierarchy where positions are defined in terms of tasks and functions and where authority is functionally based. On the other hand, managers from Latin cultures such as French and Italian held a 'social' view of the organization. They consistently perceived organizations as social systems of relationships monitored by power, authority and hierarchy. Organizations were seen as a collective of people to be managed through formal hierarchy, where positions were defined in terms of levels of authority and status and where authority was more attached to individuals than it is to their offices or functions.

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Fourth, culture influences the need for organizational structure. Mead (2005) argued that different cultures had different needs for structure in order to function efficiently. For example, in a society with low power distance, higher degree of individualism and low degree of uncertainty avoidance, the preferred organizational structure is more likely to be relatively flat, along with policies of rewarding individuals for taking initiatives and promoting on the basis of achievement. In this culture, organizations with these features are more likely to be effective than those which have structures that are deeply hierarchical, rewarding members' on group achievement, and promoting on the basis of seniority. Mead's argument has support from some empirical studies. In a research on difference in HRM practices between U.S. and European countries, Sparrow and Hiltrop (1994) reported that there were significant differences in the attitudes towards 'flexible work practice' and 'centralization and vertical hierarchy' between U.S. and continental European countries. U.S. organizations placed great emphasis on flexibility (60%) and the lowest emphasis on hierarchy (<5%). British organizations, also come from an Anglo-Saxon culture, scored very similarly to those of U.S. ones (the British scores on flexibility and hierarchy were 60% and <5% respectively). By contrast, French organizations placed the greatest emphasis on centralization and vertical hierarchy (>40%) and the least emphasis on flexible work practices (<40%). Italian organizations placed second greatest emphasis on centralization and vertical hierarchy and second least emphasis on flexible work practices. Obviously, differences in dominant national cultural values and beliefs system are believed to be the hand behind this phenomenon.

Another way to understand how cultural values shape organizations is to examine how people lead in different countries (Harris et al., 2003). One of the latest studies on culture and leadership is the GLOBE project. The GLOBE project (Javidan et al., 2006) argued that



leadership was culturally contingent. Differences of leadership found among cultures stem from implicit leadership beliefs held by member of different nations. Some effective leadership in one culture could cause harm in others. For example, in their research on Chinese and American leaderships, they reported that Chinese managers preferred leaders who are fraternal and friendly with their subordinates and who have an indirect approach to communication. By contrast, American managers held a neutral view towards fraternal leadership and a negative view about indirect leadership. They argued that this was because Chinese culture was much less assertive and more in-group oriented than that in America. In a highly group oriented culture like China, group harmony is critical and the leader's role is to strengthen group ties. Leaders are expected to build emotional ties with their groups and their relationships with their subordinates go far beyond what is the norm in a country like the U.S. Moreover, they should use indirect communication to avoid the possibility of hurting others.

3.6.2 Micro level

At the micro level, cultural values influence individual's work values and HRM preferences. As Figure 3.3 shows, the core elements of culture are cultural values. These cultural values determine how people perceive self, people around them and the surrounding social and physical environments. When put into workplace, these cultural values influence people's work attitudes. Cultural assumptions and values determine the information that managers notice, interpret and retain, and therefore leads to different ways of seeing the same event, and to different approaches to problem resolution and solution (Sparrow and Wu, 1998). These attitudes in turn impact on the behaviours of the employees. They determine how people interact with others, and their expectations on the response from others.

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First, cultural values determine employees' notion of proper management. In a study of management philosophies and work behaviours, Laurent (1983) surveyed a group of international managers attending executive development programme at INSEAD. He reported that the national origin of these international managers significantly affected their view of what proper management should be and national culture seemed to act as a strong determinant of managerial ideology. For example, in response to the statement of 'the main reason for a hierarchical structure is so that everybody knows who has authority over whom', there were significantly divergent answers. Coming from a task-oriented culture, U.S. managers strongly disagreed (17%) with this statement. They believed that the existence of hierarchy was to help organize task and facilitate problem solving more efficiently. Therefore, a flatter organization with few hierarchies in which most employees work as colleagues rather than bosses and subordinates is considered to be a better organizational form. By contrast, coming from a more relationship-oriented culture, Chinese managers strongly agreed (70%) with this statement. To most Chinese managers, an elaborately designed and clear-cut hierarchical organization enable everyone to know who has authority over whom, which is efficient because it greatly reduce ambiguity.

Similarly, in response to the statement of 'it is important for a manager to have at hand precise answers to most of the questions that his subordinates may raise about their work', there was little agreement. 78% of Japanese agreed with this statement as they saw managers as experts. They believed that being able to give precise answers to questions increases their subordinates' sense of security. In a hierarchical organization, sense of security is what subordinates expect from superiors in exchange for their loyalty. By contrast, only 18% of the U.S. managers agreed with this statement. They believed that a manager should help his or

her subordinates discover ways to solve problems rather than simply answering questions directly. Moreover, it was believed that merely providing answers would discourage initiative and creativity and ultimately diminished productivity (Adler, 2002). In other words, the notion of 'good manager' is also influenced by cultural values.

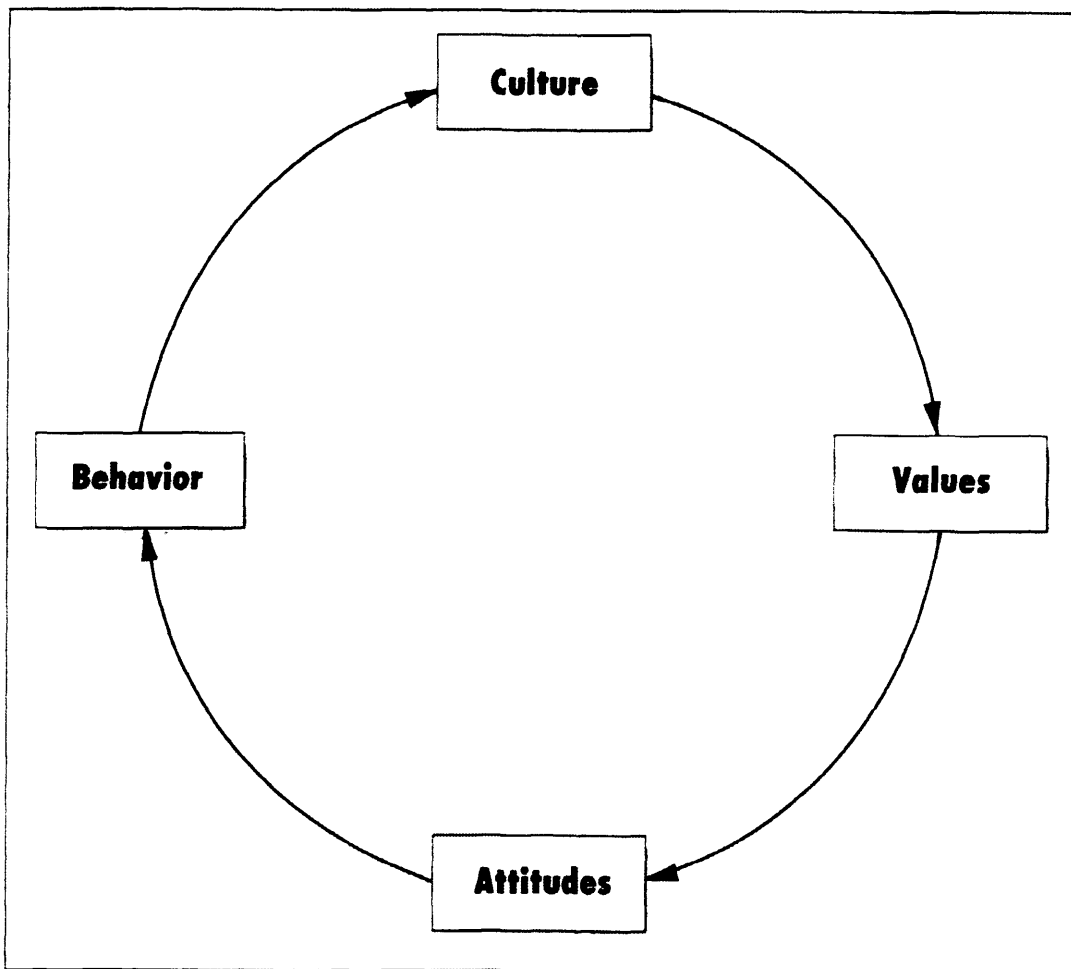


Figure 3.3 Influences of Culture on Behaviour and Behaviour on Culture Source: Adler (2002)

Second, cultural values influence employees' preferences towards specific HR policies and practices. The influences of cultural values on HRM policies and practices can be observed in nearly every aspect of HRM: recruitment, appraisal, compensation, training and development (Brewster et al., 2007). Adler (1997) and Trompenaars (1993) argued that

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recruitment was influenced by cultural values especially individualism and collectivism. In a more individualistic culture such as North America, personal skills and expertise, educational and professional achievements were highly emphasized during recruitment. In a more collectivistic culture such as Japan and China, HR managers emphasized much more on factors such as loyalty and compatibility with groups during recruitment. Therefore, HR managers from a individualistic culture tended to emphasize technical skills, using methods that are less personal and more objective whilst HR managers from collectivistic culture tended to emphasize social skills, using methods that are more personal such as internal recruitment, 'promotion from within' and they also preferred to hire someone they knew or have connections with the organization. Jeanquart-Barone and Peluchette's (1999) study on the impact of uncertainty avoidance on staffing decision in U.S. and German companies also showed that, due to a higher level of uncertainty avoidance level, German companies used a significantly higher utilization of low-risk recruitment methods and structured and work-related selection techniques than U.S. companies.

Schneider (1988) argued that preferences for compensation systems and bonuses were clearly lined to cultural attitudes. The relative importance of status, money, or holiday varies across culture and affects the motivating potential of these systems. For example, for German managers, a big Mercedes is not enough, a chauffeur is also expected (status concern). In Sweden, monetary rewards are less motivating than offering holidays (concern for quality of life). In the other study, Fisher and Yuan (1998) compared the rewards preferences of Chinese and American employees. They found that Chinese and American employees ranked their motivators very differently. The top three motivators to Chinese employees were 'good wages', 'good working conditions' and 'personal loyalty from supervisors and organization' whilst these motivators were ranked 5th, 6th, and 7th respectively by U.S. employees. To U.S.

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employees, the most important motivators were 'full appreciation of work done' and 'interesting work', but these factors were less appreciated in China, only ranked 5th and 7th by Chinese employees. They believed that cultural values, traditions, and level of economic development were main factors for causing these differences.

In a study on the effectiveness of case method in management training in different culture clusters, Saner and Yiu (1994) reported that case method was less effective outside North American because of differences in dominant cultural values, more specifically, different level of uncertainty avoidance (UA) and power distance (PD) in Hofstede's (1980) cultural framework. The successful application of case method outside North American depended on two main factors: the degree of structure of the case content (structured versus unstructured) and the nature of the case teacher's role (catalyst, instructor, referee, and gatekeeper). The former related to the uncertainty avoidance (UA) dimension and the latter related to the power distance (PD) in Hofstede's cultural framework. Students from cultures of different level of uncertainty avoidance and power distance expected different degree of structure of the content and different teacher's role. For example, most students from Anglo-Saxon culture (small PD and low UA) saw the case teacher as a resource rather than an absolute authority. They expected the case teacher to provide information when asked to, to help students brainstorm alternative solutions and to be a catalyst for the learning process. They could live with multiple solutions but also expected case teacher to engage in reasoned arguments concerning the strengths and weakness of their own analysis and solutions. Therefore, the traditional Harvard case method - developed from an Anglo-Saxon - especially the unstructured version fit well with Anglo-Saxon students. However, when applied in other culture clusters such as Germanic and Asian, case method became less effective. For example, both coming from high uncertainty avoidance cultures, German and Asian students expected

a highly structured study process with precise objectives, detailed assignments and strict timelines. They expected the teacher to provide a 'best' or 'better' solution at the end of the analysis and discussion rather than leaving it open ended. Moreover, influenced by high power distance cultural value, Asian students also expected their teacher to be more traditional, authoritarian and paternal, though without going overboard. As a result, traditional Harvard case method became less effective in these culture clusters – the degree of ineffectiveness depended on how far the cultural distance is.

3.6.3 Ways to study the influence of culture on HRM

In last section, the influences of culture on HRM have been discussed. Cultural values influence HRM at both macro level and micro level. In last three decades, there has been a growing interest in studying culture, HRM and how culture influence HRM. Cultural values have been related to leadership style (Fowlers et al., 1975; Adler, 1991; Glinow et al., 1999; Littrell, 2002; Javidan et al., 2006; Byrne and Bradley, 2007; Tsang, 2007); decision making (Rokeach, 1973; Feather, 1975; Ravlin and Meglino, 1989; Wang and Clegg, 2002); conception of management (Sparrow and Hiltrop, 1994); industrial relations (Black, 2005); negotiation styles (Chang, 2003); informal information sharing (Chow et al., 1999); Counselling (Carter, 1991); advertising (Zhang and Shavitt, 2003); control and commitment (Nam, 1995; Tan and Akhtar, 1998; Black, 1999; McCarty and Shrum, 2001; Wasti, 2003; Tjosvold et al., 2004); motivation (Fisher and Yuan, 1998; Jackson and Bak, 1998); organizational development (Johnson and Golembiewski, 1992); organizational behaviour (Posner and Munson, 1979; Smith, 1992); managerial values (Cheung and Chow, 1999; Tan, 2002); HRD (McGuire et al., 2002); work values (Pelled and Xin, 1997; Westwood and Lok,

2003; Jaw et al., 2007); fairness (Tata, 2005); trust (Doney et al., 1998) and international business (Child and Yan, 2001).

Budhwar and Sparrow (2002: 389) proposed a number of mechanisms that can be used to study the influences of national culture on HRM:

1. The socialization process through which managers are 'made' and through which the managerial role is defined (Hofstede, 1983, 1993; Schein, 1985; Terpstra and David, 1985; Van Maanen and Schein, 1979). This influences the competencies that firm feel are necessary to resource and for subsequent shaping the selection and development systems.
2. The basic assumptions which shape managers' behaviour (Hofstede, 1983, 1993; Van Maanen and Schein, 1979). These influence the perceived relevance of HRM practices.
3. Their common value orientations, norms of behaviour and customs (Hofstede, 1983, 1993; Keesing, 1974; Tayeb, 1995). This influences the preferences individuals have for specific HR policies and the extent to which these policies will actually function effectively.
4. The influence of social elite or pressure groups unique to a country (Keesing, 1974), which can make the pursuit of specific HR policies politically and socially inappropriate.
5. The unique ways of doing things and management logics in a particular country, which are reflective of the broader national business system (Sparrow and Hiltrop, 1997; Whitley, 1992).

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Many studies on the influence of culture on HRM have followed the third route, which is, studying the influence of cultural values on shaping preferences for HRM policies and practice. In the literature, there have been some attempts to explore the relationships between cultural values and HRM preferences. For example, cultural values and recruitment (Holton, 1990; Hsu and Leat, 2000; Peppas et al., 2001; Zhu and Dowling, 2002; Shen and Edwards, 2004; Peppas and Yu, 2005); cultural values and performance management (Snape et al., 1998; Hemple, 2000; Lindholm, 2000; Tsang, 2007); cultural values and reward (Child, 1995; Fisher and Yuan, 1998; Schuler and Rogovsky, 1998; Ding and Akhtar, 2001; Cooke, 2004; Chiang, 2005; Ding et al., 2006); cultural values and training (Borgonjon and Vanhonacker, 1994; Saner and Yiu, 1994; Rodrigues et al., 2000; Hutchings, 2003; Parnell et al., 2003; Ng and Siu, 2004; Xiao and Tsang, 2004; Selmer, 2005). However, most of them focused on one aspect of HRM and there was no systematic study on the influence of cultural values on the whole HRM system.

Many studies on culture and HRM were qualitative-based. They just provided qualitative assessments about cultural values and their influences on HRM, mostly based on observations, interviews with the managers and qualitative assessments rather than using more quantitative-based research methods (Satow and Wang, 1994; Chew and Lim, 1995; Xing, 1995; Ding et al., 1997; Scarborough, 1998; Fan, 2000; Huang, 2000; Pun et al., 2000; Peppas et al., 2001; Wah, 2001; Hutchings, 2003; Fan and Zigang, 2004; Sun et al., 2004; Chen, 2005; Zheng et al., 2006). Many just listed differences in HRM policies and practices and then attributed them to the differences in cultural values (Sparrow and Wu, 1998). As a result, although there is a growing belief that culture does influence HRM, the essential

question - in what way and to what extent do cultural values influence HRM preferences – remained unaddressed.

Moreover, since the relationships between cultural values and HRM preferences remains largely unaddressed, this has led to a tendency to either over-exaggerate or over-simplify the influences of cultural values on HRM (Satow and Wang, 1994; Easterby-Smith et al., 1995; Xing, 1995; Huang, 2000; Wah, 2001; Chen, 2002; Lu and Alon, 2004; Chen, 2005). Some tended to attribute all cross national differences in HRM to the influences of culture, arguing that every aspect of international business and international HRM is impacted by culture (Briscoe et al., 2004). There was also a tendency to over-simplify the relationships between culture and HRM. For example, Cable and Judge (1994) argued that group-based pay would work more effective in a collectivistic society than in an individualistic society because group achievements are considered socially desirable in a collectivistic culture. Similarly, it has been argued that since a masculine culture emphasizes assertiveness, achievement and material success whereas feminine culture emphasizes human relationship and the quality of life, a masculine culture would place a stronger preference for financial rewards and individual-based performance reward systems than a feminine culture (Newman and Nollen, 1996; Hofstede, 2001). However, the relationship between cultural values and HR preferences is a complex phenomenon. One should be extremely careful in making assumptions, and test it before considering it proven, as was shown in Chiang's (2005) research. Chiang studied the cultural values and reward preferences in Canada, UK, Finland, and Hong Kong, using both qualitative and quantitative methods. Her research showed a mixed picture of relationship between cultural values and HR preferences. On one hand, her findings confirmed the close relationship between cultural values and HR preferences: masculine societies such as the UK, HK, and Canada did place a stronger preference on

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material reward than feminine society such as Finland, which is consistent with the contentions of Hofstede (2001) and Newman and Nollen (1996). However, on the other hand, her findings showed that there was no close relationship between collectivism/individualism and the preference towards individual-based pay, as claimed by some others. Chiang's research showed the complexity of relationship between cultural values and HR preferences. The tendency to over-simplify the relationship between cultural values and HR preferences, such as projecting group-based pay would work better in a collectivistic society, is not acceptable. To argue conclusively that there is relationship between specific cultural values and specific HR preferences requires quantitative evidence rather than mere qualitative assessment.

There have been just a few studies that used more quantitative-based methods to analyze the relationships between cultural values and HRM preferences (Schuler and Rogovsky, 1998; Sparrow and Wu, 1998; Nyambegera et al., 2000; Chandrakumara and Sparrow, 2004). Sparrow and his colleagues argued that since people use values, consciously or unconsciously, as standards or criteria for choosing among alternative courses of goals, interests or actions, then people should show certain 'preferences' towards specific HRM policies or practices according to their values, standards or criteria. In other words, there are casual link between cultural values orientations and preferences and perceptions of HRM policies and practices, and this could be examined through a carefully designed framework. In Sparrow's model, questionnaire was used to collect information on cultural value orientations and HRM preferences. Based on the data, the specific relationship between cultural values and HRM preferences was tested. They have conducted this research in Taiwan (Sparrow and Wu, 1998), Kenya (Nyambegera et al., 2000) and Sri Lanka (Chandrakumara and Sparrow, 2004).

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However, their study just studied four cultural dimensions and involved a relatively sample size, ranging from 274 to 487 employees.

The research rationale of Sparrow and his colleagues has been proved to be an effective and logical way to explore the relationships between cultural value orientations and HRM preferences. In this study, I will follow his research rationale to study the influences of Chinese cultural values on the HRM preferences of Chinese employees in mainland China, which has never been done before. To improve validity and reliability, I will collect data from a much larger sample size. Moreover, more cultural dimensions will be studied. In previous studies, only four cultural dimensions were studied. In this study, an additional cultural dimension, the 'Time Orientation', will be incorporated and the relationship between 'Time Orientation' and HRM preferences will be explored, which has never been done in previous studies.

The first research objective of this study is to identify the cultural value patterns of Chinese employees. The second research objective is to explore the HRM preferences of Chinese employees. Based on above information, the third research question of this study is:

Research question 3: What are the relationships between cultural values and HRM preferences?

Specifically, the research objectives of this research question are to identify which cultural values have what degree of influence on which HRM preferences; to identify 'culture-bound' and 'culture-free' HRM preferences.

3.6.4 Research hypotheses on the relationships between cultural values and HRM preferences

The core element of culture is cultural value (Hofstede, 2001). Kluckhohn (1967: 395) defined a value as ‘a conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable which influences the selection from available modes, means and ends of actions’. Rokeach (1972: 160) argued that, ‘to say a person has a value is to say that he or she has an enduring belief that a specific mode of conduct or end-state of existence is personally and socially preferable to alternative modes of conduct or end-states of existence’. In short, a value is a broad tendency to prefer certain choices over others.

As Nyambegeera et al. (2000) notes, since cultural values are deep pre-existing structures developed in early socialization, whereas HRM preferences are developed at a later stage in life, it is reasonable to infer that values predict HRM preferences. Therefore, the first hypothesis on the relationship between cultural values and HRM preferences is that: there are close links between cultural values and HRM preferences.

Some scholars have argued that those ‘soft’ areas of HRM such as motivation, leadership, reward, performance appraisal are more sensitive to cultural values because they are more behaviour and relationship-based. By contrast, those ‘hard’ areas of HRM such as planning, staffing and training are more likely to be culture-free as they are more technology-based (Hofstede, 1980; Brewster and Hegewisch, 1994). In the comparative study of HRM in China and the UK, Easterby-Smith et al. (1995) showed that the main differences in HRM between China and the UK appeared in the ‘soft’ areas namely, appraisal, reward systems, the process of assessing potential and the basic stance of unions towards management. They attributed

these differences to the cultural values such as concern for relationships and harmony in China. The study of Verburg et al. (1999) also supported this view. In their comparative study of HRM in China and the Netherlands, they showed that development, performance appraisal and reward were more sensitive to cultural variation than training, selection and recruitment because they deal with interpersonal relations rather than with technology. Therefore, the second hypothesis on the relationship between cultural values and HRM preferences is that: cultural values have greater influences on ‘soft’ HRM areas than ‘hard’ HRM areas.

Table 3.1 Research hypotheses on the relationships between cultural values and HRM preferences	
1	There are close links between cultural values and HRM preferences.
2	Cultural values have greater influences on ‘soft’ HRM areas than ‘hard’ HRM areas.

3.7 SUMMARY

HRM, like other management theories, is culture-bound. As is pointed out by the cultural perspective, HRM - the term, the process and the outcome - is under the influence of cultural values. Organizations around the world may become similar, but the behaviours of people within it is maintaining its cultural uniqueness (Adler, 2002)

The debate of convergence and divergence in HRM is still going on but trends in research suggest that the verdict appears to be cast in favour of divergence. ‘There may be convergence in structure whilst there is continuing divergence in process. There may be convergent trends, but trends which start from such different position that they are unlikely to

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lead to a convergence in practice in any foreseeable future' (Sparrow et al., 2004:38). In explaining the divergence trends in HRM, the cultural perspective provides a convincing explanation. However, it is worthy pointing out that, although culture is a powerful force, but it is not the only force that causes those differences. A cultural determinism is not acceptable (Sparrow et al., 2004).

The diverging HRM around the world and the culture-bound theory of HRM implicate the importance of understanding cultural values, especially for MNCs and international managers. If cultural blindness will prevent international managers from understanding HRM in other countries, then a good understanding of the cultural values of target country, coupled with good HRM practice, will also help MNCs and international improve their competitive advantages and reduce their competitive disadvantages at the same time.

In next chapter, the research methodology is discussed.

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4.1 INTRODUCTION

In this chapter, the research methodology employed in the research is discussed. It starts with a review of methodological concerns of previous research, discussing the advantages and disadvantages of both qualitative and quantitative methods, the equivalence issue and translation issue. Next, it explains why a quantitative-based research method is employed in this research. After reviewing available questionnaires, a detailed discussion of questionnaire design in this research is presented, followed by the discussion of the pilot study, sampling strategy, and questionnaire distribution and follow-up. Finally, a brief summary is presented. drawn.

4.2 METHODOLOGICAL CONCERNS OF PREVIOUS RESEARCH

4.2.1 Research approach: qualitative or quantitative methods

Many scholars argued that qualitative research methods made greater contribution to the advancement of organizational theory in general and international management theory in particular (Boyacigiller and Adler, 1991; Brewer, 1992; Jacques, 1992). With roots in socio-cultural anthropology, researchers who study culture and management have employed traditional inductive methods of their discipline. Qualitative research methods such as long-

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term participant observation in conjunction with an extensive series of ethnographic interviews with a wide range of informants were normally conducted (Boyacigiller et al., 1996). Wright (1996) argued that, theoretically, qualitative research methods help researchers generate better, more durable theories, address the broader, more complex issues that are the important areas of consideration in international management. Practically, it gives researchers flexibility and a way to address the 'how' and 'why' as well as the 'what' questions. It helps researchers avoid cultural biases and instrumentation blinkering to which more quantitative methods are prone. On the other hand, some researchers argued that qualitative research is too subjective as qualitative findings rely too much on the researchers' often unsystematic view about what is important and significant. Qualitative research is also criticized for problems associated with replication, theory generalization, and process transparency (Bryman, 2001). Kyi (1988) argued that although qualitative research may contribute more to the understanding of management, theory building based on purely qualitative research is less convincing. By contrast, quantitative research is well suited to provide certain types of factual, descriptive information – the hard evidence (Vaus, 2002). In the area of culture and management study, most of the well known research (Hofstede, 1980; Laurent, 1983; Trompenaars, 1993) had a strong quantitative support.

An alternative view is to combine qualitative and quantitative methods together to garner more reliable results – using triangulation method (Triandis, 1976; Wright, 1996). Triangulation entails using more than one method or source of data in the study of social phenomena. It was originally conceptualized by Webb et al. (1966) as an approach to the development of measures of concepts, whereby more than one method would be used in the development of measures, resulting in greater confidence in the findings (Bryman, 2001).

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Compared to qualitative and quantitative methods, triangulation method is relatively new and there has been a growing interest in the triangulation method.

Qualitative and quantitative research methods have their own advantages and disadvantages, so does the triangulation method. There is no perfect method. Which research method to use depends on the research topic, the time and resource restraints, and the research skills that the researchers have. For this research, it seems that a quantitative-based method, more specifically, survey-based research method, is the best research strategy for the following reasons:

1. Qualitative methods have the greater strengths in the area of theory generation, while quantitative methods are most useful for testing the generalizability of particular factors (Wright, 1996). Quantitative methods are more appropriate for addressing ‘what’ questions than ‘why’ questions. The main purpose of this research is to test theory and factors rather than generating new theory. Moreover, the main research questions of this research are ‘what’ questions: What are the cultural value patterns of Chinese employees? What are the HRM preferences of Chinese employees? What are the relationships between cultural values and HRM preferences (what cultural values affect what HRM preferences)?
2. Most studies on Chinese culture and HRM have only provided qualitative assessments about Chinese cultural values and its influence on HRM. There have been just a few quantitative studies (Sparrow and Wu, 1998). Of those quantitative studies, many of them have involved a small size sample, normally less than 100. Therefore, the validity was relatively weak. Using quantitative-based research methods would help provide more extensive evidence – the factual and descriptive information.

3. The survey is a popular and common research strategy in business and management research. It allows the collection of a large amount of data from a sizeable population at a lower cost and greater speed (Saunders et al., 2003). Survey-based research is a traditional and mature method in studying culture and management. Most well-known studies in this area were mainly survey-based research (Hofstede, 1980; Laurent, 1983; Trompennars, 1993). Another benefit of adopting survey-based method in this research is the availability of sets of mature and well-tested questionnaires.
4. The triangulation method combines qualitative and quantitative methods together, resulting in greater confidence in the findings (Bryman, 2001). Compared with single method approach, it takes more resources and time. Adopting a triangulation method would be too difficult for the present study due to the time and resource constraints. Therefore, it was decided that present study should focus on quantitative methods. However, a triangulation method should be used in the future study in order to obtain a more balanced view of cultural values, HRM preferences and the relationships between them.

4.2.2 Equivalence

Equivalence is another important issue in conducting international survey research. Equivalence refers to functional equivalence, conceptual equivalence, and metric equivalence. Among these, conceptual equivalence is of utmost importance when studying culture and management.

To achieve conceptual equivalence, concepts used in (comparative) research studies must have the similar meaning in the countries/cultures under study (Harpaz, 1996). Conceptual

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equivalence problem exists in many research projects, even famous ones. One example is the study of Shenkar and Von Glinow (1994). In their study, they found that the concept of 'autonomy' – a key concept in organizational research – could not be translated into Chinese appropriately. The alternative word used in Chinese language was 'right of self-determination', which has a quite different meaning (Shenkar and Von Glinow, 1994).

Another example is the study of Adler et al. (1983). They conducted a research on American and Chinese manager's behaviours. Using the Laurent Management Questionnaire – a questionnaire designed by Western researchers and had reported validity in Western contexts but had never been used in a Chinese context– managers were invited to describe their management styles. Interestingly, the data collected from nine Western European countries (Laurent, 1983) and the US was able to be factor-analyzed into four distinct dimensions, but the factor analysis of the individual Chinese managers' response failed to reveal an interpretable factor structure. Further investigation led to the belief that the problem was caused by huge differences in the perception of tested management conceptions between oriental and occidental managers (Adler et al., 1983), in other words, there was conceptual inequivalence. Another example is the research of Bond and Hofstede (1988). In their research with a special focus on Chinese managers, Bond and Hofstede (1988) found that the Western notion of 'truth' was not a relevant issue to Chinese managers. In-depth data analysis further led to a fifth dimension – Confucian dynamism – to explain the Chinese managers' values and behaviours, which is, on the other hand, less relevant to Western managers. Therefore, in this research, a critical eye should be kept on the pursuit of conceptual equivalence. Great attention should also be paid into every aspect of research design, especially on questionnaire selection and translation.

4.2.3 Translation

Translation problems have attracted great attention in the literature. It can be seen as the extension of achieving conceptual equivalence. Inappropriate translation could lead to serious problems. For example, in a study on Chinese managers' behaviours, the statement 'most conflicts in a company can be productive' was translated into Mandarin Chinese as 'much hitting and physical violence in a company can be productive'. The verbal disagreement was translated as physical violence and the statement became misleading to Chinese respondents (Adler et al., 1983).

In practice, there are some basic translation techniques what can be used individually or even combined (Harpaz, 1996; Usunier, 1998):

1. Direct translation: develop material in one language then translate it into the target language.
2. Back-translation: material (interview questions or questionnaires) is firstly developed in the original language. One person translates it into the target language, another person then translates it back to original language, independently. Translation and back-translation by different persons helps improve literal accuracy and maintain equivalent meaning.
3. Bilingual method: a bilingual expert administers and monitors the research instruments and corrects them accordingly.
4. Parallel translation: a group of bilingual or multilingual experts form a committee and translate the research instrument collectively.

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Direct translation is the simplest way but it more likely to produce translation problems, it should therefore be avoided. In this research, whenever possible, an official translated version of the questionnaire in Chinese provided by the questionnaire designers should be obtained. If the official version in Chinese is not available, it should then be translated using back-translation method or parallel translation method. More importantly, it should be borne in mind that, even with an official translated version, it should be tested in a pilot study before employing in data collection in main research.

This section has reviewed the main methodological concerns in studying culture and management. In next section, a discussion of research instruments used in this research is presented.

4.3 A REVIEW OF QUESTIONNAIRES ON CULTURE AND MANAGEMENT

As was discussed above, a survey-based quantitative research method is used in this research. The next step is to develop an appropriate questionnaire. In practice, there are many questionnaires designed to explore cultural values. Popular ones include Hofstede's Value Survey Module 94 (VSM 94), Schwartz Value Survey (SVS), and Maznevski and DiStefano's Cultural Perspective Questionnaire (CPQ). In the following section, a review of these questionnaires is presented.

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Hofstede's Value Survey Module 94 (VSM94)

Hofstede is one of the first researchers to question the adaptability of US management theories and practices to other cultural contexts. Relying on survey research in 66 national subsidiaries of the IBM, he collected 116,000 questionnaires. After analysing the data, he derived four main dimensions of national culture: Power Distance; Uncertainty Avoidance; Individualism and Collectivism; and Masculinity and Femininity.

The questionnaire used by Hofstede is the Value Survey Module (VSM). It was based on the questionnaires used in the original IBM research and it has evolved from VSM80 to VSM82 and to the latest VSM94. In the VSM94, there are 26 questions, making the questionnaire very user-friendly.

The VSM94 uses a combined format, for some questions, the respondents are asked to rate the importance of a certain 'value' (such as 'have sufficient time for your personal or family life'), using a Likert-type scale, ranging from 1 (of utmost importance) to 5 (of very little or no importance). For other questions, the respondents are asked to answer more directly.

Samples of the items of the VSM94 are as below:

Have sufficient time for your personal or family life	1 2 3 4 5
---	-----------

1= of utmost importance

2= very important

3=of moderate importance

4= of little importance

5= of very little or no importance

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How often do you feel nervous or tense at work?

1= never

2= seldom

3=sometimes

4=usually

5=always

The work of Hofstede has a profound influence on the development of cross-cultural studies in psychology, organization studies and in the social sciences more generally (Smith, 2002). However, Hofstede's work is the most criticized one as well (McSweeney, 2002). Recent studies using VSM94 showed that the reliability was low (Spector et al., 2001). Moreover, it was argued that VSM would work more effectively in cross-cultural comparisons with more than ten cultures or countries (Wu, 1999).

Schwartz's Value Survey (SVS)

Schwartz's Value Survey (SVS) (1992) is another well-known questionnaire for exploring cultural values (Thomas, 2008). There are 57 items in the SVS, measuring 10 value types on an individual level and 7 value orientations on the cultural level. More than 60000 individuals from all over the world have participated in the research.

Unlike most cultural questionnaires which using specific and concrete 'statement' (such as 'all members of a group should be mutually responsible for each other' and 'people at lower levels in a group or an organization should carry out the decisions of people at higher levels) to test cultural values, the SVS use simple 'terms' (such as 'equality' and 'social power'). The respondents are asked to rate how important each value as a guiding principle in life. The importance is rated by a Likert-type scale, ranging from -1 to 7 (-1 represents 'opposed to my

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values’, 0 represents ‘not important’, 1 represents ‘important’ to 7 represents ‘of supreme importance’). A sample of the SVS is shown below:

Loyal (faithful to my friends, group)	-1 0 1 2 3 4 5 6 7
Creativity (uniqueness, imagination)	-1 0 1 2 3 4 5 6 7

- 1= Opposed to my values
- 0= Not important
- 3= Important
- 6= Very important
- 7= Of supreme importance

Wu (1999) argued that the adoption of ‘terms’ rather than ‘statements’ in the SVS could be misleading sometimes. Lane et al. (2000) concurred that for testing cultural values, specific and concrete ‘statements’ were more appropriate. They argued that cultural values were hard to measure because they were abstract and sometimes taken for granted. For example, people may not be able to give a precise answer to the question of what the appropriate and basic interpersonal relationship should be. However, if you ask them if ‘people should satisfy their own needs before they think about other’s needs’, they are more likely to be able to give a more precise answer. Therefore, in order to test people’s underlying cultural values, specific and concrete ‘statements’ should be presented.

Maznevski and DiStefano’s Cultural Perspective Questionnaire (CPQ)

The Cultural Perspective Questionnaire (CPQ) was developed by Maznevski et al., (1993) and Maznevski and DiStefano (2004), based on the Cultural Value Orientations Framework (Maznevski et al, 1993; Maznevski and DiStefano, 2004). The CPQ has been tested and re-

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tested for over 15 years. It has been widely used in universities and large global organizations in more than 50 countries and in 20 languages. Its internal reliability (Cronbach's alpha) was reported at between 0.55 and 0.78 in previous studies (Sparrow and Wu, 1998; Wu, 1999; Nyambegera et al., 2000).

The latest version is the CPQ8. In the CPQ8, there are 84 'statements' which describe specific and concrete situations. The statements are then measured by a seven point Likert-type scale, ranging from 1 (strongly disagree) to 7 (strongly agree). These 84 statements were designed to test the cultural dimensions of 'Relations with the Environment', 'Relationships between People', 'Mode of Activity', 'Human Nature' and 'Time Orientation' in the Cultural Value Orientations Framework (Maznevski et al., 1993; Maznevski and DiStefano, 2004). A sample of the CPQ8 item is like below:

Statement	Strongly Disagree				Strongly Agree		
All members of the group should be mutually responsible for each other.	1	2	3	4	5	6	7

In the second part of the questionnaire, there are 10 questions, collecting demographic information such as 'age', 'educational level', 'gender'. In total, there are 94 questions in the Cultural Perspective Questionnaire.

The VSM, SVS, and CPQ are the three commonly-used questionnaires for testing cultural values. They all have been widely used and have large groups of supporters. After a careful review, it was decided that the CPQ8 would be used in this research for several reasons:

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1. The reliability of VSM94 is relatively low (Spector et al., 2001) and it was designed for multinational settings. It works better for cross-cultural comparisons with more than 10 cultures or countries (Wu, 1999). There is also a conceptual equivalence problem associated with the VSM (Adler et al., 1983).
2. The SVS uses simple 'terms' rather than specific and concrete 'statements', this could be sometimes misleading (Wu, 1999). Using terms rather than statements also make achieving conceptual equivalence harder and translation more difficult. Moreover, there were technical difficulties which prevented it from being used in the questionnaire. The questionnaire designers were reluctant to approve the use of their questionnaire out of their control. They required that all data collection should be through their online internet-platform, they then administrated the data-stream and computations and delivered results and statistics. This requirement has caused great difficulties in current research because not all respondents were ready for internet-based questionnaires, and it would be difficult for the author to monitor the data collection process.
3. The Cultural Value Orientations Framework (Maznevski and DiStefano, 2004) is used in this research. The CPQ was designed by the same group of researcher (Maznevski et al., 1993; Maznevski and DiStefano, 2004) based on the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004). The match between the cultural framework and the questionnaire is then expected to be higher.
4. Unlike the VSM and SVS, the CPQ was designed originally for the purpose of understanding management behaviours and characteristics related to culture, in both single-country and multinational settings.

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5. The CPQ is well-tested with high validity. Its internal reliability (Cronbach's alpha) was reported to be between 0.55 and 0.78 (Wu, 1999).
6. Developed in the English language, the CPQ has also an official version in Chinese language. It has previously been translated and back-translated by groups of researchers in the Chinese University of Hong Kong. Having been translated by linguistic professionals, the translation accuracy is therefore expected to be higher.
7. The CPQ has been practically used in Chinese organizations (Wu, 1999) and the feedback is positive.
8. The CPQ is free of charge when used as a tool for research and the questionnaire designers are very helpful.

4.4 QUESTIONNAIRE DESIGN

In this section, the questionnaire design is discussed. It starts with the Cultural Perspective Questionnaire (CPQ8) and then leads to the Human Resource Management Preference Questionnaire (HRMPQ). Questionnaire length and questionnaire translation are also discussed.

4.4.1 The CPQ8

The latest version of the CPQ – CPQ8 – was used in the current research. The first section consists of 84 statements such as:

1. 'Decisions should be made based on analysis, not intuition or emotion'.
2. 'It is important to honour traditions'.
3. 'All members of the group should be mutually responsible for each other'.
4. 'The most successful businesses are always changing things, even if performance is satisfactory already'.

These statements were designed to test the underlying cultural dimensions in the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004). In previous versions of the CPQ, the cultural dimension of 'Time Orientation' was not included. In the CPQ8, the 'Time Orientation' is included for the first time, which provides a more complete framework. Table 4.1 shows the numbers of statements used to test the cultural dimensions and the variations in the cultural dimensions.

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Table 4.1 Statements used in the CPQ8 to test cultural values

Cultural Dimensions	Relations with the Environment	Relationships between people	Mode of Activity	Human Nature	Time Orientation
Number of Statements	20	23	24	5	12
Statements for each variation	Subjugation: 5 Mastery: 8 Harmony: 7	Individualistic: 8 Collectivistic: 8 Hierarchical: 7	Being: 8 Doing: 8 Thinking: 8	Good: 3 Bad: 2	Past: 4 Present: 4 Future: 4

Likert-type scales method is a common approach to measure attitudes and statements like those in the CPQ8. In the current research, all statements are measured by a seven-point Likert-type scale, ranging from 1 (1='strongly disagree') to 7 (7='strongly agree'). A sample of the CPQ8 item is shown below:

Statement	Strongly Disagree							Strongly Agree						
All members of the group should be mutually responsible for each other.	1	2	3	4	5	6	7	1	2	3	4	5	6	7

In answering these questions, courtesy or hospitality biases are another issue to be considered. Courtesy or hospitality bias refers to giving answers presumed to be pleasing to the researchers, which happens more frequent in Asia (Lim and Firkola, 2000). Therefore, in order to minimize the courtesy and hospitality biases, the respondents are informed that there

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are no right or wrong answers, their choices should be consistent with their attitudes. They are asked to circle an appropriate number to express their attitudes to the statements.

The second section of the CPQ8 consists of 12 questions about demographic characteristics. The first 10 questions are from the original CPQ8. Two extra questions regarding 'ownership of the company' and 'number of employees of the company' were added by the author in order to test if 'ownership' and 'company size' influence HRM preferences. These two extra questions are:

1. What's the ownership of your company: SOE, TVE, FOE, JV, POE or Other?
2. What's the size of your company: less than 200 employees, 201 to 500 employees, 501 to 100 employees, more than 1001 employees?

In total, there are 96 questions in the CPQ8. The official Chinese version of the CPQ8, provided by the questionnaire designers, was used in this research. Please see Appendix 1 for a complete version of the CPQ8.

4.4.2 The HRMPQ

The second set of questionnaire was designed to assess the HRM preferences of Chinese employees. Several questionnaires were reviewed but they were not appropriate. Therefore, it was decided to design a new one for the current research albeit modified from previous research. The questions were based on the typology of HRM practices proposed by Schuler and Jackson (1987), with reference to the questionnaire used by Sparrow and Wu (1998) and

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Wu (1999). Five main HRM functions were covered, namely: Planning, Staffing, Performance Appraisal, Compensation, and Training and Development.

Overall, 53 pairs of alternative HRM policies were developed and measured by a seven-point bipolar scale. Since this questionnaire was designed to test preferences, pairs of statements (HR policies or practices) were developed. In order to avoid the ‘acquiescence’ bias (Schuman and Presser, 1996), these statements have to be mutually contradictory to each other as much as possible. For example, ‘Performance appraisal should be results-based’ versus ‘Performance appraisal should be behaviours-based’. A sample of the HRMPQ item is like below:

Performance appraisal should be results-based	1	2	3	4	5	6	7	Performance appraisal should be behaviours-based
---	---	---	---	---	---	---	---	--

Again, in order to minimize the courtesy or hospitality biases (Lim and Firkola, 2000), the respondents were informed that there is no right or wrong answer in this section, their choices should be consistent with their preferences. If the respondent prefers results-based performance appraisal, he or she should circle the number ‘1’ or ‘2’ or ‘3’; if the respondent prefer behaviours-based performance appraisal, s/he should circle the number ‘5’ or ‘6’ or ‘7’. If the respondent circled the number ‘4’, this means that he or she holds a mixed attitude towards these two alternative HR practices. Please see Appendix 1 for the HRMPQ.

4.4.3 Questionnaire length

A common view is that a long questionnaire increases the burden on respondents which further leads to a lower response rate. However, De Vaus (2002) argued that there was little research to support this commonsense assumption. It is difficult to disentangle the effect of questionnaire length from other factors such as topic, sample type, mode of administration and so forth. Therefore, the researchers should not be obsessed with length, but, they should not make the questionnaire longer than is really necessary as well.

In total, there were 149 questions in both questionnaires, which take about one hour to complete. 96 questions were from the first set of questionnaire (the CPQ8), which is a standard questionnaire with high internal consistency. It is hard to modify the CPQ8 without reducing its reliability and validity. The questions in the HRM preference questionnaire were all considered to be relevant and necessary. Therefore, it was decided that at this stage, attention should be paid to other aspects of survey design to minimize the burden of respondents. The issue of questionnaire length should be addressed based on the feedback from the pilot study.

4.4.4 Questionnaire translation

The CPQ8 used in this research is the official Chinese version provided by the questionnaire designers, which has previously been translated and back-translated by groups of researchers in the Chinese University of Hong Kong. Both English and Chinese versions have been tested in previous research. However, minor changes of wording have to be made so that the questionnaire can fit better with the language usage habits of mainland Chinese.

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The HRM Preferences Questionnaire used in this research was originally designed in English. It was then translated into Chinese after it was reviewed by my supervisors and a group of MBA and PhD students. To ensure equivalence, the Chinese version of questionnaire was back-translated into English by a group of bilingual or multilingual PhD students at Cardiff Business School who are native speakers of Mandarin Chinese. Minor changes were made according to their advice.

4.5 PILOT STUDY

Each questionnaire has its own problems and difficulties. A pilot study can help not only with the wording of questions but also with procedural matters such as the ordering of question sequences and the reduction of non-response rates. A pilot study takes time and energy but avoiding a pilot study could be more costly (Oppenheim, 1992).

A pilot study was conducted at Cardiff Business School among a group of 30 PhD, MBA and MSc students from various backgrounds. The respondents were informed that they could choose questionnaires in the English or Chinese languages. Questionnaires were then printed out, distributed and returned in two weeks. Eight respondents were invited to an open discussion regarding the questionnaire. At the meeting, some useful suggestions were received and revisions of the questionnaires were made accordingly:

1. Wording. Generally speaking, the wording of the questionnaires was satisfactory. But it was suggested that it should use simpler language, especially avoiding HR 'jargon' and technical terms because the questionnaires would be completed by employees

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from every functional area, some of them may not be familiar with professional HR terms. Another suggestion was that some questions could be shortened, making them less ambiguous and more precise.

2. Length of the questionnaires. Most respondents thought the questionnaires were interesting, easy to understand and complete, making the length of questionnaire a relatively unimportant factor. But they also suggested that a shorter questionnaire would be more welcome by the managers with a tight time schedule. Following their advice, 8 questions in the second questionnaire – HRM Preference Questionnaire - were combined or deleted, reducing the number of questions from 149 to 141.
3. Questionnaire distribution and forms of response. It was not very difficult to conduct a study involving 30 respondents but it would be harder if the sample expanded to thousands. Moreover, completing a questionnaire like this demands a great effort from questionnaire administrator and respondents. The overall response rate was likely to be low if there was no assistance. Therefore, in order to improve the response rate, it was suggested that I should: first, find 'key connection' in each company, relying on them to supervise the process; second, new forms of response such as questionnaire by email and online questionnaires should be used to cover a broader sample size, offer greater flexibility to respondents, and reduce data process time and cost.

With the final version of questionnaire ready after the pilot study, the next step was to identify the appropriate sampling strategy. For a research project like this, it is impracticable to survey the entire population because of budget and time constraints. Therefore, choosing the right sampling technique becomes extremely important. In the following section, a discussion of sampling strategy is presented.

4.6 SAMPLING

4.6.1 Sampling strategy

Effective sampling helps researchers save time and effort, but also provides consistent and unbiased estimates of the population status in terms of whatever is being researched. In practice, there are many sampling methods. Generally speaking, sampling strategies can be categorized into random probability sampling and purposeful sampling (Patton, 2002). Random probability sampling permits generalization from sample to the population it represents and help increase confidence in making generalizations to particular subgroups. However, it takes a longer time, at higher costs and receives lower response rate. On the other hand, by selecting sample strategically and purposefully, purposeful sampling helps collect more information-rich cases and smooth data collection process. Both sampling strategies have its advantages and disadvantages. The choice of sampling strategy varies from project to project. It is a question of balancing accuracy against cost and feasibility (Schofield, 1996).

Purposeful sampling strategy was used in the current research because: first, in social science, random selection of organizations and samples is probably not possible (Lim and Firkola, 2000). Second, this is a PhD research project with limited time and resources and random sampling takes much longer time at a higher cost. Third, this research demands great efforts and cooperation from respondents. It would be hard to seek cooperation from randomly selected companies.

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More specifically, 'snowball' sampling, which is one type of purposeful sampling strategies, was used in this research. Following 'snowball' sampling, the necessary steps are (Saunders et al., 2003):

1. Make contact with one or two cases in the population.
2. Ask these cases to identify further cases.
3. Ask new cases to identify further new cases.
4. Stop when either no new cases are given or the sample is as large as manageable.

4.6.2 Setting sample size

There is no absolute and strict rule for sample size in survey research. It depends on what you want to know, the purpose of the inquiry, what will have credibility, and what can be done with available time and resources (Patton, 2002). The sample size in previous similar studies varied from 274 to 487 (Sparrow and Wu, 1998; Nyambegera et al., 2000; Chandrakumara and Sparrow, 2004). Therefore, it was decided that a minimum level of sample size of 500 should be achieved.

4.6.3 Setting sampling criteria

This research was designed to explore Chinese employees' cultural values and HRM preferences. Ideally, it should cover as many Chinese employees as possible, but obviously, this is an unachievable target. Then the next step is to identify appropriate sampling criteria to cover representative population. In practice, there are many sampling criteria, such as age,

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gender, class, race, income level, industry and so forth. In the current research, main sampling criteria are:

1. **Company size.** One of the main research objects of current research is to explore Chinese employees' HRM preferences. This requires that the company they work for has a proper HRM system, covering main HRM functions such as Planning, Staffing, Performance Appraisal, Compensation, and Training and Development. Although there is no absolute rule for projecting whether a company has a proper HRM system, a general rule is that the bigger the company, the greater demand for a formal and systematic HRM system. Therefore, it was decided that only those companies have a minimum size of 200 employees should be contacted.
2. **Company location.** Although management differences between different parts of China are not as huge as some suggest, certain differences do exist (Ding et al., 2002). Therefore, certain efforts should be made to ensure that data comes from both Northern and Southern China, and from both coastal and inland cities.
3. **Ownership.** Ownership structure could be a main reason for different HRM policies and practices. Previous studies showed that there were differences in HRM between companies of different ownership structure in China (Lu and Bjorkman, 1997; 1999; Ding et al., 2000; Ding and Akhtar, 2001; Braun and Warner, 2002; Hassard et al., 2004; Lin et al., 2004; Ding et al., 2006). It would be interesting to explore whether ownership structure affects companies' HRM policies, and the HRM preferences of their employees. Therefore, it was decided that main ownership structures in China, namely State-owned Enterprises (SOEs), Town-or-Village-owned Enterprises (TVEs), Foreign-owned Enterprises (FOEs), Sino-foreign joint ventures (JVs) and Privately-owned Enterprises (POEs) should all be covered whenever possible.

4.7 QUESTIONNAIRE DISTRIBUTION AND FOLLOW-UPS

Following the 'snowball' sampling strategy, some Chinese organizations with extensive access to companies and enterprises were firstly identified. These organizations included commercial associations, the management committee of industrial development parks and regional governments. Key informants in these organizations were contacted and briefed about the purposes of the study and sampling criteria. Copies of questionnaires and instructions were sent to them, followed by a phone call and visits to explain the purposes, sampling criteria (company size, company location and company ownership structure), and data collection process of current research project. After that, they were asked to recommend some suitable companies.

They were asked to recommend a list of suitable companies, with a key informant in each company (preferably from the HR or personnel department) to help administer the survey research. Then these key informants in companies were contacted and copies of the questionnaire with detailed instructions were sent to them. They were informed that the questionnaire was for research purpose only and should be completed anonymously, as was stated on the questionnaire. Questionnaires were then distributed to employees in different functional departments randomly. Depending on the size of the company, 20 to 80 questionnaires were distributed in each company. For all respondents, there were three ways to complete the questionnaires:

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1. Paper and pencil method, questionnaires were printed out and sent to key informants. They then randomly distributed the questionnaire. The questionnaire was completed anonymously by the respondents.
2. Email, questionnaire in Microsoft Office Word format was supplied if the key informants thought it was a better and more flexible way for the respondents to complete the questionnaires.
3. Web-based HTML survey, a web-based HTML questionnaire was developed by a professional programmer. If the key informants chose this method, the username and password was sent to them, enabling the respondents to complete the questionnaire online.

4.8 DATA ANALYSIS METHODS

This section outlines the data analysis used in this study, a more detailed discussion in presented in the following chapters.

First, the reliability and validity of the CPQ8 are tested. More specifically, the Cronbach's Alpha Value is obtained to test the reliability of the scale reliability of the CPQ8. Next, a Bivariate Pearson Correlation analysis is conducted to test the validity of the scales. Scales with low reliability and validity will be removed from the data analysis.

Second, the cultural value orientations of Chinese employees are analyzed in the SPSS. The values of mean, medium, standard deviation, skewness and kurtosis are presented. Under

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each cultural dimension, an ANOVA test is conducted to evaluate the differences between the cultural values.

Third, the HRM preferences of Chinese employees are analyzed in the SPSS. The values of Mean, Medium, Mode, Standard Deviation, Skewness and Kurtosis are presented. A one sample t-test is run, with the test value as 4, in order to achieve a more accurate assessment of preferences.

Fourth, the relationships between cultural values and HRM preferences are explored. A preliminary analysis of the relationships is tested, using the Pearson Correlation analysis. Next, a Multiple Regression analysis is conducted, with the control variables of gender, educational level, job grade, tenure, size of the company, ownership structure, to capture the relationships between cultural values and HRM preferences.

4.9 SUMMARY

Studying the relationship between culture and management is difficult, and the complexity increases significantly when it involves cross-cultural or cross-national cooperation. Since it is hardly possible to collect data covering the whole population, researchers normally study samples chosen from the population, and inferences are drawn from these samples to the characteristics of the target population. Researchers ordinarily focus on people's behaviours, perceptions, beliefs, opinions, attitudes, norms, values and so forth. Popular data collection methods include both qualitative and quantitative ones, for example, interviews, questionnaires, panel studies, controlled observations. The methodology of studying culture and management has been widely discussed. Great attention has been paid to issues such as

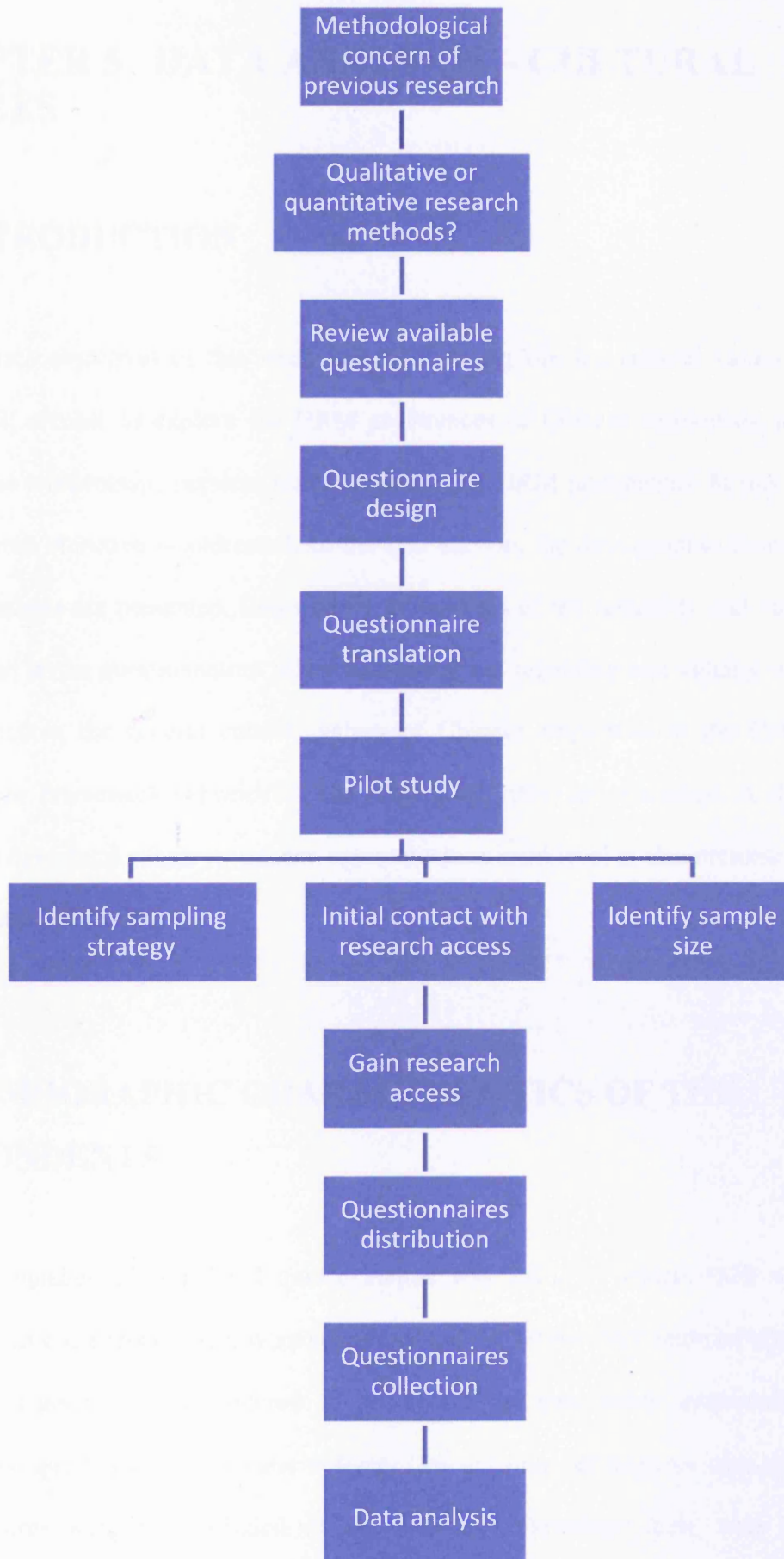
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research approaches, equivalence, sampling strategy, measurement, and analysis (Sekaran, 1983; Adler, 1983; Boyacigiller et al., 1996).

In this chapter, methodological concerns of previous research have been discussed, followed by a detailed discussion of questionnaire design, pilot study, and data collection process. In this research, two questionnaires, the Cultural Perspective Questionnaire (CPQ8) and the Human Resource Management Preferences Questionnaire (HRMPQ) were used in this research. There are 96 questions in the Cultural Perspective Questionnaire, testing the cultural dimensions of 'Relations with the Environment', 'Relationships between People', 'Mode of Activity', 'Human Nature' and 'Time Orientation' in the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004). There are 45 questions in Human Resource Management Preferences Questionnaire, covering five main HRM functions: Planning, Staffing, Performance Appraisal, Compensation, and Training and Development. Please see Appendix 1 for the CPQ8 and the HRMPQ used in this research.

The Figure below illustrates the whole data collection process. The next chapter deals with the preliminary data analysis.

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CHAPTER 5 DATA ANALYSIS – CULTURAL VALUES

5.1 INTRODUCTION

The research objectives of this study are: first, to explore the cultural values of Chinese employees; second, to explore the HRM preferences of Chinese employees; and third, to explore the relationships between cultural values and HRM preferences. In this chapter, the first research objective is addressed. In the first section, the demographic characteristics of the respondents are presented, followed by an analysis of the reliability and validity of the scales used in the questionnaires. After addressing the reliability and validity issues, in the second section, the general cultural values of Chinese employees in the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004) are discussed. A discussion of variations of cultural values by gender, age and educational level is also presented. Finally, a brief summary is presented.

5.2 DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

The total number of completed questionnaires was 2921, of which 1522 were printed questionnaires, the rest of them were completed online. Of the 2921 returned questionnaires, 69 questionnaires were considered to be invalid as they either contained too many unanswered questions or systematic answers (for example, all answers were all 7). These questionnaires were not included in the database. Therefore, there were 2852 valid

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questionnaires in the database. Previous similar research (Sparrow and Wu, 1998; Nyambegera et al., 2000 and Chandrakumara and Sparrow, 2004) had a sample size between 274 and 487. Compared with these studies, the database in this research is huge.

The high response rate of 60% in this research is due to the following reasons: first, there was strong support from three industrial development parks and commercial associations in China. Key informants in these organizations have extensive connections and they helped persuade many companies to participate.

Second, a 'snowball' strategy was used when selecting the companies. Only those companies with a manager known by the researcher were contacted and during the data collection process these managers helped, especially in checking if the questionnaire was completed.

Third, many companies participated in this research, most of them located in several major industrial development parks. The researcher visited the sites as many times as possible to monitor the data collection process. In many cases, a sample questionnaire and instructions were sent to the informants in these organizations beforehand, the researcher then visited the sites and distributed and collected the questionnaires on the same day. A higher level of response rate was obtained in this way.

Table 5.1 shows the demographic characteristics of the respondents. Of the 2852 respondents, 1693 (59.4%) were male and 1159 respondents (40.6%) were female, which reflects a relatively male dominated workforce.

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Characteristics	Value label	Frequency	Percent
Gender N=2852	Male	1693	59.4
	Female	1159	40.6
Age category N=2852	25 or younger	597	20.9
	26-30	922	32.3
	31-35	496	17.4
	36-40	425	14.9
	41-45	200	7.0
	46-50	92	3.2
	51-55	72	2.5
56 and above	48	1.7	
Educational level N=2852	Primary school	8	0.3
	Middle school	112	3.9
	High school	696	24.4
	University	2036	71.4
Job grade N=2852	Non-management	686	24.1
	Basic management	1338	46.9
	Middle management	644	22.6
	Top management	184	6.5
Company ownership N=2852	SOE (24 units)	743	26.1
	TVE (12 units)	249	22.9
	FOE (26 units)	779	27.3
	JV (25 units)	678	9.6
	POE (12 units)	368	12.9
	Others	35	1.2
Company size N=2852	201-500 employees	690	24.2
	501-1000 employees	1162	40.7
	More than 1001 employees	1000	35.1

With regards to age category, most respondents were relatively young. 1159 respondents (53.2%) were less than 30 years old. Most of them were born after the Cultural Revolution (1976) and grew up with China's economic modernization. 921 respondents (32.3%) were born during the Cultural Revolution period (1966-1976) and only 364 respondents (12.7%) were born before the Cultural Revolution. It is believed that there are cultural value differences between these age groups because of the dramatic changes in social backgrounds.

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A comparison of cultural value differences between these age groups will be presented in a later section.

With regards to educational level, 2036 respondents (71.4%) had completed college or university level education, 696 respondents (24.4%) had a high school education, 112 respondents (3.9%) had a middle school education, and 8 respondents (0.3%) had primary school level education. Education level could be a factor that influences one's cultural values. Therefore, a comparison of cultural values by educational levels is also presented later.

With regards to job grade, 184 respondents (6.5%) worked at a top management level, 644 respondents (22.6%) worked at a middle management level, 1338 respondents (46.9%) worked at a basic management level and 686 respondents (24.1%) worked at a non-management level. By job level, most respondents carried certain management responsibilities and were therefore considered to be white collar employees.

The 2852 respondents came from 102 companies in China, although 35 respondents did not identify their company's ownership. For the rest of the 2817 respondents, 743 worked in 24 State-owned-enterprises (SOEs), 249 worked in 12 Township-and-Village-owned-enterprises (TVEs) and 368 worked in 12 Privately-owned-enterprises (POEs). 779 worked in 26 Foreign-owned-enterprises (FOEs) and 678 worked in 25 Sino-foreign joint ventures (JVs).

In the following section, the reliability and validity of the Cultural Perspective Questionnaire (CPQ8) is tested before moving to the discussion of the cultural values of Chinese employees.

5.3 PRELIMINARY ANALYSIS

5.3.1 Reliability

Most scales used in the Cultural Perspective Questionnaire (CPQ8) were based on previously well-designed questionnaires. They have been tested and retested in many studies and obtained a relatively high level of reliability. The Cronbach's alpha value is reported at between 0.55 and 0.78 (Sparrow and Wu, 1998; Wu, 1999). However, it is still necessary to check the reliability of scales to see if the questionnaire is valid in the Chinese context.

When testing the reliability of a scale, two frequently used indicators are test-retest reliability and internal consistency (Pallant, 2007). The test-retest reliability is assessed by the correlation between two different scores of the same people obtained in different occasions. The higher the correlation value, the higher the reliability. This method is much more time-consuming and requires more resources. However, in reality this is impractical in most research situations. The other frequently used indicator is the internal consistency. This refers to the degree to which the items that make up the scale are interconnected with each other, testing if all the items are measuring the same underlying construct. One of the most commonly used statistics is Cronbach alpha value, which measures the average correlation among all the items that make up the same scale. An ideal level of Cronbach alpha value is 0.70 or above (Nunally, 1978; DeVellis, 2003; Pallant, 2007). However, the Cronbach alpha value is quite sensitive to the number of items in the scale. A lower Cronbach value around 0.50 is commonly reported in scales with less than ten items (Pallant, 2007).

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Table 5.2 below shows the reliability of scales of the CPQ8. As Table 5.2 shows, both the HN and PaO scales of the CPQ8 had good internal consistency, with Cronbach alpha values reported at 0.819 and 0.802 respectively. Seven scales (HE, ME, IR, TO, DO, PrO and FuO) had acceptable internal consistency. The Cronbach alpha value is 0.657, 0.651, 0.652, 0.760, 0.654, 0.655 and 0.661 respectively. HR and CR had relatively low alpha values, with the value of .588 and .561 respectively. The lowest alpha values were reported at SE and BO, with a value of .529 and .551 respectively. The low alpha value of SE and BO indicates that those item in SE and BO are measuring something different from the scale as a whole, in other words, SE and BO should be considered to be removed.

Items	Cronbach's Alpha	Mean
SE	.529	3.088
HE	.657	5.399
ME	.651	4.629
HR	.588	5.443
CR	.561	5.171
IR	.652	4.193
BO	.551	3.850
TO	.760	5.073
DO	.654	4.256
HN	.819	3.966
PaO	.802	5.47
PrO	.655	4.015
FuO	.661	4.653

Table 5.3 below shows the change of the alpha value if removing one item from the scale. If the item value is higher than the scale's alpha value, then removing this item will improve the scale's overall alpha value. For example, under the SE, there are 5 items, each item has a value. As Table 5.3 shows, the scale's (SE) alpha value is 0.529 and the value of item 2 is 0.551. In this case, if the item 2 was removed from the scale, then the scale's alpha value will be improved from 0.529 to 0.551. As Table 5.3 shows, deleting any item in SE or BO will not

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improve the alpha values to the acceptable level. Therefore, SE and BO were removed because of low Cronbach Alpha values.

Items	SE	HE	ME	HR	CR	IR	BO	TO	DO	HN	PaO	PrO	FuO
1	.458	.642	.624	.521	.543	.589	.471	.736	.616	.852	.618	.620	.641
2	.551	.599	.623	.574	.526	.604	.486	.754	.658	.783	.583	.585	.609
3	.446	.596	.629	.548	.526	.689	.498	.733	.598	.754	.581	.562	.563
4	.447	.595	.594	.532	.511	.662	.541	.730	.667	.748	.681	.582	.557
5	.464	.600	.641	.561	.538	.607	.540	.728	.635	.765			
6		.598	.623	.560	.528	.598	.558	.729	.585				
7		.701	.616	.551	.527	.596	.493	.730	.639				
8			.602		.525	.601	.544	.736	.569				
Alpha	.529	.657	.651	.588	.561	.652	.551	.760	.654	.819	.802	.655	.661

Table 5.4 below shows the finally selected cultural values used in data analysis. In previous studies where the older version of the Cultural Perspective Questionnaire (CPQ4) was used, the alpha value was lower. Sparrow and Wu (1998) reported the alpha values ranged from 0.55 to 0.74. Nyambegera et al. (2000) reported the alpha values ranged from 0.52 to 0.75. Compared with previous studies, the internal consistency of the CPQ8 has been improved.

Items	Cronbach's Alpha	Mean
HE	.657	5.399
ME	.651	4.629
HR	.588	5.443
CR	.561	5.171
IR	.652	4.193
TO	.760	5.073
DO	.654	4.256
HN	.819	3.966
PaO	.802	5.47
PrO	.655	4.015
FuO	.661	4.653

5.3.2 Validity

Correlation analysis is used to describe the strength and direction of the linear relationship between variables (Pallant, 2007). Correlation analysis can also check the multi-collinearity between variables. Table 5.6 shows the bivariate Pearson Correlation Matrix between cultural value orientations. The correlations coefficients which are significant at the 0.05 level of significance are displayed with a star. The correlations coefficients which are significant at the 0.01 level are displayed with two stars.

As table 5.6 shows, the correlations coefficients between HE and PaO, ME and HR, CR and IR, CR and HN, DO and HN, HN and PrO are all significant at 0.01 level of significance; the correlations coefficients between HE and ME, TO and DO, DO and PrO are all significant at 0.05 level of significance. However, the absolute value of all of these significant correlation coefficients are not great than .152, which indicates there is no multi-collinearity problem between these variables.

In the following section, the cultural values of Chinese employees are discussed.

Table 5.6 Pearson Correlation—Cultural Values CPQ8

	HE	ME	HR	CR	IR	TO	DO	HN	PaO	PrO	FuO
HE	1										
ME	-.038(*)	1									
HR	.011	-.151(**)	1								
CR	.008	.040(*)	-.024	1							
IR	.020	-.004	.011	.077(**)	1						
TO	.001	-.015	.029	-.002	-.015	1					
DO	-.003	-.019	.007	.011	.013	-.038(*)	1				
HN	-.003	.017	.004	.049(**)	.010	.024	-.057(**)	1			
PaO	.054(**)	.029	.015	.013	-.023	-.008	-.018	-.009	1		
PrO	-.001	.003	.020	-.018	.009	-.020	.047(*)	-.124(**)	.018	1	
FuO	.026	.004	.008	-.015	-.014	-.024	-.003	-.016	-.004	-.028	1

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

5.4 THE CULTURAL VALUE ORIENTATIONS OF CHINESE EMPLOYEES

	Variable	Mean	Medium	SD	Skewness	Kurtosis
Relations with the Environment	HE	5.40	5.57	0.89	-1.16	3.96
	ME	4.63	4.75	0.95	-0.85	3.37
	f-ratio	988.659*** (Comparison of means by one way ANOVA)				
Relationships between People	HR	5.30	5.50	1.02	-0.58	2.78
	CR	5.20	5.33	0.91	-1.18	5.33
	IR	4.19	4.38	0.84	-0.76	3.07
	f-ratio	1248.593*** (Comparison of means by one way ANOVA)				
Mode of Activity	TO	5.07	5.25	0.90	-1.42	4.81
	DO	4.26	4.25	0.79	-0.13	2.34
	f-ratio	1324.771*** (Comparison of means by one way ANOVA)				
Human Nature	HN	3.97	3.80	1.22	0.39	2.78
Time Orientation	PaO	5.47	5.75	1.10	-0.78	2.90
	PrO	4.01	4.00	0.94	0.36	3.06
	FuO	4.65	4.75	0.97	-0.51	2.72
	f-ratio	1492.995*** (Comparison of means by one way ANOVA)				

* indicates $P < 0.05$; ** indicates $P < 0.01$; *** indicates $P < 0.001$.

Relations with the Environment	Relationships between People	Mode of Activity	Human Nature	Time Orientation
'Harmony' over 'Mastery' over 'Subjugation'	'Collectivistic' over 'Hierarchical' over 'Individualistic'	'Thinking' over 'Doing' over 'Being'	'Bad' over 'Good'	'Future' over 'Past' over 'Present'

Table 5.7 shows Chinese employees' cultural value orientations in the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004). SE and BO were deleted because of low Cronbach's Alpha values. Therefore, in the database, there are 11 cultural value orientations under 5 cultural value dimensions. The values of mean, medium, standard deviation, skewness and kurtosis are presented. Skewness and Kurtosis tests for Normality were used to assess the distribution of Chinese cultural value variables. Test results show that the null hypotheses that all cultural value variables are normally distributed are supported. Therefore, the Chinese cultural value variables in this sample were normally distributed.

A combined measure of each cultural dimension was created and the differences between cultural values were tested in one way ANOVA. The Post Hoc and LSD analyses show that the mean of HR and ME; HR, CR and IR; TO and DO; and PaO, PrO and FuO was significantly different from each other at the .05 level.

Table 5.8 shows the hypothesized Chinese cultural value orientations. The research findings are presented in the next section.

5.4.1 Relations with the Environment

In relation with the environment, it is hard to find a society that is dominated solely by the subjugation to the environment orientation (Lane et al., 2006). In other words, harmony with the environment and master of the environment are two competing dominant cultural value orientations in most societies. The research findings showed that harmony with environment and mastery over environment were both supported in Chinese society, with a stronger emphasis on harmony orientation.

As table 5.7 shows, Chinese employees generally believed that human beings should keep a harmonious relationship with the environment (HE=5.40). They also believed that people can master the environment (ME=4.63). As a reminder, environment refers to both the natural environment and social environment.

Mastery over the environment became a main belief since the CCP came into power in 1949, first by the communist education which emphasizes that human beings are the masters of the earth, then reinforced by the acquisition of advanced technologies since 1978. The mastery orientation is reflected in tremendous construction projects such as the Yantze Three Gorges Project. By contrast, harmony with environment, as a key element in traditional Chinese culture, has existed in China for thousands of years. Due to the renaissance of traditional culture and the greatly strengthened propaganda of environmentalism and ‘building a harmonious society’ since the 1990s, the harmony orientation has been growing very fast.

Hypothesis 1 that in terms of relations with environment, Chinese people would score in the order of ‘harmony’ over ‘mastery’ over ‘subjugation’ is therefore partly supported by the research findings. This research finding is consistent with the study of Sparrow and Wu (1998) on Taiwanese employees. In that study, Taiwanese employees also scored in the order of ‘harmony’ over ‘mastery’ over ‘subjugation’.

5.4.2 Relationships between people

The orientation of relationships between people refers to how individuals should relate to each other and the responsibilities one has for others. It asks the questions of ‘what kind of

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relationships between people is most natural/effective to our society’, ‘who must we take care of/ obey/be accountable to’.

In terms of interpersonal relationships, Chinese employees strongly believed that interpersonal relationships were hierarchical (HR=5.3) and collectivistic (CR=5.2). A belief of individualistic interpersonal relationship was also observed (IR=4.19), however, this is not the dominant belief in the sample group. Hypothesis 2 that Chinese people would score in the order of ‘collectivistic’ over ‘hierarchical’ over ‘individualistic’ is partly supported.

On one hand, as hypothesized, individualism is the least dominant cultural values among Chinese employees. Individualism, as a key element of American culture, is considered to be a major reason for the economic prosperity of the United States (Hofstede, 2001). In most Western countries, individualism is viewed as affirming the uniqueness, autonomy, freedom and intrinsic worth of the individual but insisting on personal responsibility for one’s own conduct, well-being, and salvation at the same time (Ho and Chiu, 1994). However, Chinese people hold a quite different view of individualism. Individualism is often associated with selfishness and a lack of concern for others. As a result, individualism has never become a dominant cultural value in Chinese societies.

This finding is consistent with previous studies such as Hofstede (2001) and Nicholson and Stepina (1998). In Hofstede’s (2001) study, Hong Kong and Taiwan were ranked 37th and 44th in the individualism index, among 53 countries and regions. Similarly, China scored the lowest in the individualism index in a comparative study between China, USA and Venezuela (Nicholson and Stepina, 1998). On the other hand, as the research findings indicate, collectivism is very dominant in China. Collectivism in China has a long history. According

to Confucianism, each individual is part of a system of interdependent relationships rather than an isolated entity. An individual does not exist independently but in a network of relationships. Communist education has further reinforced the development of collectivism in China (Lockett, 1988), for example, the ‘cog spirit’ which calls for individuals to give up personal preferences and be ready to work anywhere in the interests of the society (Zhu and Dowling, 2002). The high collectivism in China was also observed in other studies. Ralston et al. (1999) reported a high level of collectivism in China. Cheung and Chow (1999) also reported a high level of collectivism in all greater China areas, especially in mainland China, Hong Kong and Taiwan.

Third, surprisingly, the research results showed that ‘hierarchy’, rather than ‘collectivism’, was the dominant cultural value among Chinese employees. This finding is different from hypothesis 2.

The driving forces behind a high level of ‘hierarchy’ are Chinese traditional cultural values and Communist ideology. According to Confucianism, society is based on ‘Five Cardinal Relationships’ (wu lun). Relationships in this system are not equal. The senior partners owe the junior protection in exchange for respect and obedience. This hierarchical system has influenced Chinese society for more than one thousand years and has been further reinforced by the communist administration system since 1949. The communist administrative system is characteristically authoritarian, mandatory and direct. It has a strong influence over organization in both the public and private sectors (Chatterjee and Nankervis, 2007). In the communist system, each individual in the social organization was graded in a hierarchical order and therefore could be directly compared. For example, a mayor, a professor and a CEO of a large SOE were all graded between 8 and 12, belonging to the ‘senior cadre’

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category. Until early 1990s, their wage, pension, housing and medical treatment were all determined by their grade. This system is currently being reformed. Compensation now is more associated with the performance of the individual or the organization. However, most benefits and welfare are still associated with the 'grade'. Therefore, influenced by this hierarchical system, Chinese employees are especially sensitive to hierarchy in the workplace.

This strong emphasis on 'hierarchy' in China was reported in other studies. Ralston et al. (1992) and Ralston et al. (1995) compared the cultural values in China and US in terms of Confucian work dynamism, human heartedness, and moral discipline. Both studies showed that Chinese people scored significant higher on Confucian work dynamism, which means Chinese people put a greater emphasis on social hierarchy and protecting status quo. In the comparative study between China, US and Venezuela (Nicholson and Stepina, 1998), China also had the highest score on power distance, which indicates a greater emphasis on hierarchy in China. Branine (1996; 2005) also noted a strong emphasis of 'hierarchy' in Chinese society. He showed that China had a highly tutor-centred training approach in the training programmes. Chinese managers appreciated a structured type of lecturing by which they were told how to do things. In the workplace, Chinese managers tended to conform to what their seniors and leaders told them to do rather than work independently and individually.

The researching findings are different from the study of Sparrow and Wu (1998), in which Taiwanese employees scored in the order of 'collectivistic' over 'individualistic' over 'hierarchical'. Both regions had a high level of collectivism. However, in this dimension, 'hierarchy' was the most dominant cultural values in mainland China, whereas 'hierarchy' was the least dominant value in Taiwan. Comparing collectivism in China and Taiwan,

mainland China could be defined as having a ‘hierarchical collectivism’ which emphasizes an ordered hierarchy in the group.

In many cross cultural studies, collectivism and individualism are two cultural values frequently used to explain the management differences between collectivistic and individualistic cultures. However, this ‘collectivism versus individualism’ dimension, sometimes, fails to explain why there are so many differences between collectivistic cultures such as China and Japan, or within the collectivistic culture itself such as mainland China, Hong Kong and Taiwan. It would be interesting to explore further to test if the ‘hierarchical collectivism’ of mainland Chinese is one of the main factors that lead to the management differences between collectivistic cultures such as mainland China, Hong Kong and Taiwan.

5.4.3 Mode of Activity

In a ‘being’ culture (BO), the common belief is that one works for live, one does not live for work. By contrast, in a ‘doing’ culture, the emphasis is on achievements and materialism. To people from a ‘doing’ orientation (DO) society, work and work-related activities are the centre to their existence and self-identity. Being active and decisive is highly valued, ‘better to make the wrong decision than no decision’. In a ‘thinking’ culture (TO), rational thinking and planning before action is highly emphasized and quick decisions without careful analysis and planning are viewed as impulsive and unintelligent.

As the research results show, Chinese employees generally believed in a ‘thinking’ orientation (TO=5.07) over a ‘doing’ orientation (DO=4.26).

The research results showed that Chinese employees had scored high on the ‘doing’ orientation. This ‘doing’ orientation of Chinese employees, associated with materialism, was observed in other studies. Studies of Cheung and Chow (1999) and Chiu et al. (1998) both reported a high level of materialism in China. Similarly, studies of Nicholson and Stepina (1998) and Egri and Ralston (2004) also showed that Chinese people had a high score on masculinity, which is also associated with the ‘doing’ orientation. However, the ‘doing’ orientation has been mediated by Confucianism and more specifically, the philosophy of ‘doctrine of mean’, which advocates keeping in the middle way and avoiding extremes. As is shown in the research results, a ‘thinking’ orientation which emphasizes rational thought and planning before action is highly valued in Chinese society.

Hypothesis 3, that Chinese people would score in the order of ‘thinking’ over ‘doing over ‘being’, is therefore partly supported by the research findings. This finding is also consistent with the study of Sparrow and Wu (1998).

5.4.4 Human Nature

On human nature, traditional Chinese culture makes mixed assumptions. The belief of good, bad and neutral human nature can all be traced in Chinese classics. For example, Taoism holds a neutral view about human nature, Confucianism believes that human nature is basically good, whereas the Legalism school believe that human nature is basically bad.

The research finding indicates that, in terms of human nature, Chinese employees believed in that human nature is basically bad (HN=3.97), though the value is very close to neutral

(neutral =4). Hypothesis 4 that in terms of human nature, Chinese people would generally believe in bad human nature is therefore weakly supported.

The finding is consistent with other research on Chinese culture. For example, Fukuyama (1995) argued that China was a low trust society with a low level of trust outside the family. Similarly, Chu and Ju (1993) also argued that Chinese people generally tended to be suspicious of people from outside the group. Wong (1985) argued that this low trust towards members of the out-groups explained why collectivism in China was limited to the in-groups only and teamwork was rare outside the group.

5.4.5 Time Orientation

Chinese people have a high degree of ‘future’, or long term, orientation. China, Hong Kong and Taiwan have the highest score on long-term orientation index (Hofstede, 2001). On the other hand, Chinese people are especially proud of China’s long history. Chinese people show a high degree of ‘past’ orientation. When encountering problems, they tend to look back to the past for answer and advice; traditions and customs are often referred as the reason for doing or not doing something (Schneider and Barsoux, 2003). Yu et al. (2004) argued that the time orientation of Chinese was a mix of ‘future’ and ‘past’ orientation. A ‘present’ orientation is relatively less emphasized in Chinese society. It is normal for Chinese people to sacrifice short term or present needs for long term development and goals. Therefore, it was hypothesized that on Time Orientation, Chinese people would score in the order of ‘future’ over ‘past’ over ‘present’.

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This hypothesis is partly supported in this research. ‘Present’ orientation, as hypothesized, is the least dominant value orientation among Chinese people (PrO=4.01). On the other hand, the research findings show that it is ‘past’ (PaO=5.47) rather than ‘future’ (FuO=4.65) that is the dominant Chinese peoples’ attitude towards time, which is different from hypothesis 5.

Table 5.9 summarizes the research hypothesis of Chinese cultural value orientations and the research findings. In this section, the cultural values of Chinese employees have been identified and discussed. In the following section, a comparison of the cultural values in mainland China and Taiwan is presented, based on the research findings of the present study and a similar study conducted by Sparrow and Wu (1998).

Table 5.9 Research Results of Hypothesized Chinese Cultural Value Orientations

Cultural Value Dimensions	Hypothesis	Research Findings	Results
Relations with the Environment	Hypothesis 1: Chinese would score in the order of ‘harmony’ over ‘mastery’ over ‘subjugation’	HR(5.4)> ME(4.63)	Partly Supported
Relationships between People	Hypothesis 2: Chinese would score in the order of ‘collectivistic’ over ‘hierarchical’ over ‘individualistic’.	HR(5.3)> CR(5.2)> IR(4.19)	Partly supported
Mode of Activity	Hypothesis 3: Chinese would score in the order of ‘thinking’ over ‘doing’ over ‘being’.	TO(5.07)> DO(4.26)	Partly Supported
Human Nature	Hypothesis 4: Chinese would score higher on ‘bad’ than ‘good’ orientation.	HN(3.97)	Supported
Time Orientation	Hypothesis 5: Chinese would score in the order of ‘future’ over ‘past’ over ‘present’.	PaO(5.47)> FuO(4.65)> PrO(4.01)	Partly supported

5.7 SUMMARY

In this chapter, the data analysis of the cultural values of Chinese employees has been presented. Based on an extensive survey in 102 Chinese companies with 2852 valid questionnaires, this research has provided valuable quantitative-based information on Chinese cultural values. Table 5.10 summarizes the research findings on cultural values of Chinese employees, based on the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004).

	Variable	Mean	Medium	SD	Skewness	Kurtosis
Relations with the Environment	HE	5.40	5.57	0.89	-1.16	3.96
	ME	4.63	4.75	0.95	-0.85	3.37
	HR	5.30	5.50	1.02	-0.58	2.78
Relationships between People	CR	5.20	5.33	0.91	-1.18	5.33
	IR	4.19	4.38	0.84	-0.76	3.07
	TO	5.07	5.25	0.90	-1.42	4.81
Mode of Activity	DO	4.26	4.25	0.79	-0.13	2.34
	HN	3.97	3.80	1.22	0.39	2.78
Human Nature	PaO	5.47	5.75	1.10	-0.78	2.90
Time Orientation	PrO	4.01	4.00	0.94	0.36	3.06
	FuO	4.65	4.75	0.97	-0.51	2.72

Relations with the Environment

This dimension refers to the relations between human beings and the physical and social environments. There are three orientations: subjugation to the environment (SE), harmony with the environment (HE) and mastery over the environment (ME). These three orientations

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could be observed at the same time in most cultures. However, there is usually a dominant orientation in a particular society. SE was removed from the data analysis because of low Cronbach's Alpha Value. The research results in this study showed that, 'harmony with the environment' was the most dominant cultural value in guiding Chinese people's attitude towards social environment and physical environment and 'Mastery over the environment' was the second dominant cultural value in Chinese society.

Relationships between people

This dimension refers to the relationships between people. It defines how individuals should relate to each other, what responsibilities one has for others, how one defines his interpersonal relationships. There are three variations in this dimension: individualistic relationships (IR), collectivistic relationships (CR), and hierarchical relationships (HR). The research results showed that, first, individualism was the least dominant cultural value in guiding Chinese interpersonal relationships. Second, China had a relatively high level of collectivism. Third, 'hierarchy' had overtaken collectivism and become the most dominant cultural value in this dimension. Overall, China had a dominant value of 'hierarchical collectivism'.

Mode of Activity

This dimension deals with the focus of activity. It asks the question of 'what is the best mode of activity?', 'how should one engage in activity and how should we expect others to act?' (Lane et al., 2007). Three variations in this dimension are: being orientation (BO), doing orientation (DO) and thinking orientation (TO). Bo was removed from the data analysis

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because of low Cronbach's Alpha Value. The research results showed that, Chinese employees had a relatively high level of the 'doing' orientation (DO), which indicates a relatively high level of materialism in Chinese society. This also implies a relatively strong emphasis on hardworking, achievements and accomplishments in China. However, the most dominant value in this dimension in China was the 'thinking' orientation (TO), which indicates the strong emphasis on rational thinking and planning in Chinese society.

Human nature

This dimension reflects the belief of the fundamental nature of human beings. The research results showed that Chinese employees generally held a neutral view of human nature but with a slightly heavier weight in believing in 'human nature is basically bad'.

Time Orientation

This dimension reflects the general attitude towards time. Three variations in this dimension are the 'past' orientation (PaO), 'present' orientation (PrO) and 'future' orientation (FuO). The research results showed that, present orientation was the least dominant value in Chinese society, which indicates that Chinese employees are less likely to focus on immediate or short term needs. The second dominant value was future orientation, or long term orientation, which indicates that Chinese employees tend to focus on long term needs and they are likely to sacrifice current needs for long term goals. However, the most dominant value in China was the past orientation, which indicates that when Chinese encounter problems, they are likely to look back at the traditions and customs for answers and advices. This also implies

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that traditional cultural values might have stronger influence in Chinese society than people expected.

In next chapter, the data analysis of the HRM preferences of Chinese is discussed.

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6.1 INTRODUCTION

Having discussed the cultural value orientations of Chinese employees in last chapter, the discussion now moves to the HRM preferences of Chinese employees. The HRM Preference Questionnaire (HRMPQ) has been used in this research. There are 45 pairs of HR choices under 5 main HR functions, namely, Planning, Staffing, Appraisal, Compensation and Training. In each pair, there are two alternative HR practices, measured by a seven point scale. If the respondent had a preference for the left hand choice, he or she should have circled the value of 1, 2, or 3. The lower the value, the stronger the preference he or she had for the left hand choice. If the respondent had a preference for the right hand choice, he or she should have circled the value of 5, 6, or 7. The higher the value, the stronger the preference he or she had for the right hand choice. If the respondent circled 4, he or she is considered to be neutral on this HR practice.

6.2 HRM PREFERENCES - PLANNING

Table 6.1 shows the Planning preferences of Chinese employees. There are 7 pairs of planning choices in this section. The values of mean, medium, mode, standard deviation, skewness and kurtosis are presented. The Skewness and Kurtosis test for Normality were used to examine the distribution of Chinese HR preferences variables. The test results show that the null hypotheses of normal distribution cannot be rejected. Therefore, Chinese HRM

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preferences variables in this survey were all normally distributed. A one sample t-test, with the test value as 4, was run to differentiate the respondents' HRM preferences. The test results show that all HR preferences are significantly different from value 4 at the 1% level.

Table 6.1 HRM Preferences of Chinese employees - Planning

PLANNING			Mean	Medium	Mode	SD	Skewness	Kurtosis	t-value
Formal HR planning system conducted by HR specialists from the HR department	P-1	Informal HR planning system depends on interdepartmental cooperation and communication	1.19	1.00	1.00	0.74	4.86	25.585	-202.48***
HR department should be involved in the company's strategic planning	P-2	HR department should focus on basic personnel management	2.04	1.00	1.00	1.81	1.63	1.195	-57.6***
HR planning should focus on short term needs; a realistic time horizon for HR planning is one year or less	P-3	HR planning should focus on long term needs; a realistic time horizon for HR planning is five years or more	5.02	6.00	6.00	1.87	-0.91	-0.323	29.297***
Job analysis is very important	P-4	Job analysis is not important	2.91	2.00	2.00	1.85	0.95	-0.263	-31.508***
Selection criteria for the post should be explicit and strictly applied	P-5	Selection criteria are just for reference purpose; if he/she can complete the job then those criteria do not matter	2.90	2.00	1.00	2.00	0.88	-0.622	-29.36***
Job instructions should be comprehensive and strictly followed	P-6	Job instructions should be broad, allowing employees to determine how to complete the job	3.10	3.00	3.00	1.88	0.73	-0.579	-25.642***
Make company structure flat, minimize management levels	P-7	Just maintain current company structure	3.32	3.00	1.00	2.13	0.44	-1.288	-17.129***
Job design should avoid cross-departmental cooperation	P-8	Job design should encourage cross-departmental cooperation	3.25	3.00	2.00	1.91	0.62	-0.810	-20.955***

t-value: one sample t-test with test value = 4.

* indicates P<.05; ** indicates P<.01; *** indicates P<.001.

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In terms of how HR planning should be conducted, Chinese employees showed a very strong preference for formal system (P1, mean=1.19). Chinese employees generally preferred a formal and tight HR planning system conducted by HR specialists from the HR department. Informal and loose HR planning systems were not appreciated. This strong preference for formal planning could be attributed to the influence of traditional personnel management practices and a long term orientation in Chinese culture. Under China's planned economy system, human resources were strictly controlled by the government, partly for satisfying the needs of the central allocation system and partly for restricting the movement of people between cities. This system has been reformed in the 1990s. However, the influence of traditional personnel management can only be eliminated gradually (Warner, 1996; Hassard et al., 1999; Morris et al., 2001; Hassard et al., 2004). Moreover, there is cultural influence. Culturally, Chinese people have a moderate uncertainty avoidance index and a high long term orientation index (Hofstede, 2001). Both cultural values could have reinforced Chinese employees' preference for a formal planning system.

On the role of HR department, Chinese employees supported the idea that the HR department should not focus on basic personnel management, instead, the HR department should be involved in strategic planning (P2, mean=2.04). Chinese employees also supported the idea that a good HR plan should cover a long time horizon such as 5 years and focus on long term needs (P3, mean=5.02).

On how work should be structured, Chinese employees emphasized 'formality'. They argued that explicit job analysis is very important (P4, mean=2.91); that the selection criteria for a particular post should be set explicitly and strictly applied (P5, mean=2.90) and that job

instructions should be comprehensive and strictly followed rather than be broad and allow employees to determine how to complete the job (P6, mean=3.10).

On organizational structure, Chinese employees showed a relatively weak preference for a flat organizational structure (P7, mean=3.32) and they argued that job design should avoid cross departmental cooperation (P8, mean=3.25).

6.3 HRM PREFERENCES - STAFFING

Table 6.2 shows the staffing preferences of Chinese employees in this survey. There are 8 pairs of staffing choices in this section. In each pair, there are two alternative choices which are measured by a seven point scale. The values of mean, medium, mode, standard deviation, skewness and kurtosis are presented. The Skewness and Kurtosis test for Normality were used to examine the distribution of Chinese HR preferences variables. The test results show that the null hypotheses of normal distribution cannot be rejected. Therefore, Chinese HRM preferences variables in this survey were all normally distributed. A one sample t-test, with the test value as 4, was run to differentiate between respondents' HRM preferences. The test results show that all HR preferences were at significantly different from value 4 at 1% level except S7 which was significant at 10% level.

Table 6.2 HRM Preferences of Chinese employees - Staffing

Staffing			Mean	Medium	Mode	SD	Skewness	Kurtosis	t-value
Make recruitment criteria very clear to all job applicants	S-1	No need to make recruitment criteria very clear to all job applicants	2.40	2.00	1.00	1.46	1.32	1.637	-58.671***
Use various selection methods (interviews, exams, psychological tests etc.) in recruitment	S-2	Use simple selection methods such as interviews in recruitment	2.93	3.00	3.00	1.53	0.84	.330	-37.279***
Fill a job vacancy internally before considering external applicants	S-3	Select the 'best' candidate for a job vacancy regardless of internal or external source	2.66	2.00	1.00	1.73	1.05	.172	-41.437***
Fill a management vacancy by promoting from same department	S-4	Fill a management vacancy by the 'best' candidate	2.92	3.00	3.00	1.68	0.78	-.201	-34.271***
Make selection emphasize on 'hard' criteria such as applicant's qualifications and degrees	S-5	Make selection emphasize on 'soft' criteria such as applicant's ability of teamwork and maintain a harmonious relationship with others	3.14	3.00	3.00	1.74	0.48	-.691	-26.500***
Make promotion criteria explicit and open	S-6	Make promotion criteria implicit, allow managers to determine promotion based on circumstances	3.52	4.00	4.00	1.74	0.14	-.859	-14.903***
Make career path broad, encourage transfer between different functional departments	S-7	Make career path narrow, encourage transfer within the same functional department	4.09	4.00	3.00	1.61	0.00	-.796	2.992**
Promotion mainly determined by achievements and abilities	S-8	Promotion mainly determined by loyalty and seniority	3.45	3.00	3.00	1.70	0.19	-.810	-17.235***

t-value: one sample t-test with test value = 4.

* indicates P<.05; ** indicates P<.01; *** indicates P<.001.

On recruitment and selection, Chinese employees emphasized ‘transparency’ and ‘objectivity’. They supported the idea that recruitment criteria should be made very clear to all job applicants (S1, mean=2.40) and using combined and sophisticated selection methods such as interviews, psychological tests and exams (S2, mean=2.53). This preference was also observed in the study of Morris and Zhang (2001) which reported a sophisticated process, involving panel interviews, written and oral tests, psychological test and assessment centres, as well as the study of Huo et al. (2002) and Zhu and Dowling (2002).

Chinese employees also preferred using selection criteria which are ‘hard’ based, that is, based on vocational qualifications, degrees or achievements, which can be objectively measured. However, the preference for ‘hard’ criteria was moderate (S5, mean=3.14). In other words, many Chinese employees believed that besides those ‘hard’ criteria, ‘soft’ selection criteria, which measures one’s ability to fit into the group and maintain a harmonious relationship with colleagues, are also important. This emphasis on ‘soft’ criteria was also reflected in the promotion criteria (S8, mean=3.45), on which Chinese employees emphasized on some soft promotion criteria such as loyalty and seniority. The emphasis on ‘soft’ criteria was also reported in other studies of Chinese HRM. Easterby-Smith et al. (1995) reported that, soft criteria such as loyalty, especially political loyalty, and harmonious relations with others were significantly important when making the appointment and promotion decisions. Zhu and Dowling (2002) had a similar finding. In their study, a great priority was put on ‘a person’s ability to get along well with current workers’ and ‘the company’s belief that the person will stay with the company for 5 year or longer’ when making the hiring decisions.

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When there is a job vacancy or promotion opportunity, Chinese employees showed a strong preference for internal applicants. Selecting the ‘best’ candidates for the position attracted little attention. In general, Chinese employees preferred the filling of a job vacancy internally before considering external applicants (S3, mean=2.66), or filling a management position by promoting from the same department (S4, mean=2.92). Similarly, when asked whether career path should be broad (to encourage horizontal transfers between functional department such as from marketing to HR, which means slow promotion but broad knowledge) or narrow (to encourage vertical transfers between the same functional department such as between different regional HR department, which means a quicker promotion with expertise), Chinese employees showed preference for a narrow career path (S7, mean=4.09), which also partly reflects a protection of ‘internal’ interests. The research findings are consistent with the previous studies on Chinese HRM. In the comparative study of HRM in China and the UK, Easterby-Smith et al. (1995) reported that Chinese companies had explicit policies of growing their own talents from inside, external appointments were relatively rare. In Chinese companies, most managerial careers evolved within the same functional department. Cross departmental moves were rare except at senior management level. Ding et al. (1997) also reported that in wholly owned Foreign-Owned-Enterprises (FOEs) and Sino-foreign Joint Ventures (JVs), there was a strong preference for promoting the department and work unit managers from within. Moreover, more than one-third of the companies investigated used internal promotion to obtain top managers. Other studies (Bian, 1994; Whiteley et al., 2000; Zhu and Dowling, 2002) also reported that social connection (*guanxi*) was an important factor for getting a job or a promotion in China.

One interesting finding is between recruitment and promotion criteria. On recruitment criteria, making recruitment criteria clear was considered to be very important (S1, mean=2.4).

However, on promotion criteria, Chinese employees put less emphasis on making promotion criteria explicit to all employees (S6, mean=3.52). A potential explanation is the ‘hierarchical collectivism’ of Chinese employees. One important feature of collectivism is the distinct treatment for in-group members and out-group members. When making the hiring decision, the job applicants are considered to be out-group members. There is a low trust towards out-group members and therefore explicit recruitment criteria are considered to be important. By contrast, when making a promotion decision, the applicants are very likely to be the in-group members because of the ‘promotion from within’ policy adopted by many Chinese companies. There is a relatively high level of trust towards promotion candidates. Reinforced by the hierarchical relationships and highly-centralized decision making power in the workplace, Chinese employees tend to tolerate the implicit promotion criteria, allowing managers to determine promotion based on circumstances.

6.4 HRM PREFERENCES – PERFORMANCE APPRAISAL

Table 6.3 shows the performance appraisal preferences of Chinese employees. There are 8 pairs of appraisal choices in this section. In each pair, there are two alternative choices, measured by a seven point scale. The values of mean, median, mode, standard deviation, skewness and kurtosis are presented. The Skewness and Kurtosis test for Normality were used to examine the distribution of Chinese HR preferences variables. The test results show that the null hypotheses of normal distribution cannot be rejected. Therefore, Chinese HRM preferences variables in this survey were all normally distributed. A one sample t-test, with the test value as 4, was run to differentiate between respondents’ HRM preferences. The test results show that all HR preferences were at significantly different from value 4 at 1% level.

Table 6.3 HRM Preferences of Chinese employees - Appraisal

Appraisal			Mean	Medium	Mode	SD	Skewness	Kurtosis	t-value
'Appraisal of results', focus on <u>how many</u> things have been done	A-1	'Appraisal of behaviours', focus on <u>how</u> things have been done	4.35	4.00	4.00	1.81	-0.27	-.806	10.497***
The primary objective of appraisal is to help employees identify their weaknesses and improve their performance	A-2	The primary objective of appraisal is to provide criteria for pay rise and promotion	4.92	5.00	5.00	1.72	-0.60	-.463	28.654***
Disclose appraisal results to all employees	A-3	Keep appraisal results confidential, only be known between manager and the individual	4.30	4.00	4.00	1.77	-0.23	-.750	8.990***
Employees should be consulted in designing appraisal system	A-4	Managers determine appraisal system	3.71	4.00	3.00	1.91	0.19	-1.110	-8.000***
Make appraisal frequent such as monthly or weekly based	A-5	Make appraisal occasional such as quarterly or yearly based	5.31	6.00	6.00	1.68	-1.19	.612	41.622***
Make appraisal individual-based	A-6	Make appraisal group-based	4.81	5.00	6.00	2.00	-0.74	-.774	21.717***
Appraisal should be conducted internally within the company	A-7	Appraisal should invite external appraisers	2.78	3.00	3.00	1.49	0.69	.028	-43.657***
An employees' performance should be reviewed by his/her supervisors (downward appraisal)	A-8	An employee's performance should be reviewed by his/her subordinates or colleagues (upward appraisal)	4.91	5.00	5.00	1.39	-0.38	-.205	34.740***
t-value: one sample t-test with test value = 4. * indicates P<.05; ** indicates P<.01; *** indicates P<.001.									

As Table 6.3 shows, Chinese employees generally did not support the idea that performance appraisal should be results based, that is, focusing on how many things have been done. By contrast, they emphasized appraisal of behaviours, that is, how things are done (A1, mean=4.35). On the frequency of performance appraisal, they preferred a medium to long term based appraisal such as semi-yearly or yearly rather than short term based appraisal such as monthly or weekly based (A5, mean=5.31).

On the purpose of performance appraisal, Chinese employees supported the idea that the main objective of appraisal is to provide criteria for pay rise and promotion rather than help employees identify their performance deficiencies (A2, mean=4.92). The ‘developmental’ aspect of performance appraisal was moderately ignored. The study of Verburg et al. (1999) had a similar finding. In their study, 81.8% Chinese employees agreed that the results of performance appraisal were used for determining rewards and punishments.

The direct link between appraisal result and pay rise and promotion has further promoted Chinese employees’ interests in participating in the design and employment of appraisal systems. As is shown in Table 6.3, it was believed that employees should be consulted in designing appraisal system (A4, mean=3.71) and an employee’s performance should be reviewed by his/her subordinates or colleagues (upward appraisal) rather than by his supervisor (downward appraisal) (A8, mean=4.91). The preference for upward appraisal was also reported in the study of Easterby-Smith et al. (1995). In their study, Chinese performance appraisal was conducted by an annual survey among workers and managers, supplemented by a self-evaluation. The opinions of colleagues and subordinates were considered to be highly important.

The Chinese employees generally believed that appraisal is an ‘internal affair’ of the group. They believe that appraisal should be conducted internally within the company (A7, mean=2.78) and there is a slight preference towards group-based appraisal (A6, mean=4.81). Unlike recruitment and selection criteria, there was a preference for keeping appraisal results only between the manager and individual rather than making it known to all employees, though the preference was not very strong (A3, mean=4.30).

6.5 HRM PREFERENCES - COMPENSATION

Table 6.4 shows the compensation appraisal preferences of Chinese employees. There are 14 pairs of appraisal choices in this section. In each pair, there are two alternative choices which are measured by a seven point scale. The values of mean, medium, mode, standard deviation, skewness and kurtosis are presented. The Skewness and Kurtosis test for Normality were used to examine the distribution of Chinese HR preferences variables. The test results show that the null hypotheses of normal distribution cannot be rejected. Therefore, Chinese HRM preferences variables in this survey were all normally distributed. A one sample t-test, with the test value as 4, was run to differentiate between respondents’ HRM preferences. The test results show that all HR preferences were at significantly different from value 4 at 1% level except C12.

Table 6.4 HRM Preferences of Chinese employees –Compensation part 1

Compensation			Mean	Medium	Mode	SD	Skewness	Kurtosis	t-value
Salary should be associated with hierarchy: the higher the position, the higher the salary	C-1	Salary should be associated with performance: the better the performance, the higher the salary	5.16	5.00	6.00	1.64	-0.86	.007	37.777***
Disclose individual's compensation level	C-2	Keep individual's compensation level confidential	3.34	3.00	3.00	1.68	0.51	-.537	-20.817***
Performance determines compensation	C-3	Compensation should take into account other factors such as seniority and age	5.17	5.00	6.00	1.59	-0.76	-.169	39.473***
Compensation level should be based on company tradition	C-4	Compensation should reflect labour market level	4.40	5.00	5.00	1.63	-0.34	-.571	13.217***
Compensation should take into account qualifications and degrees	C-5	No need to take into these factors	3.79	4.00	3.00	1.60	0.19	-.821	-7.036***
Company should reward long term service	C-6	No need to reward long term service	2.26	2.00	2.00	1.28	1.72	3.865	-72.209***
Monetary reward is very important	C-7	Non-monetary reward is very important	2.49	2.00	2.00	1.35	1.52	2.722	-59.659***
Company provide long term incentives such as employee shares	C-8	Company provides short term incentives such as cash payment	4.92	5.00	5.00	1.33	-0.40	-.033	37.054***

t-value: one sample t-test with test value = 4. * indicates P<.05; ** indicates P<.01; *** indicates P<.001.

Table 6.4 HRM Preferences of Chinese employees part 2									
Compensation			Mean	Medium	Mode	SD	Skewness	Kurtosis	t-value
Company provides flexible compensation package	C-9	Company provides standardized compensation package	5.73	6.00	7.00	1.70	-1.21	.136	54.520***
Employment security is extremely important	C-10	Employment security is not important	1.40	1.00	1.00	1.22	3.25	9.727	-114.117***
Compensation should reflect internal equality: minimize compensation gap between employees of the same grade	C-11	Compensation should reflect external equality: compensation reflects labour market level	3.23	3.00	2.00	1.88	0.56	-.908	-21.741***
Privileges for managers are acceptable	C12	Privileges for managers are unacceptable	4.00	4.00	4.00	1.64	0.03	-.527	-.034
Higher salary lower welfare policy is better	C-13	Lower salary higher welfare policy is better	4.87	5.00	5.00	1.73	-0.71	-.510	26.931***
Make bonus individual-based	C-14	Make bonus group-based	5.22	5.00	5.00	1.56	-1.01	.403	41.783***
t-value: one sample t-test with test value = 4. * indicates P<.05; ** indicates P<.01; *** indicates P<.001.									

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On the determinants of compensation, many employees emphasized that a salary should reflect one's contribution rather than one's position in the hierarchy and that the higher the contribution, the higher the salary should be (C1, mean=5.16). This is consistent with the findings of Verburg et al. (1999). In their comparative study of HRM in China and the Netherlands, it was reported that 78.6% of Chinese employees indicated that pay was related to the performance whereas only 8.3% of the Dutch employees had performance-related pay. Ding et al. (1997) also reported that managerial pay increase in China was related to either the performance of the individual manager or the overall performance of the organization.

It is also believed that vocational qualifications and degrees should be taken into account when setting the compensation level (C5, mean=3.79). Compensation levels should not be based on company tradition, instead, the company should offer market rate to attract and keep talented employees (C4, mean=4.40). These preferences indicate that Chinese employees are switching from the traditional 'grade-based' salary system (Warner, 1996) to a more merit-based salary system. Contemporary compensation concepts such as performance-related pay and competency-based pay have been widely accepted in China. However, there are still influences from traditional personnel practices. For example, although Chinese employees agreed that compensation should be mainly determined by performance, they also emphasized that soft criteria such as seniority and age should also be taken into account (C3, mean=5.15). Similarly, many employees strongly supported the idea that the company should reward loyalty, for example, reward those who have worked for the organization for a long period of time (C6, mean=2.26). The preference for 'soft' criteria and rewarding loyalty was also observed in the research of Jackson and Bak (1998) and they recommended a structural reward system includes loyalty and reflects seniority for those foreign companies in China. In

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practice, a ‘post-plus-skills’ system is adopted in many Chinese companies. In this system, age, position and skills determine 50% to 80% of the total payment (Goodall and Warner, 1997; Hassard et al., 2004).

There was a very high level of belief that a company should provide employment guarantee (C10, mean=1.4). This strong preference for lifetime employment is believed to have the roots in traditional Chinese personnel management. Chinese enterprises, especially the SOEs, used to have an unofficial lifetime employment policy. In the 1980s this policy was criticized as being one of the main causes for low productivity and efficiency in the SOEs. As a result, a labour contract system was introduced in 1986, covering new entrants but excluding existing SOE employees (Sheehan et al., 2000). In 1996, it became a compulsory practice for companies in both the public and private sectors. In practice, many companies use short term labour contracts (typically 6 months to 24 months) to gain labour flexibility. In the study of Ke and Morris (2002), 49% of the employees in the foreign-owned companies were on contract of one year or less. In the other survey (Morris and Xu, 2001), only 3.3% of the employees had two or three-year contract and the rest of them had either no formal contract or contract of one year or less. This practice of using short-term contract to gain labour flexibility overlooked employees’ interests. It has received great criticism and resistance. As a result, there have been changes recently. According to the new Chinese Labour Law in effect from the 1st January 2008, employees with ten years or more of service will have an open-ended labour contract. Moreover, if the employee has signed a fixed term labour contracts twice with the employer, the employee will have an open-ended labour contract as well. The trade unions also have increased power to negotiate collective contract (Labour Law of China, 2008). The belief of high employment security among Chinese employees is therefore expected to be further reinforced by the new Labour Law.

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On the components of reward, Chinese employees favoured monetary rewards over spiritual ones (C7, mean=2.49), immediate cash rewards over long term rewards such as employee shares (C8, mean=4.92). This strong preference for monetary reward was also reported in the study of Fisher and Yuan (1998). In their comparative study of reward preferences in China and the US, it was reported that Chinese employees put a greater emphasis on monetary reward than their American counterparts. However, in facing a 'higher salary lower welfare' or 'lower salary higher welfare' situation, there was a moderate preference for lower salaries but a higher welfare policy (C13, mean=4.87). Chinese SOEs used to have a comprehensive welfare package for its employees, ranging from nursing to housing. Unlike salaries which have been reformed and become more performance-related, welfare packages remain comprehensive and generous for Chinese employees. In some large SOEs, such as China Mobile, there are around 30 types of welfare, ranging from an 'ice fee' in the summer to housing funds. The housing funds alone can increase the salary by 20%. In private companies the welfare provision is not that generous but still comprehensive. For example, in Huawei, there are subsidies such as free transportation, free meals, and a monthly 'company credit' worth around RMB 1000 (equivalent to 20% of a graduate's monthly salary in 2006) which can be used in company-run refectories and supermarkets. The studies of Morris and Zhang (2001) and Ke and Morris (2002) also reported that while direct rewards were generally greater at foreign companies in China, the overall remuneration package in the SOE is often greater because of the extensive welfare package. This was considered as the major reason for workers opting to stay in SOEs. Influenced by this, many foreign companies such as IBM, Microsoft and Bell have redesigned their welfare policies, providing similar welfare such as interest free housing loans and other subsidies to remain competitive in the job market (Zheng, 2007).

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Chinese employees supported the idea that the company should disclose individual pay levels (C2, mean=3.34). They preferred a pay package that reflects the market rate (C4, mean=4.40) and is standardized (C9, mean=5.73). However, although they supported a market-related pay, they believed that internal equality is very important and pay differentiation between employees of the same grade should be capped (C11, mean=3.23). In practice, not only is the pay gap between employees of the same grade restricted, the pay gap between top management and normal employees is capped as well. In the study of Easterby-Smith et al. (1995), the typical ratio of management/average salary was 4:1. In the study of Ding et al. (1997) on compensation practice in foreign companies in China, it was revealed that the salary levels for top managers ranged from RMB 1000 to RMB 8000 per month. Department manager salaries had the same range, while workshop manager salaries ranged between RMB 1000 to RMB 4500 per month. The research findings indicate that even in foreign-owned companies in China, the pay differential is limited. Recent studies also reported a low pay gap between Chinese top managers and normal employees. For example, Zhao (2004) reported that the ceiling for the compensation level of top managers was capped at no higher than 5 times the average pay of workers. A recent report also disclosed that the pay gap between top management and normal employee was capped at up to 9 times in the SOEs in Beijing (Beijing Morning Post, 28th December 2008).

There was also a relatively strong preference for group-based bonus system (C14, mean=5.22). Group-based bonus is a common practice in China and it could constitute a large proportion of the total compensation package. For example, in the study of Lewis (2002), it was revealed that a typical Chinese employee's salary in a large SOE (more than 7000 employees) had four elements: a monthly pay, a monthly production bonus, an annual

profit-related bonus and an annual bonus. The production bonus and profit-related bonus were equal to approximately 100% to 150% of the basic pay. Moreover, all bonuses were group-based, either on a workshop level or on the corporate level.

There was also a neutral attitude towards management's privilege (C12, mean=4.00). However, it is worth mentioning that in the present study, most respondents are young and with a higher education, many of them are white-collar workers with some management responsibilities. They are likely to enjoy some management's privileges, which could be the reason that there is a neutral attitude towards management's privilege.

6.6 HRM PREFERENCES - TRAINING

Table 6.5 shows the training preferences of Chinese employees. There are 7 pairs of appraisal choices in this section. In each pair, there are two alternative choices which are measured by a seven point scale. The values of mean, medium, mode, standard deviation, skewness and kurtosis are presented. The Skewness and Kurtosis test for Normality were used to examine the distribution of Chinese HR preferences variables. The test results show that the null hypotheses of normal distribution cannot be rejected. Therefore, Chinese HRM preferences variables in this survey were all normally distributed. A one sample t-test, with the test value as 4, was run to differentiate between respondents' HRM preferences. The test results show that all HR preferences were at significantly different from value 4 at 1% level.

Table 6.5 HRM Preferences of Chinese employees -Training									
Training			Mean	Medium	Mode	SD	Skewness	Kurtosis	t-value
Training to improve skills for present job	T-1	Training to improve various skills for present and future jobs	3.24	3.00	3.00	1.39	.520	.015	-29.120***
The main purpose of training is to improve technical skills	T-2	The main purpose of training is to improve management skills	2.70	2.00	2.00	1.55	1.296	1.198	-44.927***
Make training base on employees' needs	T-3	Make training base on company's needs	4.81	5.00	6.00	1.57	-.624	-.471	27.416***
Training should be systematic and continuous	T-4	Make training occasional, base on change in production or services	2.96	3.00	3.00	1.38	.532	.038	-40.297***
Employees should be responsible for their own career planning	T-5	Company should be responsible for employees' career planning	4.89	5.00	5.00	1.37	-.478	.085	34.847***
Allocation of training opportunity should be based on individual needs	T-6	Allocation of training opportunity should be based on group needs	5.54	7.00	7.00	2.06	-1.122	-.282	39.934***
Provide training for key employees only	T-7	Provide training for all employees	4.97	5.00	5.00	1.63	-.653	-.301	31.793***
t-value: one sample t-test with test value = 4.			* indicates P<.05; ** indicates P<.01; *** indicates P<.001.						

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As is shown in Table 6.5, many Chinese employees believed the main purposes of training is to improve skills for their present job (T1, mean=3.24) rather than developing skills for future jobs. The ‘development’ aspect of training was, to some extent, ignored. This preference was also reflected in other empirical studies. For example, as Warner (1993) noted, training in China remained narrowly defined, lacking the Western notion of training for long term staff development. There was also a belief that the training is to improve technical skills rather than management skills (T2, mean=2.70). Chinese employees tend to prioritize technical training over management training, which was also reported in the study of Verburg et al. (1996) and Bjorkman and Lu (1999).

On the identification of training needs and allocation of training opportunities, Chinese employees showed a strong level of collectivism. It was generally accepted that training is based on companies’ need (T3, mean=4.81) and the allocation of training opportunities should be based on group needs (T6, mean=5.54). Consequently, there was a belief that the organization, rather than individual, should be responsible for employees’ career planning (T5, mean=4.89). On the study of international joint ventures in China, Leung and Kwong (2003) reported a similar preference. It was argued that the notion of a ‘fast track’ was alien to Chinese partners. Elite training was considered to be unacceptable and often led to poor teamwork and destructive competition. To Chinese partners, training should be operated under an equality rule and across the board.

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On the frequency of training activities, Chinese employees preferred a systematic and continuous training plan (T4, mean=2.96) which are available to most employees (T7, mean=4.97). This finding is consistent with the study of Branine (2005), in which Branine noted that education and training in China were provided to everyone rather than only for the key employees.

6.7 SUMMARY

The HRM Preferences Questionnaire has been used in the present research. There are 45 pairs of HRM choices measured by a seven point bipolar scale, covering five main HR functions such as Planning, Staffing, Performance Appraisal, Compensation, Training and Development. In this chapter, the general patterns of HRM preferences of Chinese employees have been identified and discussed. Table 6.6 at the end of this chapter present a complete summary of the HRM preferences of Chinese employees.

The research results showed that, in terms of Planning, Chinese employees favoured a ‘formal HR planning system conducted by HR specialist from the HR department’. They also believed that the HR department should be involved in the company’s strategic planning process. Both preferences indicate a changing view of the role of HR managers and the HR department in China. Chinese employees believed that ‘HR planning should focus on long term needs’, that ‘job analysis is very important’, that ‘job instructions should be comprehensive and strictly followed’, that ‘selection criteria should be explicit and strictly applied’ and that ‘management levels should be minimized, making company structure flat’. Contradicting with high level of

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collectivism in China, Chinese employees preferred a job design that ‘avoid cross departmental cooperation’.

In terms of Staffing, first, Chinese employees showed a high level of group orientation. They believed that company should adopt the ‘recruitment from within’ or ‘promotion from within’ policy and ‘make career paths narrow and encourage transfer within the same functional department’. Second, ‘transparency’ was also highly emphasized. There was a strong belief that ‘recruitment criteria should be made very clear to job applicants’ and that ‘promotion criteria should be explicit and open’. Third, there was a relatively high level of emphasis on achievements and abilities. It was generally believed that ‘selection should be mainly based on hard criteria such as qualifications and degrees’ and that ‘promotion should be mainly based on achievements and abilities’. Last, there was a strong emphasis on ‘using various tests as main selection method’.

In terms of Performance Appraisal, first, there was a group orientation. Chinese employees generally believed that ‘employees should be consulted in designing appraisal system’, that ‘appraisal should be group-based’, that ‘performance should be reviewed by not only supervisors but also colleagues’ and that ‘appraisal should be conducted internally within the company’. Second, Chinese employees believed that ‘appraisal of behaviours which focuses on how things are done rather than how many things are done’, that ‘the primary objective of appraisal is for pay rise or promotion’, that ‘appraisal should be occasionally-based’ and that ‘the results of appraisal should be kept confidential between managers and the individual’.

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In terms of Compensation, first, there was a strong group orientation. Chinese employees believed that ‘seniority and age should be included as determinants of compensation’, that ‘the company should reward long term service’, that ‘compensation should be standardized’, that ‘compensation should reflect internal equality’ and that ‘bonus should be group-based’. Second, there was a strong emphasis on short term monetary rewards. Chinese employees believed that ‘monetary rewards are very important’ and ‘the company should provide short term incentives such as cash payment’. Third, Chinese employee believed that ‘salary should be associated with performance’, that ‘compensation should take into account qualifications and degrees’, that ‘the company should disclose individual’s compensation level’ and ‘offer high level of employment security’. Chinese employees also had a neutral view of ‘management privileges’ and ‘a high expectation of the welfare package’.

In terms of Training, first, there was a strong group orientation. Chinese employees believed that ‘training is based on the companies’ needs’, that ‘the allocation of training opportunities should be based on group needs’, that ‘the company should not provide training for key employees only’ and that ‘the company should be responsible for the employees’ career path planning’. Second, although there was a belief that ‘training should be systematic and continuous’, there was a tendency to overlook the developmental and communication aspect of training. Chinese employees tended to believe that ‘training is to improve skills for present job’ and that ‘the main purpose of training is to improve technical skills’.

Table 6.6 a Summary of the HRM Preferences of Chinese employees

Planning		
Formal HR planning system conducted by HR specialists from HR department	P-1 Mean=1.19	Informal HR planning system depends on interdepartmental cooperation and communication
HR department should involve in company's strategic planning	P-2 Mean=2.04	HR department should focus on basic personnel management
HR planning should focus on short term needs; a realistic time horizon for HR planning is one year or less	P-3 Mean=5.02	HR planning should focus on long term needs; a realistic time horizon for HR planning is five years or more
Job analysis is very important	P-4 Mean=2.91	Job analysis is not important
Selection criteria (for example, requirements of qualification and age) for the post should be explicit and strictly applied	P-5 Mean=2.90	Those selection criteria are just for reference purpose; if he/she can complete the job then those criteria do not matter
Job instructions should be comprehensive and strictly followed	P-6 Mean=3.10	Job instructions should be broad and flexible, allowing employees to determine how to complete the job
Make company structure flat and minimize management levels	P-7 Mean=3.32	Just maintain current company structure
Job design should avoid cross-departmental cooperation	P-8 Mean=3.25	Job design should encourage cross-departmental cooperation
Staffing		
Make recruitment criteria very clear to all job applicants	S-1 Mean=2.40	No need to make recruitment criteria very clear to all job applicants
Use various selection methods (interviews, exams, psychological tests etc.) in recruitment	S-2 Mean=2.53	Use simple selection methods such as interviews in recruitment
Fill a job vacancy internally before considering external applicants	S-3 Mean=2.66	Select the 'best' candidate for a job vacancy regardless of internal or external sources
Fill a management vacancy by promoting from same department	S-4 Mean=2.92	Fill a management vacancy by the 'best' candidate
Make selection emphasize on 'hard' criteria such as applicant's qualifications and degrees	S-5 Mean=3.14	Make selection emphasize on 'soft' criteria such as applicant's ability of teamwork and maintain a harmonious relationship with others

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Make promotion criteria explicit and open	S-6 Mean=3.52	Make promotion criteria implicit and allow managers to determine promotion based on circumstances
Make career path broad : encourage transfer between different functional departments (for example, from Marketing to HR)	S-7 Mean=4.09	Make career path narrow: encourage transfer within the same functional department
Promotion mainly based on achievements and abilities	S-8 Mean=3.45	Promotion mainly based on loyalty and seniority
Appraisal		
‘Appraisal of results’ focuses on <u>how many</u> things are done	A-1 Mean=4.35	‘Appraisal of behaviours’ focuses on <u>how</u> things are done
The primary objective of appraisal is to help employees identify their weaknesses and improve their performance	A-2 Mean=4.92	The primary objective of appraisal is to provide criteria for pay rise and promotion
Disclose appraisal results to all employees	A-3 Mean=4.30	Keep appraisal results confidential, only be known between manager and the individual
Employees should be consulted in designing appraisal system	A-4 Mean=3.71	Managers determine appraisal system
Make appraisal frequent such as monthly or weekly based	A-5 Mean=5.31	Make appraisal occasional such as quarterly or yearly based
Make appraisal individual-based	A-6 Mean=4.81	Make appraisal group-based
Appraisal should be conducted internally within the company	A-7 Mean=2.78	Appraisal should invite external appraisers
An employees’ performance should be reviewed by his/her supervisors	A-8 Mean=4.91	An employee’s performance should be reviewed by his/her subordinates or colleagues
Compensation		
Salary should be associated with hierarchy: the higher the position, the higher the salary	C-1 Mean=5.16	Salary should be associated with performance: the better the performance, the higher the salary
Disclose individual’s compensation level	C-2 Mean=3.34	Keep individual’s compensation level confidential
Performance determines compensation	C-3 Mean=5.15	Compensation should take into account other factors such as seniority and age
Compensation level should be based on company tradition	C-4 Mean=4.40	Compensation should reflect labour market level
Compensation should take into account qualifications and degrees	C-5 Mean=3.79	No need to take into these factors

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Company should reward long term service	C-6 Mean=2.26	No need to reward long term service
Monetary reward is very important	C-7 Mean=2.49	Spiritual reward is very important
Company provide long term incentives such as employee shares	C-8 Mean=4.92	Company provides short term incentives such as cash payment
Company provides flexible compensation package	C-9 Mean=5.73	Company provides standardized compensation package
Employment security is extremely important	C-10 Mean=1.4	Employment security is not important
Compensation should reflect internal equality: minimize compensation difference between employees of the same grade	C-11 Mean=3.23	Compensation should reflect external equality: minimize compensation difference with labour market level
Privileges for managers are acceptable	C12 Mean=4.00	Privileges for managers are not acceptable
Higher salary lower welfare policy is good	C-13 Mean=4.87	Lower salary higher welfare policy is good
Make bonus individual-based	C-14 Mean=5.22	Make bonus group-based
	Training	
Training to improve skills for present job	T-1 Mean=3.24	Training to improve various skills for present and future jobs
The main purpose of training is to improve technical skills	T-2 Mean=2.70	The main purpose of training is to improve management skills
Make training based on employees' needs	T-3 Mean=4.81	Make training based on company's needs
Training should be systematic and continuous	T-4 Mean=2.96	Make training occasionally, based on changes in production or services
Employees should be responsible for their own career planning	T-5 Mean=4.89	Company should be responsible for employees' career planning
Allocation of training opportunity should be based on individual needs	T-6 Mean=5.54	Allocation of training opportunity should be based on group needs
Provide training for key employees only	T-7 Mean=4.97	Provide training for all employees

In next chapter, the relationships between cultural values and HRM preferences are analyzed, using the Pearson Correlation analysis and the Multiple Regression analysis.

CHAPTER 7 DATA ANALYSIS - CULTURAL VALUES AND HRM PREFERNECES

7.1 INTRODUCTION

Throughout the last two decades, there have been great developments in the research of culture and management. The importance of cultural awareness in managing human resources has also been well recognized. It has been proved that variations on cultural values influence many HR policies and practices (Hofstede, 1980; 2001; Sparrow and Hiltrop, 1994; House et al., 2004; Brewster et al., 2007). Some have further argued that every aspect of international business and international HRM is impacted by national and organizational culture (Briscoe et al., 2004).

Most studies on culture and HRM were qualitative-based, relying more on observation than survey methods, such as the studies of Schneider (1988); Satow and Wang (1994); Easterby-Smith et al. (1995); Xing (1995); Huang (2000); Wah (2001) and Lu and Alon (2004). Culture was assumed to have a great influence on HRM in most of the literature. However, the relationships between culture and HRM remain an under-explored area. Only a few quantitative studies have tried to explore the relationships between specific cultural values and HRM preferences (Schuler and Rogovsky, 1998; Sparrow and Wu, 1998; Nyambegera et al., 2000; Chandrakumara and Sparrow, 2004) but none of them focused on mainland China.

The third research objective of this study is to explore the relationships between cultural values and HRM preferences. More specifically, which cultural values have

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what degree of influence on which HRM preference? This chapter focuses on addressing the third research objective. First, a preliminary analysis of the relationships between cultural values and HRM preferences is tested, using the Pearson Correlation analysis. The results of correlation analysis are briefly discussed and summarized. Second, after controlling demographic variables and firm characteristics, a Multiple Regression analysis is conducted to explore the relationships between cultural values and HRM preferences, followed by a brief summary.

Table 7.1 Pearson Correlation – Cultural Values and HRM Preferences

	HE	ME	HR	CR	IR	TO	DO	HN	PaO	PrO	FuO
P1	0.014	0.001	0.003	-.042(*)	-.049(**)	-0.032	-.111(**)	-.058(**)	-0.016	0.023	0.012
P2	-0.007	-.098(**)	0.027	-0.001	0.03	-.188(**)	.043(*)	0.003	-0.025	0.009	-.072(**)
P3	0.008	-.040(*)	0.009	0.001	-0.007	-0.032	.078(**)	-0.012	-0.018	-0.008	.262(**)
P4	.043(*)	-.286(**)	-0.002	-.056(**)	-0.004	-0.026	0.007	.042(*)	0.027	-0.027	0.029
P5	0.011	-.073(**)	-0.002	-0.002	-0.014	0.009	-0.026	.211(**)	-0.011	-0.023	0.013
P6	0.006	-.038(*)	0.006	0.008	-0.016	0.012	-0.021	.226(**)	-0.024	-.059(**)	-.062(**)
P7	0.014	-0.024	0.025	-0.033	-0.007	-0.033	0.021	-0.03	0.018	0.021	0.022
P8	-0.001	0.002	-0.016	.131(**)	-.175(**)	.152(**)	-.037(*)	0.018	-0.009	-0.025	-0.032
S1	-0.019	-.074(**)	-0.003	-0.006	0.007	-0.008	0.011	-.208(**)	-0.012	0.027	0.028
S2	0.025	0.024	-0.023	-0.009	-0.005	0.028	-0.001	0.015	-0.009	0.012	-0.03
S3	0.009	0.003	-0.035	-.178(**)	.084(**)	0.011	-0.015	.194(**)	0.009	.127(**)	0.03
S4	0.005	.040(*)	-0.033	-0.02	.277(**)	0.004	-0.012	0.002	-0.013	.121(**)	0.031
S5	.155(**)	0.002	0.004	0.005	0.003	0.018	-.067(**)	-.100(**)	0.017	0.017	-0.01
S6	.094(**)	-.114(**)	.133(**)	0.007	0.01	0.014	0.011	-0.03	0.023	-0.004	.054(**)
S7	-0.032	-0.003	.064(**)	.047(*)	-0.013	0.003	-.110(**)	0.004	0.003	0	-.088(**)
S8	0.011	-.037(*)	-0.006	-0.013	-0.026	.057(**)	-.061(**)	0.035	-0.016	-0.016	0.004
A1	0.016	-0.003	-0.006	-0.002	-0.02	-0.012	.040(*)	-.085(**)	0.022	0.01	-0.028
A2	0.021	0.001	-0.01	0.028	0.014	-0.006	-0.022	0.024	0.027	-0.008	0.012
A3	-0.024	-0.018	-0.026	0.017	0.026	-0.024	0.019	0.019	0.009	-0.017	-0.004
A4	-0.035	-0.03	.082(**)	0.015	-.119(**)	.038(*)	-0.016	-0.022	-0.002	-0.028	-0.011
A5	0.017	0.009	0.011	-0.001	-0.02	0.032	-0.028	.071(**)	-0.003	-.123(**)	0.018
A6	-0.009	-0.021	-0.022	.115(**)	-.098(**)	.087(**)	0.03	0.02	0.012	0.023	0.016
A7	-0.003	0.018	-0.033	0.022	-0.027	-0.02	-0.018	-0.029	-0.035	-0.029	-0.001
A8	-0.03	-0.025	0.007	-0.01	0.021	0.009	0.021	-0.001	0.032	0.015	-0.023
C1	0.026	0.026	-.079(**)	-.077(**)	0.021	.039(*)	-.039(*)	0.036	0.026	-0.007	0.014
C2	0.027	0.024	-0.028	-0.025	-0.009	0.028	-0.022	-.077(**)	-0.01	-0.016	0.004
C3	0.032	-0.006	-0.001	.040(*)	-0.008	0.009	-0.034	0.013	0.005	-0.018	.074(**)
C4	-0.027	0.009	0.033	-0.009	0.016	0.026	-0.003	0.029	-0.029	0.006	0.013
C5	-0.02	-0.001	-0.003	-0.023	0.021	-0.025	-0.031	0.003	0.009	0.006	-0.013
C6	0.001	0.011	-.054(**)	-.081(**)	-0.001	0.007	0.003	0.027	-0.023	0.006	0.035
C7	0.012	-0.008	0.005	0.016	0.019	0.008	-0.002	-0.003	0.008	0.011	-0.024
C8	-0.022	-0.026	0.014	0.002	-0.01	0.008	.045(*)	-0.004	-0.006	.084(**)	-.086(**)
C9	0.022	0	-0.009	-0.015	-.049(**)	-.042(*)	0.031	-0.008	.094(**)	0.006	0.017
C10	-.056(**)	-0.011	0.025	-.101(**)	0.008	-0.023	-0.001	-0.019	-.145(**)	0.002	0.007
C11	-.125(**)	0.015	-0.004	0.015	0.007	0.009	0.005	-0.031	-.088(**)	-0.017	-0.004
C12	0.007	-0.002	-0.022	-0.007	0.003	-0.032	0.021	-.041(*)	-0.001	0.027	0.009
C13	0.006	-0.003	0.022	-0.008	-0.014	0.009	-0.014	-0.023	0.018	0.016	0.021
C14	.037(*)	0.009	-0.003	0.033	0.032	-.038(*)	0.007	.038(*)	-0.009	.061(**)	0.026
T1	-.042(*)	-0.009	-0.022	-0.015	-0.005	0.01	.078(**)	0.002	-.049(**)	0.007	0.015
T2	-0.013	-0.012	-0.008	0.033	-0.004	-0.033	0.007	0.007	-0.002	0.024	0.024
T3	-0.007	-0.022	.039(*)	0.033	0.016	-.044(*)	0.005	0.008	0.017	0.025	0.01
T4	-0.011	0.028	-0.004	0.022	-0.001	-0.002	-0.001	-0.016	0.007	0.025	-0.019
T5	.080(**)	0.006	.064(**)	-0.022	0.024	-0.008	0.011	-0.004	-0.015	.042(*)	-.085(**)
T6	.103(**)	-0.008	-0.001	.091(**)	0.001	.041(*)	0.029	0.008	0.023	0.022	-0.01
T7	.040(*)	-0.027	-.065(**)	0.011	.039(*)	0.028	0.02	0.02	-.038(*)	0.013	0.017

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

7.2 PEARSON CORRELATION – CULTURAL VALUES AND HRM PREFERENCES

The Pearson Correlation analysis was used to describe the strength and direction of the relationship between individual cultural value and HRM preference. Table 7.1 shows the Pearson Correlation results of cultural values and HRM preferences.

As Table 7.1 shows, cultural values were strongly correlated with most of the HRM preferences. Overall, 35 out of 45 HRM preferences (78%) were strongly correlated with 11 cultural values. There were 10 HRM preferences bear no significant relations with any of the 13 cultural values: P7, A2, A3, A7, A8, C4, C5, C7, C13 and T4.

	Relations with the Environment		Relations with people			Mode of Activity		Human Nature	Time Orientation		
	HE	ME	HR	CR	IR	TO	DO	HN	PaO	PrO	FuO
HRM Preferences	10	9	8	11	8	10	11	12	5	7	8
Total	19		27			21		12	20		

Table 7.2 summarizes the significant relations between cultural values and HRM preferences. As Table 7.2 shows, the dimension of ‘Relations with People’ had the strongest links with HRM preferences, with a total number of 27 significant relations. The dimension of ‘Mode of Activity’ had the second strongest links with HRM preferences, with a total number of 21 significant relations, followed by ‘Time Orientation’ (20 significant relations) and ‘Relations with the Environment’ (19

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significant relations). The dimension of 'Human Nature' had only 12 significant relations with HRM preferences, having the weakest link with HRM preferences.

When examining each cultural value individually, HN had the strongest links with HRM preferences. It was strongly linked with 12 out of 45 HRM preferences but there was no significant relation between HN and any of the Training preferences. CR and DO were both linked with 11 HRM preferences. HE and TO were both linked with 10 HRM preferences but HE was not linked with any of the Appraisal preferences. ME was linked with 9 HRM preferences, with no significant relation between ME and any of the preferences of Appraisal, Compensation and Training. HR, IR and FuO were all linked with 8 HRM preferences, followed by PrO which was linked with 7 HRM preferences. HR was not linked with any Planning preferences and FuO was not linked with any Appraisal preferences. PaO had the weakest links with HRM preferences, being linked with only 5 HRM preferences and no link with any preferences of Planning, Staffing and Appraisal.

When examining the relations between individual cultural values and HRM preferences more specifically, HE was significantly linked with 10 HRM preferences (P4, S5, S6, C10, C11, C14, T1, T5, T6 and T7). HE was positively linked with P4, S5, S6, C14, T5, T6 and T7. HE was negatively linked with C10, C11 and T1.

ME was significantly linked with 9 HRM preferences (P2, P3, P4, P5, P6, S1, S4, S6 and S8). ME was negatively linked with P2, P3, P4, P5, P6, S1, S6 and S8. It was positively linked with S4.

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HR was significantly linked with 8 HRM preferences (S6, S7, A4, C1, C6, T3, T5 and T7). HR was positively linked with S6, S7, A4, T3 and T5 and was negatively linked with C1, C6 and T7.

CR was significantly linked with 11 HRM preferences (P1, P4, P8, S3, S7, A6, C1, C3, C6, C10 and T6). CR was positively linked with P8, S7, A6, C3, and T6; and was negatively linked with P1, P4, S3, C1, C6 and C10.

IR was significantly linked with 8 HRM preferences (P1, P8, S3, S4, A4, A6, C9 and T7). IR was positively linked with S3, S4 and T7; and was negatively linked with P1, P8, A4, A6 and C9.

TO was significantly associated with 10 HRM preferences (P3, P8, S8, A4, A6, C1, C9, C14, T3 and T6). TO was positively linked with P8, S8, A4, A6, C1 and T6; and was negatively linked with P2, C9, C14 and T3.

DO was significantly linked with 11 HRM preferences (P1, P2, P3, P8, S5, S7, S8, A1, C1, C8, and T1). DO was positively linked with P2, P3, S8, A1, C8 and T1; and was negatively linked with P1, P8, S5, S7, S8 and C1.

HN was significantly linked with 12 HRM preferences (P1, P4, P5, P6, S1, S3, S5, A1, A5, C2, C12 and C14). HN was positively linked with P4, P5, P6, S3, A5, and C14); and was negatively linked with P1, S1, S5, A1, C2 and C12.

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PaO was significantly linked with 5 HRM preferences (C9, C10, C11, T1 and T7). PaO was positively linked with C9; and was negatively linked with C10, C11, T1 and T7. PaO was not linked with any preference of planning, staffing, and performance appraisal.

PrO was significantly linked with 7 HRM preferences (P6, S3, S4, A5, C8, C14 and T5). PrO was positively linked with S3, S4, C8, C14 and T5; and was negatively linked with P6 and A5.

FuO was significantly linked with 8 HRM preferences (P2, P3, P6, S6, S7, C3, C8 and T5). FuO was positively linked with P3, S6, and C3; and was negatively linked with P2, P6, S7, C8 and T5. FuO was not linked with any preferences of performance appraisal.

In this section, the results of the Pearson Correlation of the relationships between cultural values and HRM preferences have been presented. The results showed that there were strong and close links between cultural values and HRM preferences. Overall, 35 out of 45 HRM preferences (78%) were strongly correlated with 11 cultural values. Among the five cultural value dimensions, 'Relations with People' had the strongest links with HRM preferences. When examining 11 cultural values individually, 'Human Nature' had the strongest links with HRM preferences, which was significantly related to 12 HRM preferences.

The Pearson Correlation provides preliminary analysis on cultural values and HRM preferences. Correlation provides an indication that there is a relationship between

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two variables. It does not, however, indicate that one variable causes the other (Pallant, 2007). Moreover, it cannot tell how well a set of variables (cultural values in this case) is able to predict a particular outcome (HRM preferences). Therefore, a detailed discussion based on a more sophisticated Multiple Regression analysis is presented in the next section.

7.3 THE INFLUENCE OF CULTURAL VALUES ON HRM PREFERENCES – OVERALL PATTERN

The Multiple Regression allows the prediction of a single dependent continuous variable from a group of independent variables. It can be used to test the predictive power of a set of variables and to assess the relative contribution of each individual variable (Pallant, 2007). In this section, a Multiple Regression analysis is employed to test the predictive power of cultural values on HRM preferences.

7.3.1 Checking the Assumption of Multiple Regression

Table 7.3 presents the Multiple Regression results of cultural values on HRM preferences with control variable of gender, age, job grade, educational level, tenure, firm size and company ownership.

Normality

Skewness and Kurtosis tests for Normality were used to assess the distribution of Chinese cultural value variables. Test results showed that the null hypotheses that all cultural value variables were normally distributed were supported. Therefore the Chinese cultural value variables in this sample were normally distributed.

Table 7.3 Multiple Regression Results of Culture Values on HRM Preferences in China – with control variables part 1

	P1	P2	P3	P4	P5	P6	P7	P8	S1	S2	S3	S4	S5	S6	S7	S8	A1	A2	A3	A4	A5	A6	A7	A8
Constant	2.306***	4.644***	2.557***	5.850***	3.324***	3.040***	3.595	3.128***	3.725***	2.470	1.058	-.091	2.404***	1.264*	4.933***	3.765***	4.552***	3.939	4.373	4.813***	5.289***	3.164***	4.017	5.229***
HE	.008	-.008	.008	.065	.026	.015	.035	-.010	-.033	.053	.025	-.009	.311***	.159***	-.033	.027	.046	.042	-.044	-.078	.041	-.024	-.009	-.054
ME	-.001	-.182***	-.076*	-.565***	-.158***	-.085*	-.038	-.010	-.117***	.036	-.002	.060	.020	-.175***	.013	-.066	.002	-.006	-.045	-.037	.025	-.069	.021	-.036
HR	.003	.038	-.001	-.086**	-.030	.000	.050	-.030	-.021	-.031	-.080**	-.061*	.008	.194***	.113***	-.018	-.006	-.020	-.048	.155***	.025	-.054	-.043	.000
CR	-.023	-.005	.007	-.095**	-.025	-.001	-.074	.309***	.008	-.021	-.373***	-.074*	.013	.029	.081*	-.018	.002	.049	.028	.062	-.009	.269***	.041	-.019
IR	-.047**	.061	-.006	-.009	-.035	-.043	-.015	-.421***	.020	-.006	.198**	.563***	.000	.016	-.027	-.055	-.046	.022	.051	-.272***	-.033	-.252***	-.047	.041
TO	-.024	-.386***	-.052	-.055	.007	.006	-.072	.313***	-.008	.043	.024	.016	.040	.016	-.010	.108**	-.010	-.009	-.041	.068	.051	.196***	-.036	.011
DO	-.112***	.081	.188***	.009	-.033	-.018	.047	-.072	-.002	.002	-.016	-.039	-.161***	.016	-.228***	-.131***	.079	-.050	.040	-.036	-.036	.088	-.032	.041
HN	-.034**	.013	-.004	.077**	.352***	.343***	-.039	.005	-.248***	.019	.314***	.019	-.145***	-.046	-.009	.045	-.122***	.030	.028	-.047	.075**	.034	-.045	.001
PaO	-.010	-.045	-.029	.064*	-.006	-.039	.037	-.018	-.017	-.019	.019	-.013	.013	.029	-.005	-.024	.033	.041	.019	-.006	-.009	.022	-.049	.047
Pro	.014	.005	-.003	-.043	.007	-.063	.032	-.033	.007	.023	.281***	.218***	.015	-.013	.004	-.012	-.004	-.004	-.028	-.063	-.202***	.062	-.046	.020
FuO	.011	-.143***	.497***	.056	.038	-.118***	.048	-.054	.035	-.047	.062	.068	-.032	.087**	-.148***	.003	-.058	.015	-.008	-.020	.028	.039	-.004	-.028
Sex	-.010	.077	-.019	-.011	.029	.030	.097	-.143*	.026	.036	-.007	-.021	.047	-.029	.075	.031	-.047	.001	.038	-.107	-.117	.029	-.102	-.057
Age	-.092***	.094*	.079	-.074	.009	-.016	-.009	-.042	.027	.033	.012	-.021	.021	.020	.116**	.009	.013	.002	.004	-.016	.054	-.043	.023	.016
Education	-.004	.047	.021	-.040	-.107	.066	-.074	-.048	.113*	.041	.056	.056	-.053	.060	-.039	-.064	-.023	.022	.000	-.039	-.028	.107	.002	-.033
Grade	.001	-.067	-.029	.006	.000	-.028	-.010	.060	-.040	.003	.004	.026	.015	.103**	-.005	.037	-.048	.069	-.017	.015	-.037	-.075	-.011	.027
Tenure	.002	-.006	.005	.004	-.005	.003	-.003	-.004	-.003	.000	-.005	.000	.000	.003	-.008	.002	-.003	.001	.003	.000	-.001	-.003	-.002	-.003
Size	.002	.003	-.010	.013	-.130**	.022	-.038	.023	-.022	-.040	-.009	-.059	.027	.007	-.018	.130**	.091*	.062	.065	.002	.044	-.019	.011	-.075
Stateown	.047	.046	-.083	.101	-.013	-.017	.058	-.139	.034	.122	.104	-.051	.006	-.098	.178*	-.017	.109	.025	.043	.039	.100	-.065	-.135	-.059
Foreignown	.006	.151	-.150	.002	-.097	-.024	.062	-.097	.011	.164	-.002	.034	-.128	-.019	.157*	-.077	-.048	-.072	-.002	.096	.074	-.131	-.093	-.055
Adjusted R2	.024	0.52	.076	.088	0.49	.053	.000	.075	.047	.000	.103	.094	.036	.036	.026	.009	.007	.000	.000	.021	.017	.033	.002	.001
F Ratio	4.744***	9.244***	13.258***	15.517***	8.771***	9.368***	1.007	13.106***	8.324***	1.040	18.281***	16.494***	6.545***	6.618***	5.025***	2.305**	2.114*	.888	.891	4.260***	3.654***	6.158***	1.334	1.214

Unstandardized coefficients for variables are included in the table.

* indicates P<.05; ** indicates P<.01; *** indicates P<.001.

Table 7.3 Multiple Regression Results of Culture Values on HRM Preferences in China – with control variables part 2

	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	T1	T2	T3	T4	T5	T6	T7
Constant	5.674***	3.794***	4.405***	3.839	4.506	2.729***	2.279	4.927***	5.438***	3.218***	5.262***	4.495	4.324	3.772***	3.732***	2.604	4.464	2.712	4.017***	2.264***	5.002***
HE	.025	.067	.044	-.055	-.031	.010	.009	-.036	.038	-.065*	-.259***	.011	.004	.081*	-.061*	-.035	-.010	-.008	-.144***	.234***	.066
ME	.023	.049	-.016	.022	-.005	.012	-.012	-.035	-.005	-.006	.032	-.004	.002	.020	-.014	-.030	-.026	.040	.039	-.011	-.058
HR	-.132***	-.036	-.010	.055	-.007	-.067**	.004	.010	-.014	.029	.004	-.034	.038	-.001	-.030	-.014	.061	-.003	.094***	-.005	-.116***
CR	-.139***	-.041	.072*	-.017	-.046	-.118***	.025	.008	-.022	-.132***	.033	-.013	-.005	.042	-.021	.062	.056	.031	-.042	.203***	.016
IR	.050	-.014	-.017	.033	.042	.006	.028	-.020	-.104**	.020	.024	.013	-.034	.056	-.014	-.013	.020	-.003	.036	-.018	.067
TO	.076*	.061	.010	.042	-.045	.016	.011	.010	-.068	-.036	.011	-.058	.020	-.062	.025	-.057	-.072	-.001	-.013	.096*	.059
DO	-.071	-.052	-.064	-.004	-.066	.006	-.005	.069*	.061	-.006	.013	.041	-.042	.011	.132***	.010	.002	-.003	.014	.075	.041
HN	.049	-.115***	.007	.040	.006	.034	-.003	.005	-.001	-.015	-.063*	-.050	-.031	.059*	.014	.012	.015	-.019	.001	.014	.031
PaO	.044	-.020	.005	-.041	.015	-.024	.010	-.007	.149***	-.157***	-.141***	-.004	.027	-.019	-.050*	-.003	.027	.007	-.027	.032	-.046
Pro	-.004	-.043	-.020	.018	.012	.014	.016	.115***	.001	-.001	-.037	.039	.026	.112***	.003	.042	.040	.036	.056*	.054	.029
FuO	.033	.006	.120***	.024	-.025	.049	-.033	-.113***	.029	.007	-.006	.015	.035	.041	.028	.040	.017	-.026	-.128**	-.023	.036
Sex	-.148*	-.139*	-.078	.056	.039	-.029	-.020	-.059	.089	.052	-.108	.000	.004	.049	.130*	-.005	.022	-.080	.061	-.039	-.038
Age	-.144***	.002	.005	.004	.010	.003	-.006	-.002	-.057	-.013	.123*	.068	-.019	.094*	-.068	-.029	.005	.021	.097**	.056	-.062
Education	.002	-.037	.053	.013	.005	-.034	-.017	.005	-.055	.069	-.020	-.038	-.052	-.042	-.085	.026	-.079	-.002	-.069	-.089	-.080
Grade	.000	-.014	.064	.018	.019	.015	.020	.043	.040	-.021	.030	-.020	.092	-.017	.019	.003	.010	.016	.007	.039	.048
Tenure	.003	-.006	-.004	.000	.001	-.006	.003	.001	-.004	.001	-.014**	-.006	.003	-.005	.005	.003	-.005	-.001	-.007*	.001	-.003
Size	.052	.072	-.055	.004	-.006	.028	.014	.007	.023	-.047	.027	-.037	.096	-.023	-.039	.011	.013	-.011	.032	.056	-.012
Stateown	-.056	.249**	-.059	-.118	-.012	.103	-.107	-.043	.067	.046	-.216*	-.089	-.052	.094	.036	-.071	.028	.094	.018	-.111	-.086
Foreignown	.011	.155*	-.034	-.016	-.102	.080	-.063	-.015	.026	.043	-.077	.003	-.012	.035	.020	.000	-.046	.002	-.040	-.107	-.105
Adjusted R2	.020	.010	.007	.000	-.002	.009	-.004	.012	.011	.031	.025	.000	.000	.007	.010	-.002	.001	-.002	.019	.018	.010
F Ratio	4.133***	2.521***	2.048**	.091	.713	2.334**	.414	2.820***	2.716***	5.812***	4.809***	.934	.950	2.118**	2.500***	.692	1.189	.683	3.939***	3.799***	2.526***

Unstandardized coefficients for variables are included in the table.

* indicates P<.05; ** indicates P<.01; *** indicates P<.001.

Multicollinearity

The variance inflation factors (VIF) of the independent variables were checked for all Multiple Regression models to explore whether or not multicollinearity is a problem. The VIFs for all models in Table 7.3 were less than 2 which indicate that multicollinearity did not pose a serious problem for the regression analysis.

Heteroskedasticity

Problems of heteroskedasticity were checked using the Breusch-Pagan/Cook-Weisberg test. The test results showed that there were problems of heteroskedasticity in a number of regressions. For example, there were problems of heteroskedasticity in 6 out of 8 regressions on the HRM preferences of Planning. Heteroskedasticity causes standard errors to be biased. OLS assumes that errors are both independent and identically distributed; robust standard errors relax either or both those assumptions. Therefore robust regression methods were employed to deal with the problem of heteroskedasticity. The test statistics and p-values only changed slightly after robust regression was used. It did not change the nature of the relationships of cultural values on HRM preferences. Therefore for consistency, Table 7.3 was OLS regression results.

7.3.2 Evaluating regression results

Table 7.3 shows the Multiple Regression results of cultural values on HRM preferences after controlling gender, age, educational level, job grade, tenure, firm size and firm ownership. F tests show that all regression models were significant at

the 5% level except regressions on P7, S2, A2, A3, A7, A8, C4, C5, C7, C12, C13, T2, T3 and T4; which indicate that in the above regressions, cultural values had no predicative power on HRM preferences. Most of the adjusted R squares fell into the range of 1% to 10%. For example, adjusted R square of regression on P4 was 8.9%, which indicate that cultural values explained 8.9% of the total variance of P4. The unstandardized Beta Coefficient values of significant relationships have been highlighted as well.

7.3.3 The overall pattern of the influence of cultural values on HRM preferences

In this section, the overall patterns of the cultural values' influence on HRM preferences are discussed. The discussion answers two questions: first, which cultural values are the most important indicators for predicting HRM preferences and, second, do cultural values have greater influence on 'soft' HRM areas than on 'hard' HRM area?

Table 7.3 shows the regression results of cultural values on HRM preferences with control variables. Control variables included in the regression analysis are gender, age, education, job grade, tenure, firm size, state ownership, and foreign ownership.

The core element of culture is cultural value (Hofstede, 2001) and value is a broad tendency to prefer certain choices over others (Rokeach, 1972). Since cultural values are deep pre-existing structures developed in early socialization, whereas HRM preferences are developed at a later stage in life, it is reasonable to infer that values

predict HRM preferences (Nyambegera et al., 2000). Based on above argument, it was hypothesized that there are close links between cultural values and HRM preferences.

As Table 7.3 shows, cultural values were strongly related to HRM preferences. 11 Cultural values were significantly related with 31 out of the 45 HRM preferences (69%), which is weaker than the results in the Pearson Correlation (35 out of 45 HRM preferences, 78%). However, the relationships between cultural values and HRM preferences remained significant and close. Therefore, the hypothesis that there are close relationship between cultural values and HRM preferences is supported by the research results.

7.3.3.1 Which cultural value has the most significant influence on HRM preferences?

Table 7.4 summarizes the regression results of the cultural values on HRM preferences with control variables. As Table 7.4 shows, the cultural value dimension of ‘Relationships between People’ had the strongest links with HRM preferences with significant influence on a total number of 25 HRM preferences, followed by ‘Time Orientation’ (19 HRM preferences). ‘Relations with the Environment’ and ‘Mode of Activity’ had a significant influence on 15 and 13 HRM preferences respectively, followed by ‘Human Nature’ (11 HRM preferences).

When examining the effects of each individual 11 cultural values on HRM preferences in China, HN had the most number of significant links with HRM preferences. As Table 7.4 shows, HN had a significant influence on 11 HRM

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preferences, followed by CR (10), HR (9), HE (8), FuO (8). ME and DO had significant influences on 7 HRM preferences, showing a moderate degree of linkage between these cultural values and HRM preferences. IR, TO and PrO all had significant influences on 6 HRM preferences. PaO had the least number of significant links on HRM preferences, with a significant influence on only 5 HRM preferences.

Table 7.4 A Summary of relationships between cultural values and HRM preferences – Multiple Regression with control variables											
	Relations with the Environment		Relationship between people			Mode of Activity		Human Nature	Time Orientation		
	HE	ME	HR	CR	IR	TO	DO	HN	PaO	PrO	FuO
HRM Preferences	8	7	9	10	6	6	7	11	5	6	8
Total	15		25			13		11	19		

In summary, the cultural dimension of ‘Relationships between People’ had the greatest predictive power on the HRM preferences. If looking at the individual cultural value, ‘Human Nature’ and ‘Collectivism’ had the greatest predictive power on the HRM preferences.

7.3.3.2 Do cultural values have stronger links with ‘soft’ HRM areas than with ‘hard’ HRM areas?

Previous studies have shown that some contextual factors such as cultural values tend to limit the applicability of HRM in some cultures (Verburg et al., 1999, Briscoe et al., 2004; Brewster et al., 2007). The question is, which HRM practices are more sensitive to cultural variations than others?

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Some scholars have argued that those ‘soft’ areas of HRM such as motivation, leadership, reward, performance appraisal are more sensitive to cultural values because they are more behaviour and relationship-based. By contrast, those ‘hard’ areas of HRM such as planning, staffing and training are more likely to be culture-free as they are more technology-based (Hofstede, 1980; Brewster and Hegewisch, 1994). In the comparative study of HRM in China and the UK, Easterby-Smith et al. (1995) showed that the main differences in HRM between China and the UK appeared in the ‘soft’ areas namely, appraisal, reward systems, the process of assessing potential and the basic stance of unions towards management. They attributed these differences to the cultural values such as concern for relationships and harmony in China. The study of Verburg et al. (1999) also supported this view. In their comparative study of HRM in China and the Netherlands, they showed that development, performance appraisal and reward were more sensitive to cultural variation than training, selection and recruitment because they deal with interpersonal relations rather than with technology. Therefore, it was hypothesized that cultural values would have greater influences on ‘soft’ HRM areas than ‘hard’ HRM areas.

In the present study, five main HRM functions have been studied, namely, Planning, Staffing, Appraisal, Compensation and Training. Among these five HRM functions, Planning, Staffing, and Training are considered to be ‘hard’ HRM areas and Compensation and Appraisal are viewed as ‘soft’ HRM areas.

As Table 7.3 shows, 88% of Planning and Staffing choices had a significant relationship with cultural values. Only P7 and S2 had no relation with any of the cultural values. In other words, both Planning and Staffing preferences were strongly

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influenced by cultural values. 57% of Training choices had significant relations with cultural values but T2, T3 and T4 had no relation with any of the cultural values. On the other hand, in the ‘soft’ HRM area, 64% of Compensation choices were linked with cultural values. However, only 50% of the Appraisal choices were influenced by cultural values. A2, A3, A7, A8, C4, C5, C7, C12 and C13 had no significant relations with any of the 11 cultural values.

Overall, 18 out of the 23 choices (78%) in ‘hard’ HRM areas and 13 out of the 22 choices (59%) in ‘soft’ HRM areas were significantly influenced by cultural values. These findings confront with the studies of Hofstede (1980) and Brewster and Hegewisch (1994) by suggesting that cultural values do not necessarily have greater influence on ‘soft’ HRM areas than ‘hard’ ones. In fact, in the present study, the quantitative evidence showed that cultural values had greater influence in ‘hard’ HRM areas. Therefore, the hypothesis that cultural values would have greater influence on ‘soft’ and relationship-based HRM practices than ‘hard’ HRM areas is not supported by the present study.

Table 7.5 Research Results of the Hypothesized relationships between cultural values and HRM preferences

Hypotheses	Results
There are close links between cultural values and HRM preferences.	Supported
Cultural values would have greater influences on ‘soft’ HRM areas than ‘hard’ HRM areas.	Not supported

7.4 MULTIPLE REGRESSION – THE INFLUENCE OF CULTURAL VALUES ON HRM PREFERENCES

Having briefly discussed the overall pattern of culture's influences on HRM preferences, the discussion now moves to the detailed relationships between cultural values and HRM preferences.

Table 7.3 shows the regression results of cultural values on HRM preferences with control variables. Control variables included in regression are gender, age, educational level, job grade, tenure, firm size, state ownership, and foreign ownership. It is expected that the regression models will capture the dynamics between HRM preferences and cultural values more precisely after controlling for demographic effects and firm characteristics. In the following section, the detailed relationships between each cultural value and specific HRM preferences are summarized and discussed.

Table 7.6 Multiple Regression Results of Culture Values on Planning Preferences in China – with control variables

Planning								
	P1	P2	P3	P4	P5	P6	P7	P8
Constant	2.306***	4.644***	2.557***	5.850***	3.324***	3.040***	3.595	3.128***
HE	.008	-.008	.008	.065	.026	.015	.035	-.010
ME	-.001	-.182***	-.076*	-.565***	-.158***	-.085*	-.038	-.010
HR	.003	.038	-.001	-.086**	-.030	.000	.050	-.030
CR	-.023	-.005	.007	-.095**	-.025	-.001	-.074	.309***
IR	-.047**	.061	-.006	-.009	-.035	-.043	-.015	-.421***
TO	-.024	-.386***	-.052	-.055	.007	.006	-.072	.313***
DO	-.112***	.081	.188***	.009	-.033	-.018	.047	-.072
HN	-.034**	.013	-.004	.077**	.352***	.343***	-.039	.005
PaO	-.010	-.045	-.029	.064*	-.006	-.039	.037	-.018
Pro	.014	.005	-.003	-.043	.007	-.063	.032	-.033
FuO	.011	-.143***	.497***	.056	.038	-.118***	.048	-.054
Sex	-.010	.077	-.019	-.011	.029	.030	.097	-.143*
Age	-.092***	.094*	.079	-.074	.009	-.016	-.009	-.042
Education	-.004	.047	.021	-.040	-.107	.066	-.074	-.048
Grade	.001	-.067	-.029	.006	.000	-.028	-.010	.060
Tenure	.002	-.006	.005	.004	-.005	.003	-.003	-.004
Size	.002	.003	-.010	.013	-.130**	.022	-.038	.023
Stateown	.047	.046	-.063	.101	-.013	-.017	.058	-.139
Foreignown	.006	.151	-.150	.002	-.097	-.024	.062	-.097
Adjusted R2	.024	0.52	.076	.088	0.49	.053	.000	.075
F Ratio	4.744***	9.244***	13.258***	15.517***	8.771***	9.368***	1.007	13.106***

Unstandardized coefficients for variables are included in the table.

* indicates P<.05; ** indicates P<.01; *** indicates P<.001.

7.4.1 Relationships between each cultural value and specific HRM preferences

Before discussing the relationships between cultural values and HRM preferences, it is worth emphasizing the large sample implication. According to Hair et al. (2010), a sample size exceed 400 respondents could make the statistical tests overly sensitive. In the present study, there were 2852 respondents which could lead to increased statistical power from the large sample size as suggested by Hair et al. (2010). In other words, although some cultural values have statistically significant relationships with certain HRM preferences, their relationships are not strong (as reflected in the low unstandardized beta coefficients values). These weak but significant relationships could be the result of the large sample size in the present study. Therefore, the large sample implication should be considered when discussing the relationships between cultural values and HRM preferences.

In next section, the relationships between each cultural value and specific HRM preferences are presented. The discussion focuses on those statistically significant relationships revealed by the multiple regression analysis.

Planning

Exercising control and influence is central to the cultural value of ‘Master over the Environment’ (ME) (Lane et al., 2006). This emphasis on control of ME was reflected in the planning preferences associated with ME. As Table 7.6 shows, a higher value

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on ME was related to the stronger belief that the HR department should be involved in strategic planning (P2); that job analysis is very important (P4), that selection criteria should be explicit and strictly applied (P5).

A stronger ME was also linked with a stronger belief that job instruction should be comprehensive and strictly followed (P6), and a weaker belief that HR planning should focus on long term needs covering 5 years or longer (P3). In other words, a stronger ME believes that HR planning should be short term based which allows tight control and monitor. However, as the research results show, although the relationships between ME and P3 and P6 were statistically significant, the relationships were weak.

HR and CR were both negative linked with P4 (job analysis is important). In other words, the stronger the belief that interpersonal relationships are hierarchical and collectivistic, the stronger the belief that job analysis is very important. However, as the unstandardized beta coefficients values shows, the relationships were relatively weak.

CR is positively linked with P8 while IR is negatively linked with P8 (job design should avoid cross-departmental cooperation). The influence of collectivism/individualism on HRM preference is quite clear here. As reflected in the research results, the stronger the individualism, the stronger the belief that cross-departmental cooperation should be avoided. IR was negatively linked with P1, which indicates that the stronger the individualism, the stronger the belief for a formal HR planning system conducted by the HR specialists (P1). However, the relationship between IR and P1 was very weak.

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In a dominant thinking orientation (TO) culture, decisions are more likely to be based on rational criteria. TO was significantly associated with rational HR planning. As Table 7.6 shows, a higher value of TO was related to the stronger belief that the HR department should be involved in long term company strategic planning (P2) and that job design should encourage cross departmental cooperation (P8).

DO was associated with competition, hardworking, achievements and accomplishment (Lane et al., 2006). As Table 7.6 shows, a stronger DO was linked with a stronger belief that the HR planning system should be formal (P1) and that HR planning should focus on long terms needs (P3).

HN was negatively linked with P1 and positively linked with P4, P5 and P6. A stronger value on HN means that people tend to believe that human nature is basically good. As Table 7.6 shows, a stronger HN was related to a stronger belief that HR planning system should be formal (P1), although the relationship was weak. However, in terms of job design, it prefers an informal system. For example, a stronger HN was related to the weaker belief that job analysis is very important (P4). Instead, the stronger the HN, the stronger belief that selection criteria are just for reference purposes rather than being strictly applied (P5) and that company should adopt broad job instructions, allowing employees to determine how to complete the jobs (P6).

Time orientation also influenced the planning preferences. As Table 7.6 shows, PaO was positively linked with P4; FuO was positively linked with P3 and negatively linked with P2 and P6. In other words, the stronger the PaO (respect for tradition and

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customs), the weaker the belief that job analysis is important (P4), although the relationship was relatively weak. On the other hand, the stronger the FuO (long term orientation, future-oriented), the stronger the belief that the HR department should be involved in the company's strategic planning (P2); that HR planning should focus on long term needs such as 5 years or more (P3) and that job instructions should be comprehensive and strictly followed (P6).

Age was negatively linked with P1 and positively linked with P2. Therefore, the older the employees, the stronger the belief that there should be a formal HR planning system conducted by HR specialists from the HR department (P1), however, the older employees are more likely to believe that the HR department should focus on personnel management rather than strategic issues (P2). The influence of traditional Chinese people management system is quite apparent on the older Chinese employees. However, it is worth pointing out that both relationships were not particularly strong, as the research results shows.

The size of the company also influenced HR planning preference. As Table 7.6 shows, 'size of company' was negatively linked with P5. In other words, the larger the company, the stronger the belief that 'selection criteria for the post should be explicit and strictly applied', reflecting a more formal selection system.

Table 7.7 Multiple Regression Results of Culture Values on Staffing Preferences in China – with control variables

Staffing								
	S1	S2	S3	S4	S5	S6	S7	S8
Constant	3.725***	2.470	1.058	-.091	2.404***	1.264*	4.933***	3.765***
HE	-.033	.053	.025	-.009	.311***	.159***	-.033	.027
ME	-.117***	.036	-.002	.060	.020	-.175***	.013	-.066
HR	-.021	-.031	-.080**	-.061*	.008	.194***	.113***	-.018
CR	.008	-.021	-.373***	-.074*	.013	.029	.081*	-.018
IR	.020	-.006	.198***	.563***	.000	.016	-.027	-.055
TO	-.008	.043	.024	.016	.040	.016	-.010	.108**
DO	-.002	.002	-.016	-.039	-.161***	.016	-.228***	-.131***
HN	-.248***	.019	.314***	.019	-.145***	-.046	-.009	.045
PaO	-.017	-.019	.019	-.013	.013	.029	-.005	-.024
Pro	.007	.023	.281***	.218***	.015	-.013	.004	-.012
FuO	.035	-.047	.062	.068	-.032	.087**	-.148***	.003
Sex	.026	.036	-.007	-.021	.047	-.029	.075	.031
Age	.027	.033	.012	-.021	.021	.020	.116**	.009
Education	.113*	.041	.056	.056	-.053	.060	-.039	-.064
Grade	-.040	.003	.004	.026	.015	.103**	-.005	.037
Tenure	-.003	.000	-.005	.000	.000	.003	-.008	.002
Size	-.022	-.040	-.009	-.059	.027	.007	-.018	.130**
Stateown	.034	.122	.104	-.051	.006	-.098	.178*	-.017
Foreignown	.011	.164	-.002	.034	-.128	-.019	.157*	-.077
Adjusted R2	.047	.000	.103	.094	.036	.036	.026	.009
F Ratio	8.324***	1.040	18.281***	16.494***	6.545***	6.618***	5.025***	2.305**

Unstandardized coefficients for variables are included in the table. * indicates P<.05; ** indicates P<.01; *** indicates P<.001.

Staffing

HE was positively linked with S5 and S6. More specifically, a weaker belief that humans should keep a harmonious relation with the environment and people (HE) was associated with the stronger belief that the company should emphasize ‘hard’ criteria such as qualifications and degrees in recruitment (S5) and disclose explicit promotion criteria to all employees (S6). In other words, as the ‘harmony’ value decrease, the emphasis on competition and achievements gradually increases.

ME was negatively linked with S1 and S6. In other words, the stronger the belief that people can/should dominate the environment, the stronger the belief that recruitment criteria should be made very clear to job applicants (P1), that promotion criteria should be explicit and open (S6), which reflect a tendency towards competition.

The preferences for S3 (fill a job internally before considering external applicants) and S4 (promotion from within) were significantly linked with how people define their interpersonal relationships. As Table 7.7 shows, S3 and S4 were negatively linked with HR and CR and positively linked with IR. In other words, the stronger the HR and CR, the stronger the belief that the company should fill a job internally before considering external applicants, that the company should adopt a promotion from within policy, showing a strong group orientation. However, it is worth pointing out that as the unstandardized beta coefficient values shows, the relationships between HR and S3 and S4, and CR and S4 were not very strong. In other words, although there were significant relationships, the relationships were not strong.

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HR was also positively linked with S6 and S7. More specifically, the stronger the belief that interpersonal relationships are hierarchical, the weaker the belief that promotion criteria should be explicit and open (S6), and the stronger the belief that career path should be narrow, encouraging transfer within the same functional department (S7).

A thinking orientation (TO) was positively linked with S8, indicating that the stronger the TO, the weaker the belief that promotion should be mainly determined by achievements and abilities (S8). In other words, a stronger TO believes that promotion should consider achievements and abilities, as well as loyalty and seniority.

DO was negatively linked with S5, S7 and S8. Values such as hardworking and achievements are important to DO and these values are reflected in the HRM preferences. As Table 7.7 shows, the stronger the DO, the stronger the belief that selection should be based on ‘hard’ criteria such as qualifications and degrees (S5), that promotion should be mainly determined by achievements and abilities rather than loyalty and seniority (S8). DO was also linked with a weaker preference for narrow career path (S6), indicating the belief that career development should encourage cross departmental advancement, opportunities should be open for those who are competitive and capable.

HN was negatively linked with S1 and S5 and positively linked with S3. Generally speaking, the stronger the belief that human nature is good, the higher the trust towards ‘outsiders’. More specifically, a higher value on HN was linked with a

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stronger preference to make recruitment criteria very clear to all job applicants (S1), to make selection emphasize on ‘hard’ criteria and overlook ‘soft’ criteria such as the ability to fit into the group (S5), and to select the ‘best’ candidate for the post regardless of internal or external sources (S3).

The time orientation also influenced staffing preferences. PrO generally focuses on the immediate effects of an action, compared with FuO, PrO has a short-term orientation. As Table 7.7 shows, PrO was positively linked with S3 and S4 while FuO was positively linked with S6 and negatively linked with S7. More specifically, the higher the PrO (short term orientation), the weaker the belief that the company should fill a job internally (S3) and adopt a promotion from within policy (S4). PrO tends to adopt a practical view about staffing, focusing on fill in the vacancies quickly regardless of internal or external sources. The research results also indicates that FuO shows no preference for explicit and open promotion criteria (S6) and narrow career path (S7).

Age was positively inked with S7. The older the employees, the stronger the preference for narrow career path which encourages transfer within the same functional department only, indicating a more conservative attitude towards career path.

Educational level and job grade are normally positively linked with each other. As Table 7.7 shows, the higher the educational level and job grade, the stronger the tendency to make recruitment and promotion criteria implicit, allowing the managers to make decision based on circumstances. More specifically, the higher the

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educational level, the weaker the preference for making recruitment criteria clear to all job applicants (S1). Similarly, the higher the position, the weaker the belief that promotion criteria should be explicit and open (S6).

Size of the company was positively linked with S8. Generally speaking, employees in the bigger company had a weaker belief that promotion should be mainly determined by achievements and abilities only. A possible explanation is that in larger company, there is a greater demand for leadership and communication skills, therefore, employees in larger company also emphasize the needs for ‘soft’ skills. The other explanation is that most large companies covered in the present study are SOEs, there could be a tendency to emphasize loyalty and seniority and overlook achievements in promotion.

Ownership structure influenced staffing preference as well. Interestingly, in both SOEs and FOEs, there was a stronger preference towards narrow career path which encourage transfer within the same functional department, indicating a strong group orientation in China regardless of the ownership of the company.

Table 7.8 Multiple Regression Results of Culture Values on Appraisal Preferences in China – with control variables

Appraisal								
	A1	A2	A3	A4	A5	A6	A7	A8
Constant	4.552***	3.939	4.373	4.813***	5.289***	3.164***	4.017	5.229***
HE	.046	.042	-.044	-.078	.041	-.024	-.009	-.054
ME	.002	-.006	-.045	-.037	.025	-.069	.021	-.036
HR	-.006	-.020	-.048	.155***	.025	-.054	-.043	.000
CR	.002	.049	.028	.062	-.009	.269***	.041	-.019
IR	-.046	.022	.051	-.272***	-.033	-.252***	-.047	.041
TO	-.010	-.009	-.041	.068	.051	.196***	-.036	.011
DO	.079	-.050	.040	-.036	-.036	.088	-.032	.041
HN	-.122***	.030	.028	-.047	.075**	.034	-.045	.001
PaO	.033	.041	.019	-.006	-.009	.022	-.049	.047
Pro	-.004	-.004	-.028	-.063	-.202***	.062	-.046	.020
FuO	-.058	.015	-.008	-.020	.028	.039	-.004	-.028
Sex	-.047	.001	.038	-.107	-.117	.029	-.102	-.057
Age	.013	.002	.004	-.016	.054	-.043	.023	.016
Education	-.023	.022	.000	-.039	-.028	.107	.002	-.033
Grade	-.048	.069	-.017	.015	-.037	-.075	-.011	.027
Tenure	-.003	.001	.003	.000	-.001	-.003	-.002	-.003
Size	.091*	.062	.065	.002	.044	-.019	.011	-.075
Stateown	.109	.025	.043	.039	.100	-.065	-.135	-.059
Foreignown	-.048	-.072	-.002	.096	.074	-.131	-.093	-.055
Adjusted R2	.007	.000	.000	.021	.017	.033	.002	.001
F Ratio	2.114*	.888	.891	4.260***	3.654***	6.158***	1.334	1.214

Unstandardized coefficients for variables are included in the table. * indicates P<.05; ** indicates P<.01; *** indicates P<.001.

Appraisal

How people define their interpersonal relationship influenced the preference for certain appraisal practice. As Table 7.8 shows, HR was positively linked with A4. A stronger belief that interpersonal relationships are hierarchical was linked with the weaker belief that employees should be consulted in designing appraisal system (A4). On the other hand, IR was negatively linked with A4, indicating that the stronger the individualism, the stronger the belief that the company should consult the employee on appraisal system design (A4).

Collectivism/individualism also influenced the preference for group-based appraisal system. CR was positively linked with A6 and IR was negatively linked with A6. In other words, the higher the collectivism (CR), the stronger the belief that appraisal should be group-based (A6). On the other hand, the stronger the individualism (IR), the weaker the belief that the company should adopt a group-based appraisal system (A6).

A 'thinking' orientation (TO) was positively linked with A6, arguing that appraisal system should be group-based.

HN was negatively linked with A1 and positively linked with A5. Therefore, the stronger the belief that human nature is basically good, the weaker the preference that the company should adopt a 'appraisal of behaviours' policy which focuses on how things have been done (A1) and that appraisal should be frequent (A5), indicating a high trust on the employees' attitudes and behaviours. However, although there was

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significant relationship between HN and A5, the relationship was relatively weak, as the unstandardized beta coefficient value shows.

A 'present' orientation (PaO) tends to focus on short term and current needs. As Table 7.8 shows, PrO was negatively linked with A5. In other words, the stronger the PaO, the weaker the belief that appraisal should be occasional such as quarterly or yearly based, indicating a tendency to exercise control over short term performance of the employees.

Size of the company was positively linked with A1, although they were weakly linked. In other words, employees in larger companies are more likely to support the belief that appraisal should focus on 'appraisal of behaviours' which focus on how things have been done rather than 'appraisal of results' which focus on how many things have been done.

Table 7.9 Multiple Regression Results of Culture Values on Compensation Preferences in China – with control variables

Compensation														
	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14
Constant	5.674***	3.794***	4.405***	3.839	4.506	2.729***	2.279	4.927***	5.438***	3.218***	5.262***	4.495	4.324	3.772***
HE	.025	.067	.044	-.055	-.031	.010	.009	-.036	.038	-.065*	-.259***	.011	.004	.081*
ME	.023	.049	-.016	.022	-.005	.012	-.012	-.035	-.005	-.006	.032	-.004	.002	.020
HR	-.132***	-.036	-.010	.055	-.007	-.067**	.004	.010	-.014	.029	.004	-.034	.038	-.001
CR	-.139***	-.041	.072*	-.017	-.046	-.118***	.025	.008	-.022	-.132***	.033	-.013	-.005	.042
IR	.050	-.014	-.017	.033	.042	.006	.028	-.020	-.104**	.020	.024	.013	-.034	.056
TO	.076*	.061	.010	.042	-.045	.016	.011	.010	-.068	-.036	.011	-.058	.020	-.062
DO	-.071	-.052	-.064	-.004	-.066	.006	-.005	.069*	.061	-.006	.013	.041	-.042	.011
HN	.049	-.115***	.007	.040	.006	.034	-.003	.005	-.001	-.015	-.063*	-.050	-.031	.059*
PaO	.044	-.020	.005	-.041	.015	-.024	.010	-.007	.149***	-.157***	-.141***	-.004	.027	-.019
Pro	-.004	-.043	-.020	.018	.012	.014	.016	.115***	.001	-.001	-.037	.039	.026	.112***
FuO	.033	.006	.120***	.024	-.025	.049	-.033	-.113***	.029	.007	-.006	.015	.035	.041
Sex	-.148*	-.139*	-.078	.056	.039	-.029	-.020	-.059	.089	.052	-.108	.000	.004	.049
Age	-.144***	.002	.005	.004	.010	.003	-.006	-.002	-.057	-.013	.123*	.068	-.019	.094*
Education	.002	-.037	.053	.013	.005	-.034	-.017	.005	-.055	.069	-.020	-.038	-.052	-.042
Grade	.000	-.014	.064	.018	.019	.015	.020	.043	.040	-.021	.030	-.020	.092	-.017
Tenure	.003	-.006	-.004	.000	.001	-.006	.003	.001	-.004	.001	-.014**	-.006	.003	-.005
Size	.052	.072	-.055	.004	-.006	.028	.014	.007	.023	-.047	.027	-.037	.096	-.023
Stateown	-.056	.249**	-.059	-.118	-.012	.103	-.107	-.043	.067	.046	-.216*	-.089	-.052	.094
Foreigown	.011	.155*	-.034	-.016	-.102	.080	-.063	-.015	.026	.043	-.077	.003	-.012	.035
Adjusted R2	.020	.010	.007	.000	-.002	.009	-.004	.012	.011	.031	.025	.000	.000	.007
F Ratio	4.133***	2.521***	2.048**	.091	.713	2.334**	.414	2.820***	2.716***	5.812***	4.809***	.934	.950	2.118**

Unstandardized coefficients for variables are included in the table.

* indicates P<.05; ** indicates P<.01; *** indicates P<.001.

Compensation

HE was negatively linked with C10, C11 and positively linked with C14. The stronger the HE, the stronger the belief that employment security is extremely important (C10), that compensation should reflect internal equality and minimize compensation gap (C11), that bonus should be group-based (C14). However, as Table 7.9 shows, although they were significantly linked, the relationships between HE and C10 and C14 were weak.

The preference for group-based compensation is influenced by the value of collectivism (CR) and ‘hierarchical interpersonal relationship’ (HR). Culture has a high HR normally has a high level of CR. As Table 7.9 shows, HR and CR are both negatively linked with C1 and C6, although the relationships were not particularly strong. More specifically, the stronger the belief that interpersonal relationships are collectivistic and/or collectivistic, the stronger the belief that compensation should be associated with hierarchy (C1), that the company should reward long term service (C6).

CR was positively linked with C3, although the relationship was weak. In other words, a stronger collectivism indicates a greater the preference for seniority or age based pay (C3). CR was also negatively linked with C10, therefore, the higher the collectivism, the greater the demand for high employment security. IR was negatively linked with C9. More specifically, the higher the individualism (IR), the weaker the preference towards standardized compensation (C9).

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These findings are consistent with the study of Schuler and Rogovsky (1998). In their quantitative study of the influence of national culture on pay systems across a dozen nations, they found that individualism/collectivism had a great influence on the preference for particular pay systems. In countries with a high level of collectivism, employees tended to focus less on pay for performance whereas in countries with a high level of individualism, employees tended to have a greater focus on pay for performance, especially individually-based pay for performance.

TO was positively linked with C1 and DO was positively linked with C8. In other words, the stronger the TO (thinking orientation), the stronger the preference for performance-related pay (C1); the stronger the DO (doing orientation), the stronger the preference for short-term incentives (C8). However, as the research results shows, although the relationships were statistically significant, they were weak.

HN was negatively linked with C2 and positively linked with C14. The stronger the belief that human nature is basically good, the stronger the belief that the company should disclose individual's compensation level (C2), that bonus should be group-based (C14) - although the link was weak.

PaO emphasize tradition and customs. In HRM, this leads to the tendency to follow traditional personnel policies and practices. As the research results shows, PaO was positively linked with C9 and negatively linked with C10 and C11. More specifically, the stronger the PaO, the stronger the belief that company should provide standardized compensation package (C9), that the company should provide high employment

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security (C10), that compensation should reflect internal equality and minimize pay gap (C11).

PrO was positively linked with C8 and C14. The stronger the PrO (focus on short term needs), the stronger the preference towards short term incentives (C8) and group-based bonus (C14).

FuO was positively linked with C3 and negatively linked with C8. The longer the time orientation, the stronger the belief that compensation should take into account factors such as seniority and age (C3), that the company should provide long term incentives such as employee shares (C8).

Sex was negatively linked with C1 and C2. Specifically speaking, female employees had a stronger preference for performance-related salary (C1) and a weaker preference for disclosing individual pay levels (C2).

Age was negatively linked with C1 and positively linked with C11 and C14. Therefore, the older the employee, the weaker the belief that salary should be associated with performance (C1). In other words, they prefer a salary which considers performance, seniority and position. Moreover, the older the employees, the stronger the preference towards a group-based bonus (C14) and a pay package reflect external equality which benchmark labour market level (C11). Here, the influences of traditional Chinese people management practices on older employees were apparent.

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Both state ownership and foreign ownership were positively linked with C2. In other words, in both SOEs and FOEs, there was a weak belief that the company should disclose individual's compensation level (C2). State ownership was negatively linked with C11. Therefore, compared with the employees in the FOEs, those who worked in the SOEs showed a stronger preference for the compensation reflects internal equality and minimize pay gap (C11).

Tenure was negatively linked with C11. However, although statistically significant, the relationship was extremely low, with an unstandardized beta coefficient value of -.014 only.

Table 7.10 Multiple Regression Results of Culture Values on Training Preferences in China – with control variables

Training							
	T1	T2	T3	T4	T5	T6	T7
Constant	3.732***	2.604	4.464	2.712	4.017***	2.264***	5.002***
HE	-.061*	-.035	-.010	-.008	.144***	.234***	.066
ME	-.014	-.030	-.026	.040	.039	-.011	-.058
HR	-.030	-.014	.061	-.003	.094***	-.005	-.116***
CR	-.021	.062	.056	.031	-.042	.203***	.016
IR	-.014	-.013	.020	-.003	.036	-.018	.067
TO	.025	-.057	-.072	-.001	-.013	.096*	.059
DO	.132***	.010	.002	-.003	.014	.075	.041
HN	.014	.012	.015	-.019	.001	.014	.031
PaO	-.050*	-.003	.027	.007	-.027	.032	-.046
Pro	.003	.042	.040	.036	.056*	.054	.029
FuO	.028	.040	.017	-.026	-.128***	-.023	.036
Sex	.130*	-.005	.022	-.080	.061	-.039	-.038
Age	-.068	-.029	.005	.021	.097**	.056	-.062
Education	-.085	.026	-.079	-.002	-.069	-.089	-.080
Grade	.019	.003	.010	.016	.007	.039	.048
Tenure	.005	.003	-.005	-.001	.007*	.001	-.003
Size	-.039	.011	.013	-.011	.032	.056	-.012
Stateown	.036	-.071	.028	.094	.018	-.111	-.086
Foreignown	.020	.000	-.046	.002	-.040	-.107	-.105
Adjusted R2	.010	-.002	.001	-.002	.019	.018	.010
F Ratio	2.500***	.692	1.189	.683	3.939***	3.799***	2.526***

Unstandardized coefficients for variables are included in the table. * indicates P<.05; ** indicates P<.01; *** indicates P<.001.

Training

HE was positively linked with T5 and T6. Therefore, the stronger the belief that people should try to keep a harmonious relationship with the environment and with each other, the stronger the belief that the company should be responsible for the employees' career planning (T5), that the allocation of training opportunities should be group-based (T6). HE was negatively linked with T1, in other words, the stronger the HE, the stronger the belief that training should focus on improving skills for present job (T1). However, although the relationship between HE and T1 was statistically significant, it was weak.

HR was negatively linked with T7. A stronger belief in hierarchical interpersonal relationship indicates the weaker belief that the company should provide training for employees (T7). In other words, the stronger the HR, the stronger the belief that the company should invest on key employees only. HR was positively linked with T5, the stronger the HR, the stronger the preference towards company-based career planning (T5), however, as the research results indicates, although statistically significantly linked with each other, the relationship was weak.

CR and TO were positively linked with T6. Therefore, the higher the collectivism (CR) and thinking orientation (TO), the stronger the belief that the allocation of training opportunities should be based on group needs (T6), reflecting a group orientation.

DO was positively linked with T1. More specifically, the stronger the emphasis on hardworking and achievement, the weaker the preference for training to improve

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skills for present job only. In other words, a stronger DO indicates a stronger preference for training focus on present job but also consider long term development needs.

PaO was negatively linked with T1, although the link was weak. PaO reflects a preference towards traditional personnel policies and practices. Therefore, when PaO is high, there is a stronger preference towards training to improve skills for present job only (T1).

PrO was positively linked with T5, although weakly linked. On the other hand, FuO was negatively linked with T5. A present focused time orientation (PrO) prefers that the company-based career planning while the future focused time orientation (FuO) supports the idea that the individuals should be responsible for their own career planning (T5).

Age and Tenure were also positively linked with T5. Therefore, the older the employees, the longer they have worked for the company, the stronger the belief that the company should be responsible for their career planning (T5). However, it must be pointed out that although age and tenure were statistically significantly linked with T5, the links were weak, especially the relationship between tenure and T5, with an unstandardized beta coefficient value of only .007.

7.5 SUMMARY

Both culture and HRM and their links have attracted considerable attention in the HRM literature during the last three decades. Previous studies on culture and HRM have suggested a number of relationships between cultural values and general HR policies. However, most of them were based on observations rather than on survey methods. Therefore, quantitative-based studies are needed to explore the relationships between individual cultural values and specific HRM preferences.

In this chapter, the relationships between cultural values and HRM preferences have been discussed. I have added another level of specificity by analyzing the relationships between 11 cultural values in the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004) and 45 pairs of HRM preferences. The relationships have been examined quantitatively, based on 2852 questionnaires.

First, the research results showed that there were close links between cultural values and HRM preferences. HRM preferences were affected by cultural values. 11 cultural values had significant relations with 31 out of the 45 HRM preferences (69%). Of the 5 cultural dimensions, the dimension of ‘relationships between people’ had the closest link with HRM preferences, having the greatest predictive power on HRM preferences. If examining the 11 cultural values individually, ‘Collectivism’ and ‘Human Nature’ had the greatest predictive power on HRM preferences.

Second, the research results showed that, overall, 18 out of the 23 choices (78%) in ‘hard’ HRM areas and 13 out of the 22 choices (59%) in ‘soft’ HRM areas were

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significantly influenced by cultural values. Therefore, the commonly believed argument in the study of culture and HRM that cultural values would have stronger influence on ‘soft’ HRM areas such as performance appraisal and compensation than on ‘hard’ HRM areas such as planning and training (Hofstede, 1980; Brewster and Hegewisch, 1994) is not supported by the present study.

Third, the detailed relationships between each cultural values and specific HRM preferences have been examined and discussed. As Nyambegera et al. (2000) noted, since cultural values are deep pre-existing structures developed in early socialization, whereas HRM preferences are developed at a later stage in life, it is reasonable to infer that values predict HRM preferences. The results in this study confirmed that cultural values were important indicators for predicting HRM preferences. For example, a stronger CR was associated with the stronger preference for ‘promotion from within’ policy, group-based allocation of training opportunities, and compensation includes seniority and age factors. On the other hand, a stronger IR was associated with the stronger preference for individually-based HRM practices. For example, a stronger IR was associated with a weaker preference for group-based appraisal system, and standardized compensation package which does not reflect performance and allows little flexibility.

As was pointed out by Pelled and Xin (1997) and Sparrow and Wu (1998), a high level match between employees’ HRM preferences and actual HR policies and practices helped improve job satisfaction and organizational commitment and further lead to more effective job outcomes and competitive advantage for the company.

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Therefore, these research findings could offer useful suggestions to MNCs when designing their HRM systems especially in China.

Fourth, although it has been proved that there were close relations between cultural values and HRM preferences. It also must be kept in mind that, first, in the present study, the adjusted R squares values were not very strong. In other words, although cultural values are important factor to predict HRM preferences, they predict only to a limited extent and there are some other factors also influence HRM preferences. Second, there were culture-free HRM preferences. Table 7.3 shows that, with control variables of age, education, job grade, tenure, firm size, state ownership, and foreign ownership, there were 14 HRM preferences which were not related to any of the cultural values.

These culture-free HRM preferences have two implications. First, although cultural value is an important predictor for HRM preferences and it help us explain cross cultural HRM differences, it cannot explain all. Second, these culture-free preferences indicate that there are other factors in shaping employees' HRM preferences. What are these factors? Could it be other cultural factors such as regional culture or organizational culture; could it be non-cultural factors? It would be interesting to explore what other factors also influence employees' HRM preferences.

Fifth, the large sample size implication must be considered. According to Hair et al. (2010), a sample size exceeding 400 respondents could make the statistical tests overly sensitive. This study had a sample size of 2852, and as such, weak associations between cultural values and certain HRM preferences were found to be statistically

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significant. Therefore, although some of these findings achieved statistical significance, they have limited practical implications.

CHAPTER 8 DISCUSSION

8.1 INTRODUCTION

In this chapter, first, based on the research results of Chinese cultural values presented in Chapter 5, the development trend of Chinese cultural values is discussed. Second, based on the research results of the HRM Preferences Questionnaire and other empirical studies, the main features of Chinese HRM are discussed, followed by a discussion of the future of Chinese HRM.

8.2 CHINESE CULTURAL VALUES

8.2.1 Changes in Chinese cultural values?

In Chapter 5, the results of the cultural values and HRM preferences of Chinese employees have been analyzed and discussed. Table 8.1 summarizes the main findings of Chinese cultural values, based on the 2852 questionnaires collected by the author. This provides a useful map for understanding Chinese cultural values. The next question is: what is the likely development trend of Chinese cultural values?

	Variable	Mean	Medium	SD	Skewness	Kurtosis
Relations with the Environment	HE	5.40	5.57	0.89	-1.16	3.96
	ME	4.63	4.75	0.95	-0.85	3.37
Relationships between People	HR	5.30	5.50	1.02	-0.58	2.78
	CR	5.20	5.33	0.91	-1.18	5.33
	IR	4.19	4.38	0.84	-0.76	3.07
Mode of Activity	TO	5.07	5.25	0.90	-1.42	4.81
	DO	4.26	4.25	0.79	-0.13	2.34
Human Nature	HN	3.97	3.80	1.22	0.39	2.78
Time Orientation	PaO	5.47	5.75	1.10	-0.78	2.90
	PrO	4.01	4.00	0.94	0.36	3.06
	FuO	4.65	4.75	0.97	-0.51	2.72

Relations with the Environment

Table 8.1 shows that, in terms of Relations with the Environment, Chinese people have a relatively strong ‘harmony’ orientation and a medium ‘mastery’ orientation. The harmony orientation has the roots in traditional Chinese culture, especially Confucianism, Taoism and Buddhism. In last century, the influence of traditional Chinese has been reduced, as a result of the further diffusion of Western thought in China since the 1900s, the rise of communist education since the 1949 and the anti-old-China strategy adopted by the Chinese government. However, the influence of traditional Chinese culture remains strong in Chinese society, as is reflected in the present study. With the gradual renaissance of traditional Chinese culture after the Cultural Revolution (1966-1976), the greatly strengthened propaganda of

environmentalism recently, and more importantly, the China's new strategy of 'building a harmonious society' since 2003, the 'harmony' orientation is therefore expected to continue to grow.

The second dominant value in this cultural dimension is 'mastery', which has been greatly enhanced by the communist education which emphasizes on 'man can control the world' and 'nature can/should be reshaped for the well-beings of the people' and has been further reinforced by the acquisition of modern advanced technology in last three decades. Therefore, the 'mastery' orientation is expected to grow, or at least be maintained at current level, due to the influence of communism, expanding modern Western thought and the availability of modern advanced technology.

Therefore, the developing trend of Chinese culture in this cultural dimension, if there would be any change, is very likely towards a 'harmonious' direction. The 'mastery' would probably continue to grow, but not at a speed as high as the 'harmony' value.

Relationships between people

Table 8.1 shows that 'hierarchy' and 'collectivism' are the two dominant values in guiding Chinese interpersonal relationships and 'individualism' is relatively low in the sample group. A little surprisingly, 'hierarchy' has replaced 'collectivism' and become the most dominant cultural value in guiding Chinese interpersonal relationships. Generally speaking, China has a 'hierarchical collectivism', which is different from other parts of the Greater China area such as Hong Kong and Taiwan. The driving forces behind the high level of 'hierarchy' are the Chinese political

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system, educational system, communist ideology and traditional cultural values especially the Confucian value which emphasize 'ordered relationships in the hierarchy'.

In the short term, there will be little change in the level of 'hierarchy' and 'collectivism' as the driving forces behind these are unlikely to be weakened. Chinese government has reformed its economic policy since the 1980s, but it has no plan for reforming its political and educational system in the short term, which implies that the great emphasis on 'hierarchy' would remain in the workplace. Moreover, there is a gradual renaissance of traditional Chinese culture, especially the Confucian values, which could probably further promote the 'hierarchical collectivism' in China.

However, individualism is very likely to grow in the future. Ralston et al. (1999) reported a fast growing individualism among younger Chinese. The fast growing individualism among younger Chinese would probably lead to a decline of collectivism and the great emphasis on hierarchical interpersonal relationships in the long term. But, compared with their Western counterparts, young Chinese still have a relatively low level of individualism (Lee, 1996; Ralston et al., 1995; Ralston et al., 1999). Therefore, it is unlikely that individualism would overtake 'collectivism' to become the dominant cultural value in China.

Mode of activity

Table 8.1 shows that Chinese people have a medium ‘doing’ orientation and a strong ‘thinking’ orientation. Chinese people hold a medium level of ‘doing’ orientation, which is believed to have roots in traditional cultural values such as diligence and being work-centred and have been reinforced by the communist education such as the ‘iron man spirit’ which calls for individuals to work hard for the country. The most dominant value is the ‘thinking’ orientation, which emphasizes keeping a balance between the ‘being’ and ‘doing’ orientations. The ‘thinking’ orientation has its roots in Chinese traditional culture, especially the ‘doctrine of mean’ which advocates avoiding extremes and keeping in the middle way. It is difficult to project the development trend of this cultural dimension because first, the interaction between driving forces are unclear. However, the ‘doing’ orientation is likely to grow in the future due to the greatly enhanced competition in Chinese labour market and the growing individualism and materialism in China.

Human Nature

Table 8.1 shows that Chinese people generally hold a ‘neutral’ view towards human nature, with a slightly heavier weight on believing in that ‘human nature is basically bad’. Traditional Chinese culture makes no clear assumption on the human nature. It has a mixed view towards the fundamental human nature. For example, Confucianism believes that human nature is fundamentally good. By contrast, the Legalism school believes that human nature is basically bad and it is hard for people to maintain a ‘good’ nature. However, more recent studies on Chinese culture (Wong, 1985; Chu

and Ju, 1993; Fukuyama, 1995) showed that in Chinese society there was a tendency not to trust people from out-groups, which indicates a view that human nature is basically bad. The development direction of this cultural value in China is unclear but it is likely that this neutral view on human nature would be maintained in the future.

Time Orientation

Table 8.1 shows that Chinese people have a weak 'present' orientation, a medium 'future' orientation and a strong 'past' orientation. The 'present' orientation is traditionally less valued by Chinese people. In traditional Chinese classics, a short-term, or present, orientation was discouraged. 'The great man looks at long-distant horizon; the little man looks at present'. In many studies, China was featured as having a high level of 'future', or long term, orientation (Hofstede, 1980; 2001). This long term orientation was reflected in the Chinese children education (Bond and Wang, 1983) and the business relationship building in Chinese companies (Wah, 2001). However, a little surprisingly, as is shown in Table 8.1, a 'past' orientation has replaced 'future' orientation and become the dominant cultural value in the sample group. It is hard to predict if this 'past' orientation would remain as the dominant cultural value in China. However, with the deepening of the economic reform and the process of globalization, the business environment in China is becoming more dynamic and unpredictable. Facing the greatly enhanced competition and uncertainty, both the companies and individuals are becoming more short-term-oriented, which implies a growing 'present' orientation. Therefore, a trend is that the 'present' orientation is likely to continue to grow in the long term.

8.3 HRM IN CHINA

In last two decades, there have been signs of progressive changes in the management of human resources across China. More and more Chinese companies are adopting contemporary Western HRM policies and practices. Cooke (2005) argued that this was the result of the deepening political and economic reforms, the influence of MNCs and JVs, and the need to compete internationally fuelled by China's accession to the WTO. On the other hand, others have argued that although some convergence has been observed, Chinese HRM still has its own distinct features or characteristics (Zhu and Dowling, 2002). So, what is the future of Chinese HRM? Is it converging to or diverging from those HRM practices used in advanced economies?

In next section, the main features of Chinese HRM are discussed, focusing on Planning, Staffing, Performance Appraisal, Compensation, and Training and Development, based on the results of the HRM Preferences Questionnaire and other empirical studies. A discussion on the development trend of Chinese HRM is also presented, before a summary is presented.

8.3.1 Planning

In traditional Chinese personnel management, human resource planning was highly centralized and conducted in a bureaucratic way, conducted by officials in the central or regional government. Enterprise managers had no right to recruit or select workers, nor did they have the right to discharge workers even they were habitually absent or disqualified (Child, 1994). They had no right to allocate residual profits or losses, nor

did they have the right to determine their subordinates' pay. Furthermore, the enterprise managers' promotions and compensation depended on their political loyalty rather than their ability to manage. Therefore, despite the reality that they had no right to plan, the managers actually had no incentive to conduct human resource planning, such as job analysis or job enrichment, to improve the performance of the enterprise. The role of the HR department was administrative rather than strategic. The main responsibility of the HR department was maintaining employees' personnel records and collecting data on attendance. Members of HR department were typically new graduates with little experience in HR (Child, 1994; Lewis, 2002). The role of the HRM department and HR managers in Chinese companies remained largely unchanged until the 1990s (Brown and Branine, 1995).

In the present study, the research findings of Chinese HRM preferences showed that there was a changing view of the role of the HR department and HR managers among Chinese employees. There was a strong belief that HR planning should be conducted by HR specialists (P1) and that the HR department should be involved in the company's strategic planning (P2), which is different from the traditional view that the Personnel Department should focus on basic people management activities. This change has support from the empirical studies. For example, Ding and Warner (1999) showed that the role of Chinese managers has become more similar to their Western counterparts. They operated at a more strategic level and were involved in a broad range of HRM issues, ranging from planning, recruitment and selection, compensation, training and discipline. Zhao and Wu (2003) reported that in their survey, 75% of 31 companies had formal HR planning system and 67% of them had conducted job analysis. The Development Research Centre of State Council of China (DRC)

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conducted a nationwide survey – the Chinese HRM Development Survey (Lin et al., 2004) - on HRM development in Chinese enterprises, which covered 1883 enterprises under different ownership. The Chinese HRM Development Survey (Lin et al., 2004) showed that among the 1183 companies, 42.1% of them had formal ‘HR planning which is integrated with company’s strategy’ and another 44.5% of them were either conducting HR planning or planning to have one.

The research findings of Chinese HRM preferences also showed that the importance of job analysis and job instructions had been well recognized (P3, P4). As was discussed earlier, job analysis was rarely conducted in China as a result of the central labour allocation system before the 1990s. Since the 1990s, with the development of HRM in China, job analysis has become more widely used. The study of Zhao and Wu (2003) revealed that 67% of the enterprises investigated had conducted job analysis. Zhu and Dowling (2002) showed that, except in Collectively-Owned-Enterprises (COEs), written job analysis had been used in more than half of the enterprises. Like their Western counterparts, Chinese enterprises used the results of job analysis to assist job evaluation, HR planning, recruitment and selection, performance management. The Chinese HRM Development Survey (Lin et al., 2004) also revealed that among the 1183 companies investigated, 51.8% of the companies had conducted job analysis and 41.4% of them were either conducting or planning to conduct job analysis. More than 80% of them rated job analysis as important.

In conclusion, as was shown in the research findings of Chinese HRM preferences, there have been great changes in Chinese HR Planning. HRM is now considered to be strategic rather than administrative. The importance of HR planning, job analysis and

lean organization has been well recognized. There is a clear move towards Western HR planning philosophy and methods.

8.3.2 Staffing

As was shown in the research findings of Chinese HRM preferences, some the Staffing preferences of Chinese employees are changing. Chinese employees generally believed that selection and promotion should be based on 'hard' criteria which can be objectively measured, such as applicant's qualifications, degrees, achievements and abilities (S5; S8), which indicates a move from traditional personnel management to the common staffing practice in the west. This change was also reported in the study of Bjorkman and Lu (2000).

Chinese employees also supported the idea that recruitment criteria should be made very clear to all job applicants (S1) and using combined and sophisticated selection methods such as interviews, psychological tests and exams (S2). This change has support from some empirical studies. For example, Huo et al. (2002), Morris and Zhang (2001) and Zhu and Dowling (2002) all reported that Chinese recruitment and selection had incorporated many new methods such as panel interviews, psychological test and assessment centres.

Moreover, Morris and Zhang (2001), Ke and Morris (2002) and Morris and Shen (2002) all reported that, like their Western counterparts, Chinese enterprises used a variety of market mechanisms in recruitment. Newspaper adverts, searches, 'head hunting', internal referrals and internet recruitment were commonly used for

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management recruitment, representing a relatively open labour market. Job fairs in the universities, graduates trainees programmes and internships were also widely used to attract the best graduates. More employees were hired on a contract base, and the power of staffing had been decentralized to the company level.

Based on the research findings of Chinese HRM preferences and previous empirical studies (Huo et al., 1999; Bjorkman and Lu, 2000; Morris and Zhang, 2001; Ke and Morris, 2002; Morris and Shen, 2002; Zhu and Dowling, 2002), it is apparent that some of the Chinese staffing policies and practices are becoming similar to those in the Western countries, indicating a convergence trend. However, many of the Staffing practices retain certain ‘Chinese characteristics’.

First, there was a strong group orientation in the Staffing preferences. As was shown in the research findings on Chinese HRM preferences, there was a strong belief that the company should ‘fill a job vacancy internally before considering external applicants’ (S3) and adopt a ‘promotion from within’ policy for management vacancies (S4). This strong group orientation was reflected in many empirical studies on Chinese HRM. For example, it was reported that social connection (*guanxi*) was an important factor for getting a job or a promotion in China as many Chinese companies tended to hire those who had connection with them (Bian, 1994; Whiteley et al., 2000; Zhu and Dowling, 2002). In the comparative study of HRM in China and the UK, Easterby-Smith et al. (1995) reported that Chinese companies had explicit policies of growing own talent from inside and external appointment were relatively rare. In Chinese companies, most managerial careers evolved with the same functional department. Cross functional moves were rare except at senior management level.

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Ding et al. (1997) also reported that in wholly owned Foreign-Owned-Enterprises (FOEs) and Sino-foreign Joint Ventures (JVs), there was a strong preference for promoting department and work unit managers from within. Overall, more than one-third of the companies investigated used internal promotion to obtain top managers. Zhu and Dowling (2002) reported that internal transfer was the most frequent used staffing method in all enterprises. Moreover, a more striking finding was reported. It was reported that 'inheritance of jobs' (the replacement of retiring workers by their son or daughter or relatives, an old staffing practice believed to have been phased out) was still working and it existed in not only SOEs and COEs, but also POEs and FIEs.

Second, although 'hard' criteria were widely used for making staffing decisions, there was also an emphasis on using 'soft' criteria such as one's ability to fit into the group and maintain a harmonious relationship with colleagues, loyalty and seniority (S5, S8). For example, Easterby-Smith et al. (1995) reported that, soft criteria such as loyalty, especially political loyalty, and harmonious relations with others were significantly important when making the appointment and promotion decisions. In the study of Morris and Shen (2002), it was shown that factors such as length of service and party loyalty were still important in promotion process. Zhu and Dowling (2002) had a similar finding. In their study, a great priority was put on 'a person's ability to get along well with current workers' and 'the company's belief that the person will stay with the company for 5 years or longer' when making the hiring decisions. Lewis's (2002) study of HRM practices in a very large Chinese SOE also revealed that promotion was carried out by recommendation rather than demonstrable evidence of effective job performance or competence.

Third, there are still strong influences from the Chinese government. Many Chinese companies' staffing practices are under the strong influence of Chinese government. The 'centralized labour allocation system' is still alive. The 'centralized labour allocation system' is one of the main features of Chinese staffing practice before the 1978 economic reform (Child, 1994). Under the 'centralized labour allocation system', the State Planning Commission set the national labour quotas plan and then these quotas would be allocated to particular industrial departments and further to individual enterprise under their jurisdiction. With the proper labour quotas, the enterprises could apply for new workers from government (Child, 1994; Warner, 1995; Ding and Warner, 2004). As a result, the staffing policies were strictly under the control of the State (Cooke, 2004). Since the 1980s, the 'centralized labour allocation system' has been gradually reformed. The 'Director Responsibility System' (DRS) and 'Contract Management Responsibility System' (CMRS) delegated the power of staffing to enterprise level. In 1986, a so-called 'two way selection channel' was set up, both employers and employees were encouraged to use the market mechanism to match their needs. The role of the Bureau of Labour and Personnel was changing from an administrating authority that allocating jobs to a more service-based organization, establishing 'labour exchange centre' and holding job fairs (Child, 1994; Branine, 1996; Zhu and Campbell, 1996; Zhu, 2002). However, empirical studies showed that the 'centralized labour allocation system' has not come to an end and is still working. In the study of Ke and Morris (2002), the HR manager of the Industrial and Commercial Bank of China (ICBC) reported that recruitment and selection were under strong influence from government. The recruitment and selection were centrally planned and imposed by the State. Moreover, in some cases, the centralized labour allocation system applied to foreign companies in China. In the study of Zhu and

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Dowling (2002), it was reported that 64% of SOEs, 40% of Collectively-Owned-Enterprises (COEs), 32% Privately-Owned-Enterprises (POEs), and 20% Foreign-invested-Enterprises (FIEs) were still receiving government allocated labour.

Sixth, there is a strong preference for lifetime employment, both from the government and the employees. Lifetime employment, or sometimes called the 'iron rice bowl', is considered as one of the benefits of socialism (Ding and Warner, 2001). The introduction of the labour contract system in 1986 had undermined the traditional lifetime employment practices. In the labour contract system, the managers are delegated full autonomy of hiring and firing subordinates; on the other hand, the employees also have more freedom to choose their employers. However, although the labour contract system has made a crack on the traditional lifetime employment practice, lifetime employment remains a distinct feature of Chinese Staffing practices. First of all, older workers still enjoy lifetime employment (Hassard et al., 2004). In the study of Morris and Shen (2002), 25% of the employees still enjoyed lifetime employment. Secondly, employees in SOEs enjoy lifetime employment. In most SOEs, the employees are generally categorized into 'permanent employees', 'contractual employees', and 'temporary employees'. Both contractual employees and temporary employees are on a contract basis. The renewal of their contracts depends on their performance and/or the enterprise's need for their services (Child, 1994). Permanent employees consist of nearly 40% of the workforce in SOEs. Although they are required to sign a labour contract like the contractual employees, in practice they have enjoyed permanent employment status. Their employment is double-insured because the managers would have to achieve the endorsement from headquarters and local Bureau of Labour and Personnel before terminating their labour contract. Even

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the contractual employees enjoy a certain degree of job security as most of them have some type of social connections with the managers or the officials in the government. Hassard et al. (2004) reported that virtually all employees automatically had their contract renewed. Thirdly, in some cases, this lifetime employment applies to foreign companies as well. For example, Walsh and Zhu (2007) studied 10 foreign companies and joint ventures in China. In two Sino-Japan joint ventures, 3% and 40%, respectively, of the workforce had permanent contracts. Fourthly, Chinese government tends to encourage lifetime employment as it is considered to be one of the main benefits of socialism (Ding and Warner, 2001). According to the new Chinese Labour Law, in effect from 1st January 2008, employees with ten years or more of service with the same employer will have open-ended labour contract. Moreover, if the employee has signed a fixed term labour contract twice with the same employer, the employee will have an open-ended labour contract as well. The new Chinese Labour Law will further promote lifetime employment in China.

8.3.3 Performance Appraisal

Traditionally, performance appraisal was not a commonly used practice in Chinese enterprises before the 1978 economic reform. Zhao's research (1994) showed that the performance appraisal was basically conducted in large and medium-sized SOEs, and focused on cadres rather than workers. In theory, it was the enterprise's Personnel Department that was responsible for the performance appraisal of the cadres, however, under the slogan of 'the Party leads everything', plus most of the employees in the SOEs were members of the Chinese Communist Party (CCP), in practice the Chinese Communism Party's Organization Department in the enterprise usually played a leading role in the process.

Being 'Red' (politically and ideologically sound) and 'Expert' (technically competent) were two main appraisal criteria. However, since the Party official were responsible for the performance review, in practice much more weight was given to 'Red', emphasizing the political loyalty, ideological purity and seniority (Laaksonen, 1988). Good personal relationships with the colleagues and leaders were the key to a good assessment as the results heavily relied on their subjective comments on the worker's political and work performance. Since there were no clear measurements of good performance, it inevitably led to problems such as subjectivity, vagueness, favouritism and domination of political ideology (Zhu, 2005).

The performance appraisal was normally yearly-based. The annual performance appraisal usually started with the employee submit a self-evaluation of his or her political and work performance of that year and then the document would be reviewed,

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commented on and signed by the supervisors and finally filed. For managers, the 'massive opinions' would be collected from 15 to 40 colleagues, and then the Party secretary and personnel manager would talk to middle managers about the opinions expressed (Easterby-Smith et al., 1995). The performance appraisal data was used for job promotion, job transfer, distribution of welfare benefits and selection of 'model workers' rather than determining the level of pay (Child, 1994) because the salary was fixed. Although good performers could receive rewards, bad performers could keep their positions and pay level irrespective of their work attitudes and contributions, this is also known as 'iron chair' practice (tie jiaoyi).

In the last two decades, there have been great changes in the Chinese performance management. First, contemporary Western performance appraisals have been used in China. Since the 1980s, more and more Western appraisal methods have been introduced into China such as management by objective and computer-aided panel assessment (Child, 1994; Zhu, 2005). The Chinese HRM Development Survey (Lin et al., 2004) investigated 1883 enterprises in China. The results showed that 'management by objective', 'combined methods' and 'self evaluation' were the most frequently used appraisal methods in China. Management by objective was the most commonly used method regardless of location, ownership, size and total assets. Other more advanced methods such as 360 degree appraisal and balance score card methods were also reported. Second, performance appraisal is closely associated with compensation. Performance related pay, either on a group based or individual based, has been widely used in Chinese companies (Ding et al., 1997; Verburg et al., 1999).

However, despite the convergence, performance appraisal continues to keep a certain degree of 'Chinese characteristics'. First, as was shown in the research results of Chinese HRM preferences, there was a strong group orientation in Chinese performance appraisal practice. It is believed that appraisal should be group-based (A6) and that an employee's performance should be reviewed not only by his or her supervisor but also by his or her colleagues (A8). Moreover, this group orientation tended to exclude external participants. As the results showed, there was a strong belief that performance appraisal should be conducted internally within the company rather than inviting external appraisers (A7).

This group orientation was also reported in many empirical studies on Chinese HRM. For example, Child (1994: 169) reported that in Chinese performance appraisal system, 'importance was also attached to a prospective manager's ability to sustain harmonious relations with other people'. Comparing HRM practices in China and the UK, Easterby-Smith et al. (1995) concluded that in the UK, performance appraisal was highly individually-based. It was largely a top-down process, using an annual interview between the individual and his or her supervisor to set performance targets. By contrast, the system was more group-based in China. It was based on an annual self-assessment, assisted by comments by colleagues and there was no automatic one-to-one interview with the boss. The opinions of colleagues and subordinates were regarded as highly significant. The group orientation also influences foreign companies in China. For example, Braun and Warner (2002) reported that some foreign companies investigated assessed employees not only on predefined objectives but also how teamwork-oriented a person was or how communicative a person was on the job.

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This group orientation is very different from common Western appraisal methods which focus on individual performance. Some attributed this to the cultural distance between China and the West (Brewster et al., 1997). Huo and Von Glinow (1995) attributed this to the large power distance between managers and employees in Chinese organization. They argued that China's large power distance had made Chinese managers less likely to conduct appraisal interviews and provided coaching to subordinates. Snape et al. (1998) argued that Confucian cultural values, coupled with collectivist and hierarchical orientations, run counter to Western performance management practices which focus on individual performance, accountability and open communication.

Second, as was shown in the research results of Chinese HRM preferences, performance appraisal in China focused on the administration purpose only. In the broad sense, performance appraisal has three purposes: administration, development, and communication (Schuler and Jackson, 1987). However, Chinese employees generally believed that the primary purpose of performance appraisal was to provide criteria for a pay rise or promotion rather than helping employees identify their weakness and improve their performance (A2), which indicates a tendency to overlook the developmental and communicative aspects of performance appraisal. Other empirical studies also had such a finding. For example, Zhu (2005: 23) argued that in SOEs the performance appraisal 'tend to serve and evaluative rather than developmental or communication purpose'. The Chinese HRM Development Survey (Lin et al., 2004) also reported that in China the results of performance appraisal were

used for 'bonus distribution', 'adjusting compensation' and 'promotion'. None of them was related to the developmental aspect of performance appraisal.

8.3.4 Compensation

The wage systems in Chinese industries had been directly administered by government for nearly 30 years before the 1978 economic reform (Ding and Warner, 2001). In 1956, China adopted a national unified wage system based on the Soviet model. The pay scale systems were formally implemented in Chinese industries. In this 'rational low wage system', the wage structure and differentials were set by the central government and strictly enforced in the enterprises and a pay-rise was only possible in the infrequent nation-wide 'wage increase campaign' (Takahara, 1992; Qian, 1997; Cooke, 2004). Those individually-based piece rate and bonus systems were criticized as 'anti-socialist' and 'rightist deviation' (Yuan, 1990) and 'there was a trend towards the abolition of workers' individual piece-related bonuses in favour of a workgroup contribution to collective goals' (Child, 1994: 185). During the Cultural Revolution (1966-76), piecework and bonuses were eliminated entirely. Moreover, guided by the extreme egalitarian thought, the wage gap between managers and workers was greatly reduced. Moral incentives replaced the material incentives as the main motivation mechanism and the earnings increase had been virtually frozen from 1963 to 1977 (Child, 1994). Therefore, the pre-reform wage system was criticized as 'too low', 'too egalitarian', 'too complicated' and 'too inert' (Korzec, 1992:55). The wage was separated from the performance of the enterprise and individual, as a consequence, it failed to motivate the workers for productivity (Ding and Warner, 2001).

Since the 1978 economic reform, the traditional compensation system has been the major target for reform. The use of performance-related pay has been encouraged since the 1978 economic reform and the autonomy of wage design and distribution has been decentralized gradually from central government to local bureau of labour and finally to the enterprises.

The reform of compensation system started with the State Council announced the 'circular of implementing bonus and piece-work wage system' in 1978. This new policy linked the bonus with the performance of workgroups and individuals, which proved to be extremely welcomed by the cadres and workers. In 1979, the autonomy for distributing bonus was decentralized to the enterprises with a maximum amount equal to two months of wages. In the 1980s, the reform on compensation continued. Following the 'circular on questions concerning wage reform in SOEs' (1985) and Chinese Enterprise Law (1988), the control of wage distribution was decentralized from central government to local Bureau of Labour and Bureau of Industries. Furthermore, the enterprises were encouraged to re-design their whole wage system based on their financial performance (Ding and Warner, 2001; Zhu, 2005). As a result, a wide range of wage systems have emerged. One example is the 'structural wage system', which consists of 'basic pay', 'position pay', 'seniority pay' and 'bonuses'. The other example is the 'floating wage system' which is adjusted monthly or quarterly based on the enterprise production performance, the worker's degree of responsibility and workload (Jackson, 1992). In 1992, a new 'post plus skill wage system' was introduced. In the 'position plus skill wage system', the wage standards were no longer constrained by the national wage scale. It was the four post-and-skill-

related factors (job responsibility, skills level, labour intensity, and working conditions) that determined the wage standard. Furthermore, the enterprise was allowed to place different weight on these four factors according to their own needs. Since 1992, the 'post plus skill wage system' has become a common practice in almost all Chinese enterprises (Hassard et al., 1999; Ding and Warner, 2001).

Many of the change in Chinese compensation practices are based on Western compensation policies and practices. First, pay for performance, a compensation practice developed in the USA and a common practice in most Western countries (Vernon, 2006) has been widely used in China as well. As was shown in the research results of Chinese HRM preferences, it was widely accepted that pay should be associated with performance: the better the performance, the higher the pay (C1). In last three decades, Chinese compensation practices have moved away from a state-determined hierarchical pay system which offers a standardized and fixed package with little or no material incentives; and emphasizes absolute equality and ignores individual performance to a more market-oriented and performance-based compensation system. This preference was reflected in many empirical studies. For example, Morris and Yang (2002) showed that Western reward management had been widely used in Sino-foreign joint ventures. Brown and Branine (1995) showed that the rewards systems in some companies were closely linked with the contribution and performance. Ding et al. (1997) reported that managerial pay increase was related to either the performance of the individual manager or the overall performance of the organization. Verburg et al. (1999) showed that 78.6% of Chinese employees in their study had performance-related pay, which was significantly higher than that of Dutch employees.

Second, many Western compensation policies and practices have been used in China. As was shown in previous studies (Zhao, 2004; Cooke, 2005; Ding et al., 2006), practices such as the 'Annual Salary System' and 'Executive Stock Option' have been more widely adopted in China. With the further integration of China's economy into the global market, more foreign companies or joint ventures have been established in China. An immediate effect was the enhanced competition for qualified managers and professionals. As a result, companies, especially Chinese SOEs, are demanded to learn from their Western counterparts to redesign their compensation and benefits practices in order to attract, motivate and retain talents, which indicates a further diffusion of Western compensation policies and practices in China in the long term.

However, compensation practices in China retain many 'Chinese characteristics', as was reflected in the research results of Chinese HRM preference and other empirical studies. These practices underline the persistent strength of the traditional insistence on group harmony and relative equality of compensation, which runs counter to Western practices.

First, on the determinants of compensation, there is an emphasis on soft factors such as loyalty, seniority and age. As was shown in the research results of the HRM Preferences Questionnaire, many employees emphasized that besides performance, soft factors such as seniority, age and loyalty should also be taken into account (C3, C6). Empirically, Goodall and Warner (1997) reported that age-related and service-time wages were still used in many enterprises. The preference for 'soft' criteria and rewarding loyalty was also observed in the research of Jackson and Bak (1998) and

they recommended a structural reward system included loyalty and reflected seniority for those foreign companies in China. In practice, a 'post-plus-skills' system was adopted in many Chinese companies (Morris and Shen, 2002; Morris and Yang, 2002; Hassard et al., 2004). Goodall and Warner (1997:577) pointed out that in this system, 'age, position and skill determining between 50% and 80% of the total payment'.

Second, there is a strong emphasis on internal equality; or a group-based bonus. As was shown in the results of the HRM Preferences Questionnaire, although Chinese employees supported a market-related pay, they believed that internal equality was very important and pay differentiation between employees of the same grade should be restricted (C11). Probably influenced by this, there was also a preference for the group-based bonus system (C14).

In practice, this emphasis on internal equality appears in the form of low pay differentials in Chinese companies. China has a very low pay differential not only between normal employees but also between top management and normal employees. Morris and Shen (2002) reported that despite the widely adoption of 'post-plus-skill' system, the traditional ideology of egalitarian rewards still persisted in the SOEs. Easterby-Smith et al. (1995) showed that, the typical ratio of management/average salary in Chinese enterprises was 4:1. Goodall and Warner (1997) reported that in one enterprise there was a maximum differential of 100 RMB (around £8) between workers at the same grade; in the other enterprise, the pay differential between the general manager and a new technical school graduate was held officially at no more than 2.5 times. More recently, there has been a trend to increase the pay gap between managers and the workers, as a means to motivate the managers. However, the pay

gap was still capped. It was reported that the ceiling for the compensation level of top managers was capped at no higher than 5 times the average pay of workers (Zhao, 2004; Ding et al., 2006). Another report also disclosed that the pay gap between top management and normal employee was capped at up to 9 times in the SOEs in Beijing (Beijing Morning Post, 28th December 2008). Compared with Chinese SOEs, foreign companies, joint ventures and privately-owned companies tend to have a higher pay differential. However, it is limited as well. For example, in the study of Ding et al., (1997) it was revealed that in foreign-owned companies in China, the pay differential was limited. The salary levels for top managers ranged from RMB 1000 to RMB 8000 per month. Department manager salaries had the same range, while workshop manager salaries ranged between RMB 1000 to RMB 4500 per month.

The research results of the HRM Preferences Questionnaire also showed that Chinese employees had a relatively strong preference for the group-based bonus system (C14). Group-based bonus is a common practice in China and it could constitute a large proportion of the total compensation package. Goodall and Warner (1997) showed that bonuses existed in all joint ventures and were paid individually or collectively (based on both group and enterprise performance). In the study of Lewis (2002), it was revealed that a typical Chinese employee's salary in a large company (more than 7000 employees) had four elements: a monthly pay, a monthly production bonus, an annual profit-related bonus and an annual bonus. The production bonus and profit-related bonus equated to approximately 100% to 150% of the basic pay. Moreover, all bonuses were group-based, either on a workshop level or the corporate level. This group-based pay is very different from the practices in most Western countries where

pay is more likely to be individual-based, as was shown in the study of Brewster et al. (2007).

Third, the research results of the HRM Preferences Questionnaire showed that Chinese employees had a high expectation on the welfare package (C13), which indicates a strong influence of traditional personnel practices, especially the 'cradle to grave' welfare policy.

Unlike the salary system which has been reformed and become more performance-related, the welfare package remains comprehensive and generous for Chinese employees, partly influenced by traditional practices and partly for the tax issues. In some large SOEs, such as China Mobile there are around 30 types of welfare, ranging from an 'ice fee' in the summer, a 'warming fee' in the winter, to housing funds. The housing fund alone can easily increase the salary by 20%. In private companies, welfare is not that generous but still comprehensive. For example, in Huawei, there are subsidies such as free transportation, free meals, and a monthly 'company credit' worth around RMB 1000 (equivalent to 20% of a graduate's monthly salary in 2006) which can be used in a company-run refectory and supermarkets. Morris and Zhang (2001) and Ke and Morris (2002) reported that Chinese SOEs had an extensive welfare package. In the study of managerial compensation and benefits in companies of different ownership in China (Ding et al., 2006), various subsidies consisted of 5% to 14% of the salary. Health insurance, pension fund, unemployment fund and housing fund have become common practices in China regardless of ownership structure. On average, the housing fund was around 5% to 8% of the salary. In order to compete with Chinese companies, many foreign companies such as IBM, Microsoft

and Bell have redesigned their welfare policy, providing similar welfare such as interest free housing loans and other subsidies to remain competitive in the job market (Zheng, 2007). Gamble (2003) also reported that, influenced by Chinese practices, UK retail firms in China have started to provide reimbursement for medical care and meals.

8.3.5 Training

Before the 1978 economic reform, China had a dual training system, one for the workers and the other for the cadres (Brown and Branine, 1995). Like in other personnel practices, the Chinese government played a critical role in the design and employment of the training programmes. The Ministry of Labour was responsible for designing and delivering the training programmes for the workers, mainly in the form of technical school education and apprenticeships. Once the quotas of technical school graduates and apprentices were determined by the state, they would be allocated to the enterprises. On the other hand, the Ministry of Personnel and the Education Commission were responsible for the training programmes for the cadres. Most of the training programmes focused on ideology education and were very politically-oriented (Zhu, 2005). In this state-determined training system, the needs of both the enterprises and individuals were neglected, which further led to a shortage of qualified technical and managerial personnel in China (Child, 1994; Branine, 2005).

There is a widespread consensus that higher levels of training would lead to greater productivity and thereby contribute to economic growth (Storey et al., 2001). Since the 1980s, China has put great efforts to reform the traditional training system,

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learning from the Western countries. First, Chinese training system has moved away from a politically-oriented and technically-focused system to more market-oriented one, covering both technical skills and managerial skills. Since the 1990s, a vocational qualification verification system was established to promote vocational education. The aim of the government was to set up a German-style dual educational system which emphasizes both theoretical and vocational knowledge and skills (Child, 1994).

Second, the power of designing training programmes has been decentralized from the state to the enterprises. It started from the establishment of the China Enterprise Management Association (CEMA) in 1979, as the official organization to promote management education in China. Soon after that, a variety of management education and training programmes was introduced. Various training programmes were set up across China through universities and colleagues, many of them run with foreign partners. In-house training was also provided by skilled workers. Some enterprises, mostly Sino-foreign joint ventures, sent their managers abroad for further training (Branine, 2005). It was reported that over 8 million people have received some kind of technical and managerial training between 1979 and 1985 (Child, 1994).

Although there have been great developments in the Chinese training and development systems, there are marked difference between Chinese and Western training practices. First, there is a group orientation in the design of training and the allocation of training opportunities. As the research results of the HRM Preferences Questionnaire showed, there was a strong belief that company should provide training for all employees (T7), which is very different from the common Western practice that focuses on elite employees only. There was also a strong belief that allocation of

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training opportunities should be based on group needs (T6) and that the company should be responsible for the career planning of employees (T5) which is different from the individually-based training practice found in most Western countries. Empirically, Braun and Warner (2002) showed that internal training was the main training method in China, mainly in the form of on-the-job training, formal mentoring and coaching system and shorter-term assignments abroad. The Chinese HRM Development Survey (Lin et al., 2004) revealed that 'company internal training' was the most dominant training method regardless of location, ownership, size, and industry.

Second, the results of the HRM Preference Questionnaire showed that Chinese employees put a greater emphasis on technical training than managerial training (T2). This preference has support from empirical studies. For example, Child (1994) argued that whenever training was provided in China, technical skills rather than management skills were the focus. In the study of HRM in foreign companies and joint ventures in China, Bjorkman and Lu (1997) also reported that training tended to be focus on technical training over managerial training.

Third, there is a strong focus on job-specific skills training only. As was shown in the research results of the HRM Preferences Questionnaire, Chinese employees were more interested in improving job-specific skills only, especially those related to present job (T1), other training needs are overlooked. Both the employers and employees in China are eager to improve job-specific skills. On the employee side, they are facing a greatly enhanced competition in the labour market. From 1998 to 2003, the total number of university students increased from 1.08 million to 17

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million. This will approximately reach 30 million in 2010. In 2007, there were 5 million university graduates but 1.4 million of them could not find employment (Beijing Evening Post, 31st October 2007). The fierce competition in job markets makes Chinese employees eager to improve their job-specific skills to remain and compete in the workplace. On the other hand, on the employer side, they are facing a shortage of qualified professionals (Child, 1994; Gamble, 2006). As a response to that, some companies are keen on developing job-specific or company-specific training programmes because such practices restricting the employees' ability to find employment opportunities outside the company. In this regard, these companies use this kind of training programmes to retain their qualified professionals and minimize the turnover rate of the workforce (Ng and Siu, 2004).

Fourth, training in China tends to be unsystematic and short-term oriented. Child (1996) showed that few Chinese enterprises had systematic training and development programmes. The study of Morris and Shen (2002) also revealed that training remained underdeveloped and it tended to be short (two or three days) and often on-the-job. The Chinese HRM Development Survey (Lin et al., 2004) also showed that 'short term training' was the main training method in all Chinese enterprises. Moreover, only 48% of the enterprises assessed the results of training programmes. The reality is contradicting the expectation of Chinese employees, as was shown in the research results of the HRM Preferences Questionnaire. As was shown in the research results of the HRM Preferences Questionnaire, most Chinese employees believed that training should be systematic and continuous (T4). The gap between reality and employees' expectation indicates that there is a great need for Chinese employers to improve their training and development systems.

In this section, the main features of Chinese HRM have been discussed, based on the research findings of the HRM Preferences Questionnaires and examined by a series of empirical studies on Chinese HRM. In the next section, the convergent and divergent trend on Chinese HRM is discussed, followed by a discussion on the future of Chinese HRM.

8.4 WHAT IS THE FUTURE OF CHINESE HRM? CONVERGENCE OR DIVERGENCE

8.4.1 Is there any evidence of convergence?

According to convergence theory, driven by the market and technological forces, certain specific management functions and practices are necessary for administration and coordination in an industrialized economy. Moreover, as nations embrace capitalism, the value systems will change and become similar to that of main Western capitalist economies. As a result, management practices developed in Western cultures should be capable of generalization to other industrialized settings (Negandi, 1975; Pascale and Maguire, 1980; Brewster, 1999; Harris et al., 2003; Sparrow et al., 2004; Warner, 2008).

This argument looks valid in the Chinese context. In the last three decades, there have been progressive changes in the management of human resources in China. More and more Chinese companies are adopting contemporary Western HRM policies and practices (Brown and Branine, 1995; Hassard et al., 2004). Specifically, the role of the

HRM department and HR managers is changing. In the early 1990s, the role of the HRM department and HR managers in Chinese companies remained unchanged (Brown and Branine, 1995). Recent studies showed that the HRM department and HR managers in China have become more similar to their Western counterparts, involving a broad range of HRM issues such as formal planning, recruitment and selection, compensation, training and development (Ding and Warner, 1999; Zhao and Wu, 2003). A variety of market-oriented and Western-based mechanisms have been used not only in foreign companies and joint ventures but also in Chinese SOEs and private companies, covering recruitment and selection (Morris and Zhang, 2001; Morris and Shen, 2002; Ke and Morris, 2002; Zhu and Dowling, 2002; Hassard et al., 2004), performance appraisal (Child, 1994; Zhu, 2005), compensation (Ding et al., 1997; Verburg et al., 1999; Morris and Yang, 2002; Cheng and Yang, 2004; Zhao, 2004; Ding et al., 2006) and training and development (Child, 1994; 1996; Morris and Shen, 2002).

8.4.2 Will this process of convergence continue or stop?

Based on the theory of convergence, there will be a further convergence on HRM practices in China due to the increased competition in China, the influence of international organizations, the MNCs and JVs, and the need to compete internationally fuelled by China's accession to the WTO (Cooke, 2005). First, there will be further convergence on HRM practices between Chinese companies of different ownership. Ding et al. (2000) compared the HRM policies and practices in Chinese SOEs and Sino-foreign joint ventures, especially on the role of the personnel director, recruitment methods, labour turnover rate, average wages, the social security

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system and the functions of the trade union and worker's congress. Joint ventures had more effective employment systems, reward systems, social security systems, whereas SOEs had a stronger influence from trade unions and the worker's congresses. Other studies (Lu and Bjorkman, 1997; 1999; Ding and Akhtar, 2001; Braun and Warner, 2002; Hassard et al., 2004) also confirmed the differences in HRM policies and practices between companies of different ownership, in most cases the foreign companies and joint ventures tended to have more effective HRM practices than SOEs and private companies. This has put great pressure on Chinese SOEs and private companies, driving them continue to model the 'best practices' in foreign companies and joint ventures (Cooke, 2005). As a result, there will probably be a further internal convergence among companies in China.

Second, recent developments in Chinese laws and regulations indicate that there is very likely to be further convergence in the industrial relations and employment relations in China. According to the Chinese Trade Union Law (1992), the All China Federation of Trade Unions (ACFTU) is the only recognized trade union in China. A trade union branch should be set up in an enterprise and the enterprise should pay 2% of the monthly payroll of all employees to the ACFTU as a source of funding. In the past, the ACFTU played a facilitator role between the cadres and the workers and was essentially non-confrontational. The ACFTU was not seen as a main player in the companies (Brown and Branine, 1995). The union coverage varied significantly between companies of different ownership. The ACFTU virtually existed in all SOEs, most Collectively-Owned-Enterprises (COEs) and many private companies. However, the coverage of the ACFTU in foreign companies was low. It was reported that only 26% of the 150,000 foreign companies in China recognized the ACFTU in the

workplace (People's Daily, 9th August 2006). In other words, trade unions and collective bargaining did not exist in most foreign companies in China. Warner (2003) argued that the ACFTU would have less and less chance in entering Chinese companies, especially those in non-state sector. Despite ownership, location is the other factor that affects trade union coverage. Ding et al. (2002) reported that there were regional differences in terms of trade union coverage, with southern China tending to have lower trade union coverage than that of northern China.

However, there have been great changes in the strategy and policies of the ACFTU and Chinese government recently, with a particular focus on promoting the influence of the ACFTU in the workplace, especially in non-state sector. In 2006, well-known anti-union companies such as Wal-Mart and FedEx were requested by the Chinese government and the ACFTU to recognize the ACFTU in their Chinese outlets and pay the union fees, like their indigenous counterparts. They resisted but gave in eventually because of the great pressure from the public. Soon after that, the coverage of the ACFTU in foreign companies developed very fast. It was reported that 73% of the foreign companies in China had established trade unions by 2008, a significant increase from 26% in 2006 (China Daily, 20th September 2008). The ultimate goal of the ACFTU is to have trade unions in all companies by 2010 (The Economist, 31st July 2008).

Through the ACFTU, union members can negotiate collective contracts with their employers, terms including annual wage rise, minimum wage, working hours, paid vacations, social insurance contribution, and training. The new Chinese Labour Law (2008) also strengthens the protection on employees' rights. It includes provision

which require companies to consult employees on various work-related issues. Companies, especially foreign companies, now have to adjust their HR policies and practices to fit with the 'with unions' situation. As a result, it is expected that there will be further convergence on the employment relations in companies of different ownership, and between southern and northern China.

Third, there will be convergence on issues such as employment standards, working conditions, minimum wages, and equal opportunities in China. There are three main driving forces behind this: first, the growing pressure from international organizations such as the International Labour Organization (ILO) and the International Confederation of Free Trade Unions (ICFTU). Second, the Chinese government and the ACFTU have worked together to promote the workers' rights in the workplace, as was reflected in the new Labour Law and their recent actions. Third, some foreign companies, especially Western and Japanese MNCs have participated in promoting the employment standards and equal opportunities in China. As a business partner, Chinese companies are facing growing pressures from their foreign partners on issues such as working hours, minimum wages and working conditions.

8.4.3 Is there evidence of divergence?

Divergence theory believes that global diversity of management is unavoidable because of differing values and behaviours, differing stages of economic development and unevenly distributed global resources. It has been suggested that management practices should be adapted to the specific culture in which the business operates (Joynt and Warner, 1996; Warner, 2008).

As was shown in the results of the HRM Preferences Questionnaire and other empirical studies (Easterby-Smith et al., 1995; Bjorkman and Lu, 1997; Goodall and Warner, 1997; Ding and Warner, 2001; Morris and Zhang, 2001; Ke and Morris, 2002; Zhu and Dowling, 2002; Gamble, 2003; Hassard et al., 2004; Ding et al., 2006), many of the Chinese HRM policies and practices retain their own distinct features or characteristics such as the strong emphasis on ‘recruitment from within’ or ‘promotion from within’ policy; the maintenance of permanent employment; salary that takes into account soft factors such as seniority and loyalty; the mutual appraisal system but tends to excluding external participants and so forth.

8.4.4 Will this process of divergence stop, maintain or continue?

Based on divergence theory, many of the Chinese HRM practices will maintain their ‘Chinese characteristics’ due to the Chinese institutional factors and cultural values. First, there are significant institutional differences between China and Western countries. As the institutional perspective argues, organizations cannot be immunised from the institutional context in which they are embedded. Main institutions such as the political system, legal system, financial system and industrial relation system create the social organization of a specific society. The form these institutions take and their economic role shape the so-called ‘national business systems’, and then the norms and rules of such ‘national business systems’ influence the organization structure and managerial behaviours of the society in question (Whitley, 1992; Doremus et al., 1998; Warner, 2003).

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In the last three decades, China has moved from a centrally-planned economic system to a 'socialist market' system. The role of the Chinese government as a central planner which controlled every aspect of the political, legal, economic and social systems has been decreasing whereas its role as a regulator and economic manager has been increasing. However, the Chinese government still has a great influence and every step it takes leads to great changes in HRM. For example, when the government makes a new developmental strategy, a package of economic reforms is then implemented, which further leads to the changes in HRM. When market socialism was introduced in the 1980s, it soon led to great changes in management of human resources in China. In 1986, the Labour Law (1986) was implemented, a direct consequence was the breakdown of the old 'lifetime employment' systems. In 1992, when the 'three personnel reforms' was introduced, which involved the full implementation of labour contract, performance-related pay, and contributory social insurance were introduced, there was a dramatic change in the management of human resources in China (Warner, 1995; 2008).

Today, the Chinese government continues to play a central role in initiating the major economic and social reforms. Furthermore, China may look like a capitalist country in many ways, however, it is still a 'socialist country' led by a communist party and the official slogan is 'building socialism with Chinese characteristics'. The communist ideology has affected the Chinese political system, financial system, legal system and social system, in other words, the whole Chinese national business system.

As the institutional perspective predicts, these 'Chinese characteristics' in the national business system will further affect the HRM systems in China, making it different

from other countries. A typical example of the 'Chinese characteristics' of HRM is the new Chinese Labour Law (2008) which encourages a permanent employment policy. The other example is the Chinese Trade Union Law (1992) which only recognizes the All China Federation of Trade Unions (ACFTU) and includes provision that requires compulsory establishment of branches of the ACFTU in the enterprises. It was reported that the ultimate goal of the ACFTU is to have trade unions in all Chinese companies by 2010 (The Economist, 31st July 2008).

Second, there are significant differences in cultural values between China and Western countries. The cultural perspective argues that cultural values affect HRM at both the 'macro' and 'micro' levels. At the macro level, cultural values influence HRM theories and practices through the force of institutional factors. At the micro level, cultural values shape individual employee's work values and HRM preferences and further determine the extent to which these policies will actually function effectively (Budhwar and Sparrow, 2002). This has been discussed in Chapter 6. In the context of China, there is much evidence that traditional Chinese cultural values having a profound influence on HRM policies and practices (Warner, 2000; 2003).

China has a distinct pattern of cultural values. As was shown in Chapter 5, the cultural values of Chinese employees were different from that of Western employees, especially on collectivism/individualism, hierarchy, harmony, time orientation. There are changes taking place within Chinese society, for example, the younger generation has a stronger individualism than older generation. However, when compared with their Western counterparts, they still hold a relatively strong level of collectivism (Ralston et al., 1995; Lee, 1996; Ralston et al., 1999). As the cultural perspective

predicts, these significant differences in cultural values will inevitably lead to differences in HRM between China and other countries, or at least help China maintain its HRM 'with Chinese characteristics'.

8.4.5 A Chinese HRM model?

It is evident that many Chinese HRM policies and practices are becoming more strategic and many Chinese companies have benchmarked the 'best practices' used by Western and Japanese MNCs in China. However, most Chinese companies don't have a systematic HRM system. Moreover, Cooke (2005) argued that, given the fact that the majority of the jobs in China were relatively low-skilled and poorly paid, it would be unrealistic to expect a macro convergence towards the high-commitment model of HRM. One may expect that there could be further convergence towards the Western HRM policies and practices in the short term, but in the foreseeable future, it is unlikely that there will be a large scale convergence towards the Western HRM model. In other words, many of the HR practices will retain its Chinese features. It is hard to predict where Chinese HRM will advance in the long term but in the light of the discussion presented earlier, I would conclude by arguing that these features would remain as the main features of Chinese HRM.

First, Chinese HRM will maintain a high level of group orientation. As was shown in the research results of the HRM Preferences Questionnaire, the group orientation was reflected in nearly all main HR functional areas. For example, there was a great emphasis on 'recruitment from within', 'promotion from within', 'group-based performance appraisal', 'peer performance appraisal', 'compensation reflects internal

equality', 'group-based bonus', 'allocating training opportunities on group needs'. Empirically, a series of studies have showed that there is a strong group orientation in Staffing (Bian, 1994; Easterby-Smith et al., 1995; Ding et al., 1997; Whiteley et al., 2000; Zhu and Dowling, 2002), Performance Appraisal (Child, 1994; Easterby-Smith et al., 1995; Braun and Warner, 2002), Compensation (Ding et al., 1997; Goodall and Warner, 1997; Verbarg et al., 1999; Lewis, 2002; Morris and Shen, 2002; Zhao, 2004; Ding et al., 2006) and Training and Development (Braun and Warner, 2002; Lin et al., 2004). This group orientation has its roots in the communist education and the dominant Chinese cultural value of collectivism, which are unlikely to be weakened in the short term. Therefore, this group orientation will remain as a key feature of Chinese HRM.

Second, Chinese HRM will retain a great emphasis on 'soft' factors such as seniority, connections and loyalty, which is significantly different from the policies and practices in most Western countries where there is a great emphasis on 'hard' factors. As was shown in the research results of the HRM Preferences Questionnaire, many Chinese employees believed that selection should consider one's ability to maintain a harmonious relationship with others; that promotion should consider loyalty and seniority; that compensation should consider seniority. This strong emphasis on 'soft' factors was reflected in many empirical studies, covering both indigenous Chinese companies and foreign companies in China. For example, loyalty and harmonious relationship with others are commonly used criteria for Staffing (Easterby-Smith et al., 1995; Lewis, 2002; Morris and Shen, 2002; Zhu and Dowling, 2002), Performance Appraisal (Child, 1994; Easterby-Smith et al., 1995; Braun and Warner, 2002) and Compensation (Goodall and Warner, 1997; Jackson and Bak, 1998; Ding and Warner,

2001; Morris and Shen, 2002; Morris and Yang, 2002; Hassard et al., 2004; Zhu, 2005). This preference for 'soft' factors is partly influenced by the high level of collectivism, partly influenced by the traditional personnel practice. In last three decades, there have been great changes in the Chinese HR policies and practices but the great emphasis on 'soft' factors remained as a main feature of managing human resource in China. It is very likely that this preference will be retained in the future.

Third, if the current strategy and policies on protecting workers' rights were taken seriously, trade unions in China, the ACFTU, will gain much greater influence and become an essential player in the Chinese HRM. In the past, although the ACFTU is the only recognized trade union in China, it did not play an important role in the workplace (Brown and Branine, 1995), especially in protecting and advancing worker's interests (Cooke, 2005). More recently, the ACFTU, supported by the Chinese government, has put great effort to promote its influence in the workplace. The new Chinese Trade Union Law (2001) specifies new provision which aims at protecting union representatives' rights. Both the Chinese government and the ACFTU emphasize that it is unlawful to threaten or dismiss a workers' representative because of his or her union activities. In 2003, the ACFTU announced that it would attract rural migrant workers to join the unions and represent them. Soon after that, more than 34 million rural migrant workers had joined the ACFTU (Yangcheng Evening News, 24th September 2003). Between 1978 and 2008, the total number of trade union memberships in China has increased from 50 million to more than 200 million. By 2008, it was reported that the ACFTU had more than 1.7 million branches, covering nearly 4 million organizations. Through the trade union, more than 1 million collective contracts have been signed, covering more than 140 million employees in

nearly 2 million enterprises (China Youth Daily, 17th October 2008). Moreover, the new Chinese Labour Law (2008) has further strengthened the power of the ACFTU. As a result, the influence of the ACFTU has been greatly enhanced since the 2001 and the ambitious goal of the ACFTU is to have branches in all Chinese enterprises by 2010 (The Economist, 31st July 2008). The development trend of the trade unions in China is very different from that in most Western countries where the union memberships and the influence of the trade unions has been declining fast in last three decades (Verma and Kochan, 2004). If there was no significant change in the Chinese government's strategy, it is very likely that trade union will play a much more important role in the management of human resources and this could be one of the main features of Chinese HRM.

It is too early to argue that there will be a Chinese HRM model as HRM in China is still in its early development stage. But if there were a Chinese HRM in the future, it is very likely that 'group orientation', 'a great emphasis on soft factors such as loyalty and seniority' and 'a strong trade union' would be the three main features of Chinese HRM.

8.5 SUMMARY

In this chapter, based on the research findings of the present study, first, the development trend of Chinese cultural values has been discussed. With regard to the cultural dimension of 'Relations with the Environment', the 'Harmony' orientation will continue to grow. The 'Mastery' orientation would probably continue to grow as well, but not at a speed as high as the 'Harmony' value.

With regard to the cultural dimension of 'Relationships between People', In the short term, there will be little change in the level of 'hierarchy' and 'collectivism' as the driving forces behind these are unlikely to be weakened. Individualism is growing fast in China. However, it is unlikely that individualism would become the dominant cultural value in China.

With regard to the cultural dimension of 'Mode of activity', the 'doing' orientation is likely to grow in the future due to the greatly enhanced competition in Chinese labour market and the growing individualism and materialism in China.

With regard to the cultural dimension of 'Human Nature', it is likely that the neutral view on human nature would be maintained in the future.

With regard to the cultural dimension of 'Time Orientation', the 'past' orientation is likely to decline whilst the 'present' orientation will continue to grow in the long term.

Second, the main features of Chinese HRM have been discussed, based on the research results of the HRM Preferences Questionnaire, supported by other empirical studies. After that, a discussion on the development trend of Chinese HRM has been presented. Warner (2008: 772) pointed out when China started the economic reform, it had four options: first, leave everything unreformed; second, evolve indigenous forms; third, adapt Western management systems completely; fourth, adapt the Western management systems critically, using Western knowledge to implement an evolutionary change process but with the context of Chinese values. China adopted

the fourth option; and in doing so, looked to their cultural roots. This 'gradualist' approach to reform (Hassard et al., 2004) was then extended to every aspects of Chinese management.

It would be unrealistic to expect a macro convergence towards Western HRM models. However, inside China, there would be a further convergence of HRM between companies of different ownership, in the direction of HRM practices used in foreign companies in China. There would be a further convergence in the employment relations, employment standards, working conditions, minimum wages, and equal opportunities in China as a result of the recent legislative changes. On the other hand, Chinese HRM would retain its 'Chinese characteristics' due to the significant differences in the institutional systems and cultural values between China and Western countries. Influenced by the driving forces behind convergence and divergence, the most likely outcome is a 'hybrid' system which incorporates contemporary Western HRM practices and some traditional Chinese practices (Warner, 2008). But, 'group orientation', 'a great emphasis on soft factors' and 'a strong trade union' would be the three main features of Chinese HRM in the future.

Next chapter concludes the research. The main research findings, contributions, implications and limitations of this study are discussed.

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9.1 INTRODUCTION

This chapter concludes the research. First, the research findings on the cultural values and HRM preferences of Chinese employees, and the relationships between cultural values and HRM preferences are summarized. Second, a discussion of the contributions of this study is presented, followed by the implications for both HR practitioners and scholars. Third, the limitations of this study are presented and the suggestions for future research are presented.

9.2 SUMMARY OF THE RESEARCH FINDINGS

This study has provided a comprehensive analysis of Chinese culture. The research results showed that China had a distinct pattern of cultural values, indicating a large cultural distance between China and other countries and regions. For example, China has a ‘hierarchical collectivism’, which is different from not only the high individualism in most Western countries (Hofstede, 1980), but also the ‘individualistic-collectivism’ in Taiwan (Wu, 1999). The dominant ‘past’ orientation and ‘thinking’ orientations in China are also different from the ‘future’ and ‘doing’ orientations in Western countries (Hofstede, 1980; Lane et al., 2006). These cultural values have a strong influence on Chinese employees’ HRM preferences, as was discussed in Chapter 7.

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This study has explored the general HRM preferences of Chinese employees. The research results showed that in some areas, the HRM preferences of Chinese were similar to those in Western countries. For example, Chinese employees believed that the HR department should be involved in strategic planning and HR planning should be formal and conducted by HR specialists from the HR department. This indicates a changing view of the HR department and the role of HR managers among Chinese employees, from the traditional administrative personnel management to more strategic HRM. On the other hand, there were differences. For example, Chinese employees showed a strong preference for 'group-based' HR policies and practices such as group-based bonuses, group-based performance-related pay, pay for seniority and group-based allocation of training opportunities. These are different from the common HR practices in most Western countries (Torrington et al., 2008).

This study has identified the specific relationships between cultural values and HRM preferences. On one hand, it showed that cultural values had a great influence on HRM in China through shaping the HRM preferences. For example, a 'hierarchical collectivism' in China has led to the preference for a centralized decision making system and a group orientation in performance appraisal and pay design. On the other hand, it showed that some HRM practices were 'culture-free'. For example, cultural values had no predictive power on the preference for a flat organizational structure and the purposes of training.

In the following section, the main research findings of this research are summarized.

9.2.1 Research findings on the cultural values of Chinese employees

Based on the survey of 2852 Chinese employees from 102 companies in mainland China, the cultural value patterns of Chinese employees have been identified, using the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004). There are 5 cultural dimensions in this cultural framework: Relations with the Environment, Relationships between People, Mode of Activity, Human Nature and Time Orientation. The main research findings of the Chinese cultural values and HRM preferences and the relationships between cultural values and HRM preferences are summarized below:

Relations with the Environment

This dimension refers to the relations between human beings and the physical and social environments. It reflects ‘how people in a society ought to orient themselves to the world around them, and to the supernatural’ (Lane et al., 2006). There are three orientations: Subjugation to the Environment (SE), Harmony with the Environment (HE) and Mastery over the Environment (ME). These three orientations could be observed at the same time in most cultures. However, there is usually a dominant orientation in a particular society.

The research results in this study showed that, ‘harmony with the environment’ was the most dominant cultural value in guiding Chinese people’s attitude towards social environment and physical environment, which indicates that in the workplace, Chinese people would put a great emphasis on keeping a harmonious relationship

between colleagues. 'Mastery over the environment' was the second dominant cultural value in Chinese society. 'Subjugation to the environment' was removed from the data analysis because of low reliability.

Relationships between people

This dimension refers to the relationships between people. It defines how individuals should relate to the others, what responsibilities one has for others and how one defines his or her interpersonal relationships. There are three variations in this dimension: Individualistic Relationships (IR), Collectivistic Relationships (CR) and Hierarchical Relationships (HR).

The research results showed that, first, individualism (IR) was the least dominant cultural value in guiding Chinese interpersonal relationships. Second, China had a relatively high level of collectivism (CR), which indicates that there could be a group orientation in the workplace. On the other hand, this also indicates preferences could be given to the members of the in-groups. Third, hierarchy (HR) had overtaken collectivism to become the most dominant cultural value in this dimension, which indicates that power distance in the Chinese workplace is expected to be large. Overall, China had a dominant value of 'hierarchical collectivism' which is very different from 'individualistic collectivism' observed in Taiwan (Wu, 1999).

Mode of Activity

This dimension deals with the focus of activity. It asks the question of ‘what is the best mode of activity’, ‘how should one engage in activity and how should we expect others to act?’ (Lane et al., 2006). Three variations in this dimension are: Being Orientation (BO), Doing Orientation (DO) and Thinking Orientation (TO).

The research results showed that, Chinese employees had a relatively high level of the ‘doing’ orientation (DO), which indicates a relatively high level of materialism in Chinese society. This also implies a relatively strong emphasis on working hard, achievements and accomplishments in China. However, the most dominant value in this dimension in China was the ‘thinking’ orientation (TO), which indicates the strong emphasis on rational thinking and planning in Chinese society. The ‘being’ orientation (BO) was removed from the data analysis because of low reliability.

Human Nature

This dimension reflects the belief in the fundamental nature of human beings. The research results showed that Chinese employees generally held a neutral view of human nature but with a slightly heavier weight in believing in ‘human nature is basically bad’.

Time Orientation

This dimension reflects the general attitude towards time. Three variations in this dimension are: Past Orientation (PaO), Present Orientation (PrO) and Future Orientation (FuO). The research results showed that the 'present' orientation was the least dominant value in Chinese society, which indicates that Chinese employees are less likely to focus on immediate or short term needs. The second dominant value was the 'future' orientation, or long term orientation, which indicates that Chinese employees tend to focus on long term needs and they are likely to sacrifice current needs for long term goals. However, the most dominant value in China was the 'past' orientation, which indicates that when Chinese encounter problems, they are likely to look back at the traditions and customs for answers and advices.

9.2.2 Research findings on the HRM preferences of Chinese employees

The second research objective of this study is to explore the HRM preferences of Chinese employees. The HRM Preferences Questionnaire (HRMPQ) covers five main HRM functions: Planning, Staffing, Performance Appraisal, Compensation and Training. In total, 45 pairs of HRM preferences have been tested.

The research results showed that, in terms of Planning, Chinese employees favoured a 'formal HR planning system conducted by HR specialist from the HR department'. They also believed that the HR department should be involved in the company's strategic planning process. Both preferences indicate a changing view of the role of

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HR managers and the HR department in China. Chinese employees believed that 'HR planning should focus on long term needs', that 'job analysis is very important', that 'job instructions should be comprehensive and strictly followed', that 'selection criteria should be explicit and strictly applied' and that 'management levels should be minimized, making the company structure flat'. Contradicting with the high level of collectivism in China, Chinese employees preferred a job design that 'avoids cross departmental cooperation'.

In terms of Staffing, first, Chinese employees showed a high level of group orientation. They believed that company should adopt 'recruitment from within' or a 'promotion from within' policy and 'make career paths narrow and encourage transfer within the same functional department'. Second, 'transparency' was highly emphasized. There was a strong belief that 'recruitment criteria should be made very clear to job applicants' and that 'promotion criteria should be explicit and open'. Third, there was a relatively high level of emphasis on achievements and abilities. It was generally believed that 'selection should be mainly based on hard criteria such as qualifications and degrees' and that 'promotion should be mainly based on achievements and abilities'. Last, there was a strong emphasis on 'using various tests as main selection method'.

In terms of Performance Appraisal, first, there was a group orientation. Chinese employees generally believed that 'employees should be consulted in designing appraisal system', that 'appraisal should be group-based', that 'performance should be reviewed by not only supervisors but also colleagues' and that 'appraisal should be conducted internally within the company'. Second, Chinese employees believed that

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'appraisal of behaviours which focuses on how things are done rather than how many things are done', that 'the primary objective of appraisal is for pay rise or promotion', that 'appraisal should be occasionally-based' and that 'the results of appraisal should be kept confidentially between managers and the individual'.

In terms of Compensation, first, there was a strong group orientation. Chinese employees believed that 'seniority and age should be included as determinants of compensation', that 'the company should reward long term service', that 'compensation should be standardized', that 'compensation should reflect internal equality' and that 'bonus should be group-based'. Second, there was a strong emphasis on short term monetary rewards. Chinese employees believed that 'monetary rewards are very important' and 'the company should provide short term incentives such as cash payment'. Third, Chinese employees believed that 'salary should be associated with performance', that 'compensation should take into account qualifications and degrees', that 'the company should disclose individual's compensation level' and 'offer high level of employment security'. Chinese employees also had a neutral view of 'management privileges' and 'a high expectation of the welfare package'.

In terms of Training, first, there was a strong group orientation. Chinese employees believed that 'training is based on the companies' needs', that 'the allocation of training opportunities should be based on group needs', that 'the company should not provide training for key employees only' and that 'the company should be responsible for the employees' career path planning'. Second, although there was a belief that 'training should be systematic and continuous', there was a tendency to overlook the

developmental and communication aspect of training. Chinese employees tended to believe that ‘training is to improve skills for present job’ and that ‘the main purpose of training is to improve technical skills’.

9.2.3 Research findings on the relationships between cultural values and HRM preferences

The third research objective is to test if there are specific relationships between cultural values and HRM preferences. If there were, the study would continue to explore how much predictive power of each cultural value has on HRM preferences.

A preliminary analysis on the relationships between cultural values and HRM preferences has been conducted, using the Pearson Correlation analysis. The research results showed that there were strong and close relationships between cultural values and HRM preferences. Overall, 35 out of 45 HRM preferences (78%) were strongly correlated with 11 cultural values. Next, a Multiple Regression analysis of cultural values on HRM preferences has also been conducted, with the control variables of gender, age, educational level, job grade, tenure, firm size, state ownership and foreign ownership. The research results showed that 11 cultural values had predictive power on 31 out of the 45 HRM preferences (69%). The detailed discussion of which cultural value have predictive power on which HRM preferences has been presented in Chapter 6.

9.3 CONTRIBUTION

This thesis has made a series of academic contribution. First, this study is the first one exploring the relationships between cultural values and HRM preferences in mainland China. One way to study the influence of culture on HRM is studying the relationships between cultural values and HRM preferences (Budhwar and Sparrow, 2002). This has been done in a number of settings such as Taiwan (Sparrow and Wu, 1998), Kenya (Nyambegera et al., 2000) and Sri Lanka (Chandrakumara and Sparrow, 2004) but never in mainland China before.

Second, this study has explored the relationships between HRM preferences and a new cultural dimension: the Time Orientation. Three variations in this cultural dimension are: 'past orientation', 'present orientation' and 'future orientation'. This cultural dimension is one of the main dimensions of the cultural framework of the Cultural Value Orientations Framework (Maznevski and DiStefano, 2004) but it was not included in the previous versions of the Cultural Perspective Questionnaire. As a result, there was no research on the relationships between HRM preferences and the cultural dimension of time. In the present study, the latest version of the Cultural Perspective Questionnaire (CPQ8) was used, which included the cultural dimension of 'Time Orientation'. This study is the first one to explore the influence of time orientation on HRM preferences. Therefore, this study made a great contribution to the research on culture and management by extending the study to mainland China and providing a more comprehensive analysis of the relationships between cultural values and HRM preferences.

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Third, this study is one of the few studies focusing on the cultural values in mainland China. Many studies on Chinese culture have used Hong Kong or Taiwan as an example of Chinese culture, including some influential studies such as the work of Hofstede (1980) which only collected data in Hong Kong and Taiwan. However, although sharing the same cultural roots, mainland China has very different political and social system, as a result, differences in cultural values between mainland China, Hong Kong and Taiwan are expected. This mainland China-focused study has provided first-hand information on the cultural value patterns of mainland Chinese employees, and the variations between different demographic groups.

Fourth, this study provides up-to-date (2005-2006) information on Chinese cultural values. Many of the studies on Chinese culture were conducted in the 1980s or 1990s. However, China has gone through dramatic changes in last three decades which is very likely to have caused some changes in the cultural value patterns. In this regard, this study made a contribution by providing the up-to-date information on the cultural values of Chinese employees.

Fifth, this study has provided quantitative information on Chinese culture. Many of the studies on Chinese culture were qualitative-based, using observations, interviews or qualitative assessments. There have only been a few quantitative studies. Of the quantitative studies, few of them had a sample size of more than 500. In this study, 2852 useable questionnaires were collected. Compared with previous studies, this is a large scale research project. This research made a great contribution to the study of Chinese culture by adding a large quantitative-based study.

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Sixth, this study has illustrated the differences in cultural values between the different demographic groups in China. Comparisons were made by gender, age and educational level. The information should help us develop a more comprehensive and deeper understanding of Chinese culture.

Seventh, this study has illustrated the general HRM preferences of Chinese employees. Although there have been many studies on Chinese HRM, most of them have examined it from the employer side, normally based on surveys of, or interviews with, HR managers. The opinions of normal employees have been generally neglected. In this study, a broader range of employees was covered. Through the HRM Preferences Questionnaire, Chinese employees' general expectations on HRM policies and practices have been identified and discussed. This has provided useful information for companies and HR practitioners when they are considering adjusting their HR systems.

Eighth, the relationships between culture and HRM have attracted considerable attention. This study has added another level of specificity by identifying the relationships between each cultural value and specific HRM preferences. This study has showed there are strong and close relationships between cultural values and HRM preferences. Cultural values have great predictive power on HRM preferences in China.

9.4 IMPLICATIONS

This study has several implications for both HR practitioners and scholars. First, the MNCs and international HR practitioners should develop a high level of cultural awareness when they are dealing with Chinese employees. They should realize that, due to the large cultural differences, Chinese employees may have very different expectations from the company and their leaders. For example, influenced by the high 'hierarchy' value, Chinese employees may expect a more clear-cut organizational structure so that they know who they should report to and whom they should take care of. They may expect more frequent and close social interactions with their supervisors after work, influenced by a high level of collectivism. There is a danger of demotivating Chinese employees if little attention was paid to these cultural preferences. By contrast, a high level of cultural awareness could help international managers gain the trust of Chinese employees, helping them build a committed workforce.

Second, the MNCs and international HR practitioners should be prepared to adjust their HRM policies and practices because Chinese employees had distinct HRM preferences. Some of the adjustments may be larger than they expect. For example, they may need to include seniority as a determinant of compensation in China, whereas such a practice is very likely to lead to lawsuits if it was used in the UK as it is against the UK Equal Opportunity Act (1995). They may need to adopt a 'promotion from within' policy for management positions or a 'group-based' bonus system in China, whereas these practices may not be common practices in their home country. When providing training programmes, they may find that Chinese employees

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are more used to a highly tutor-centred approach rather than a learner-centred one. The success of these adjustments, or 'localization', depends on a good understanding of the cultural values and HRM preferences of Chinese employees, as well as local legal requirements, traditions and customs. On the other hand, as was shown in Chapter 6, some HRM practices tended to be 'culture-free'. For these 'culture-free' practices, there could be less resistance from the employees. In other words, MNCs and the international managers may be able to apply their 'best practices' in these areas, achieving a 'standardization' of their international management policies and practices.

Third, the MNCs and international HR practitioners could also use some features of the Chinese culture or Chinese employees' HRM preferences to gain a competitive advantage. For example, the group orientation among Chinese employees could be a good starting point for promoting teamwork in the workplace. It could also be a source of keeping labour turnover rate low. The MNCs and international managers could also use the variations in cultural values between the different demographic groups to gain a competitive advantage. For example, China's younger generation has a fast growing individualism. The MNCs and international managers can then use a more individually-based performance-related pay or bonus to attract, retain and motivate their younger employees.

Fourth, Chinese companies should realize that being a Chinese organization does not necessarily mean that they have a good understanding of Chinese culture and their employees' expectations. They should not assume that they have no cultural issues when managing Chinese employees. As was shown in Chapter 5, there were

differences in cultural values among the different demographic groups, especially between the younger and older generations. The variations in Chinese cultural values imply that the companies may need to adjust their HR policies and practices according to the main features of their workforce. Moreover, when Chinese companies are benchmarking 'international best practices', which in most cases refers to HRM practices in the Western MNCs, they should keep in mind that these 'best practices' might not meet, or even contradict, the expectations of their employees.

Fifth, the influence of cultural values on HRM should neither be over-simplified nor be over-exaggerated. This study has showed that the relationships between culture and management are strong and close. On one hand, this reminds us the importance of understanding cultural values in managing human resources. On the other hand, this study has showed that some HR practices tend to be 'culture free'. In other words, other forces are influencing HR policies and practices as well. This indicates the importance of studying the influences of other factors on HRM. What are these factors? How these factors interact with culture? Is it possible to build a more comprehensive model to study how different factors influence HRM?

9.5 LIMITATIONS

This study has made a great contribution to the study of culture and HRM by providing an up-to-date analysis on the cultural values and HRM preferences of Chinese employees, and the relationships between cultural values and HRM preferences. First, it has illustrated the general cultural value patterns of Chinese people. Comparisons of the differences in cultural values in the different demographic

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groups have also been made. Second, it has analyzed the general HRM preferences of Chinese employees, illustrating Chinese employees' general expectations on HRM policies and practices. Third, it has identified the specific relationships between cultural values and HRM preferences, showing that cultural values do have great impact on HRM preferences. However, there are certain limitations.

First, compared with most studies on culture and HRM in China, this study is a relatively large research project. It covered 102 companies under different ownership, located in different parts of China and all of them with at least 200 employees. In total, 2852 usable questionnaires were collected. However, compared with previous large scale studies (Hofstede, 1980; Trompenaars, 1993), this remains a relatively small project, which calls for a large scale study in the future.

Second, due to the time and resource restrictions, no data was collected in Hong Kong and Taiwan. Although sharing similar cultural roots, there are great differences in political and social systems between mainland China, Hong Kong and Taiwan. Therefore, the results generated from this study are not applicable to Hong Kong and Taiwan.

Third, most respondents are from companies in more economically-advanced cities in China. Most of them are from Beijing, Shanghai and coastal cities. Therefore, attention should be paid when applying the research results to inland and less developed areas.

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Fourth, the respondents in this research are mainly young Chinese who are younger than 40 years old (85.5%), had received a higher education (71.4%), and carried out some management responsibilities (75.9%). Therefore, we should pay great caution when applying the research results to other less-represented groups such as the older and less educated groups.

Fifth, in this study, demographic information such as gender, age, educational level, job grade, ownership structure and company size have been collected and used as the control variables in order to provide a more comprehensive analysis of cultural value patterns and the relationships between cultural values and HRM preferences. However, factors such as 'industry' and 'location' were not included due to the difficulties in gaining research access to some industries and locations.

Sixth, this study has illustrated the cultural value patterns of Chinese employees. However, it did not show how cultural values were developed and change. Therefore, a longitudinal study is needed in the future to see how cultural values evolve.

Seventh, due to the time and resource restrict, this study used a survey-based research method only. There is a need to incorporate qualitative methods such interviews to provide a more comprehensive picture of Chinese cultural values and HRM preferences.

Eighth, this study has identified the specific relationships between cultural values and HRM preferences, showing that cultural values do shape HRM preferences. However,

the adjusted R square values were relatively low, ranging from 1% to 10%, which indicates that cultural values had a limited predictive power on HRM preferences.

Ninth, this study collected questionnaire at the individual level. As Parker et al., (2003) point out, when measuring at the individual level, there is a possibility that the study is capturing climate rather than culture.

9.6 SUGGESTIONS FOR FUTURE RESEARCH

First, future studies may include 'location' and 'industry' as the control variables to explore if there are significant differences in cultural values and HRM preferences between Northern and Southern China, between more economically-advanced areas and less economically-advanced ones and between employees work in the different industries.

Second, future studies may include Taiwan and Hong Kong so that a comparative analysis could be made between the Greater China areas. Similarly, studies may be conducted in other nations or cultures so that cross national or cross cultural comparative comparisons could be made.

Third, future studies may include a longitudinal study on cultural values, showing how cultural values are developed and evolve. This should help us gain a better and deeper understanding of cultural values.

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Fourth, the latest Cultural Perspective Questionnaire (CPQ8) was used in the present study. Compared with previous versions, such as the CPQ4 used by Sparrow and Wu (1998), the CPQ8 included more items, measuring a new dimension of 'Time Orientation'. Overall, it has showed a high level of reliability and validity. However, the relatively low Cronbach's Alpha values and the Inter-item Correlations values in some scales such as SE, HR and CR indicate that there is still room for improvement.

Fifth, considering the nature of the study of culture, future studies may include a more representative group of respondents to avoid potential bias and gain a better understanding of Chinese culture.

Sixth, due to the time and resource constraints, this study adopted a quantitative-based method only. In the future study, a triangulation method should be adopted, combining quantitative and qualitative methods, in order to obtain a more balanced view on cultural values, HRM preferences and the relationships between them.

Seventh, the adjusted R square values were relatively low in the present study, indicating that cultural values can only predict HRM preferences at a limited extent. Therefore, future study should incorporate other factors such as political factors, location, industry, profession to capture a more comprehensive and accurate prediction on HRM preferences.

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Appendix 1 Questionnaire – English version
the Cultural Perspective Questionnaire (CPQ8) and the Human Resource
Management Preferences Questionnaire (HRMPQ): English Version

To whom it may concern,

Thank you very much for participating in this research ‘Chinese employees’ cultural values and Human Resource Management Preferences’. The main purpose of this survey is to study the cultural values and Human Resource Management preferences among Chinese employees. This research is for academic purpose only. The questionnaire should be completed anonymously. If you have any suggestions for this survey, please don’t hesitate to contact us.

Best wishes

Ziming CAI

PhD candidates

Cardiff Business School, Cardiff University, UK

Contact Address (China): *****

Telephone: *****

Email: *****

Part I: Cultural Perspective Questionnaire

Different people have different perspectives on how we relate to each other and the world around us. All of these perspectives are valuable. Differences in perspectives have the potential to bring new and better solutions to organizational problems. In this survey, you will see a series of statements. Please show the extent to which you agree with each by marking a number from 1 to 7. Here are two examples:

		Strongly Disagree	Disagree Somewhat	Disagree a Little	Neither Agree nor Disagree	Agree a Little	Agree Somewhat	Strongly Agree
Ex	It is important to be able to play the piano	1	2	3	4	5	6	7
Ex	The drum should always be heard loudly in music	1	2	3	4	5	6	7

This person “Strongly Agrees” it is important to be able to play the piano, and “Disagrees a Little” that the drum should always be heard loudly in music.

There are no wrong responses to any of these statements; it is most important that you record your own true ideas for each one. For each of these statements, some people agree strongly, others disagree strongly, and still others fall between these two extremes. All of these perspectives add important value to organizations.

Part A: What people do and how they do it.		
1	Regardless of the situation, it is always worth the extra time it takes to develop a comprehensive plan.	1 2 3 4 5 6 7
2	A realistic time horizon for organizational planning is five years or more.	1 2 3 4 5 6 7
3	What the future holds is more important than what happens today.	1 2 3 4 5 6 7
4	People should work only when they feel like it.	1 2 3 4 5 6 7
5	Leisure and play should wait until after work has been done.	1 2 3 4 5 6 7
6	Time away from work is best used to accomplish something.	1 2 3 4 5 6 7
7	Hard work is rewarding in itself.	1 2 3 4 5 6 7
8	A realistic time horizon for organizational planning is one year or less.	1 2 3 4 5 6 7

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9	The best decision is the most logical one.	1 2 3 4 5 6 7
10	It is always better to stop and plan than to act quickly.	1 2 3 4 5 6 7
11	Decisions should be made based on analysis, not intuition or emotion.	1 2 3 4 5 6 7
12	People should show their emotions freely.	1 2 3 4 5 6 7
13	When allocating resources in an organization, it is very important to base the decisions on current and short-term needs.	1 2 3 4 5 6 7
14	It is important to honor traditions.	1 2 3 4 5 6 7
15	People should only do what they really enjoy.	1 2 3 4 5 6 7
16	People always need to approach life thoughtfully.	1 2 3 4 5 6 7
17	When allocating resources in an organization, it is very important to base the decisions on long term future needs.	1 2 3 4 5 6 7
18	It is usually better to act quickly than to take too long to think something through.	1 2 3 4 5 6 7
19	Taking action is often more important than worrying about how people feel about a decision.	1 2 3 4 5 6 7
20	Today is more important than yesterday and tomorrow.	1 2 3 4 5 6 7
21	Being flexible is more important than working to a schedule.	1 2 3 4 5 6 7
22	Decisions should be analyzed from every possible angle before they are implemented.	1 2 3 4 5 6 7
23	People should always take into account the past when making decisions about the future.	1 2 3 4 5 6 7
24	Taking the necessary time to do things is more important than meeting deadlines.	1 2 3 4 5 6 7
25	It is more important to enjoy life away from work than to enjoy work itself.	1 2 3 4 5 6 7
26	People accomplish important things when they work hard.	1 2 3 4 5 6 7
27	People should maintain a focus on today and the near future, rather than worry about the distant future.	1 2 3 4 5 6 7
28	People should live for the moment as much as possible.	1 2 3 4 5 6 7
29	People should always think carefully before they act.	1 2 3 4 5 6 7
30	People should always look ahead rather than worry about today or yesterday.	1 2 3 4 5 6 7
31	People prefer jobs that are meaningful and important.	1 2 3 4 5 6 7
32	When allocating resources in an organization, it is very important to base the decisions on past	1 2 3 4 5 6 7

	experiences and trends.	
33	It is possible to move forward only if we understand the past.	1 2 3 4 5 6 7
34	The most successful people are the ones who always carefully reflect on the meaning of their actions.	1 2 3 4 5 6 7
35	Plans should always be changed if more interesting possibilities arise.	1 2 3 4 5 6 7
36	Hard work almost always leads to success.	1 2 3 4 5 6 7
Part B: How people relate to each other.		
37	People can be trusted to do the right thing.	1 2 3 4 5 6 7
38	The interests of the family as a whole are more important than the interests of any individual within the family.	1 2 3 4 5 6 7
39	People should satisfy their own needs before they think about others' needs.	1 2 3 4 5 6 7
40	People at higher levels should make significant decisions for people below them.	1 2 3 4 5 6 7
41	All members of the group should be mutually responsible for each other.	1 2 3 4 5 6 7
42	People should expect to look after themselves.	1 2 3 4 5 6 7
43	It is hard for people to be good.	1 2 3 4 5 6 7
44	People who rely only on themselves will usually be successful.	1 2 3 4 5 6 7
45	People at higher levels of an organization must look after those below them.	1 2 3 4 5 6 7
46	People at lower levels in a group or organization should carry out the decisions of people at higher levels.	1 2 3 4 5 6 7
47	The hierarchy of groups in a society should remain consistent over time.	1 2 3 4 5 6 7
48	Young people should be taught to be independent.	1 2 3 4 5 6 7
49	Everyone's responsibility is to do what is best for society as a whole.	1 2 3 4 5 6 7
50	People at higher levels should expect to have more privileges than those at lower levels.	1 2 3 4 5 6 7
51	Society as a whole should be responsible for helping anyone who needs help.	1 2 3 4 5 6 7
52	People's first responsibility is to themselves, not to others.	1 2 3 4 5 6 7
53	People cannot expect others to be good.	1 2 3 4 5 6 7
54	It is important not to depend on other people.	1 2 3 4 5 6 7

55	People's responsibility for family members should go beyond their parents and children.	1 2 3 4 5 6 7
56	One should not expect others to look out for one's own interests.	1 2 3 4 5 6 7
57	People at lower levels in an organization should not expect to have much power.	1 2 3 4 5 6 7
58	People only do bad things when they have no other choice.	1 2 3 4 5 6 7
59	People are expected to give priority to their own needs over those of others.	1 2 3 4 5 6 7
60	People are basically good.	1 2 3 4 5 6 7
61	One's primary responsibility should be to family and close friends, including one's extended family.	1 2 3 4 5 6 7
62	People should take care of others before taking care of themselves.	1 2 3 4 5 6 7
63	The interests of the group take priority over the interests of any individual within the group.	1 2 3 4 5 6 7
64	Organizations work best with clear and formal hierarchies.	1 2 3 4 5 6 7
Part C. How people think about the environment in which they act.		
65	Good performance comes from a perfect fit between the organization and its environment.	1 2 3 4 5 6 7
66	Organizational success is largely determined by natural or supernatural forces.	1 2 3 4 5 6 7
67	The most successful businesses are always changing things, even if performance is satisfactory already.	1 2 3 4 5 6 7
68	People need to fulfil the role meant for them, rather than try to determine their own destiny.	1 2 3 4 5 6 7
69	Good managers make changes only when they understand the implications for the whole organization.	1 2 3 4 5 6 7
70	If things are going well, people should not upset the harmony.	1 2 3 4 5 6 7
71	Given enough time and resources, people can do almost anything.	1 2 3 4 5 6 7
72	It is important for people to be in control of the events around them.	1 2 3 4 5 6 7
73	Changing one part of an organization will lead to improvement only if consistent changes are made throughout the organization.	1 2 3 4 5 6 7
74	The outcomes of most events are predetermined.	1 2 3 4 5 6 7
75	People should live in harmony with nature.	1 2 3 4 5 6 7
76	No matter how hard people work towards a goal, they will only achieve it if it is their destiny.	1 2 3 4 5 6 7

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77	Businesses that do not change enough will end up with lower performance.	1 2 3 4 5 6 7
78	People can fix almost any problem they face if they use the right methods.	1 2 3 4 5 6 7
79	People should realize they do not have control over events in their lives.	1 2 3 4 5 6 7
80	Good managers take active control of problem situations and resolve them quickly.	1 2 3 4 5 6 7
81	The most successful businesses control their own environment.	1 2 3 4 5 6 7
82	It is critical to maintain harmony in social situations.	1 2 3 4 5 6 7
83	Good performance comes from tight control over business processes.	1 2 3 4 5 6 7
84	The most effective businesses work in harmony within their environment.	1 2 3 4 5 6 7
Part D. Your own culture.		
85	In which country were you born?	
86	Have you always lived in the country in which you were born?	Yes (go on to 92) No (please answer questions below)
	a. In which countries have you lived for one year or longer?	
	b. In which country have you lived longest?	
	c. In which country do you live now?	
87	Which culture do you feel closest to?	The country in which you were born The country in which you have lived the longest The country in which you live now Other – Please indicate
88	Are you female or male?	Female Male
89	To which age category do you belong? 25 or younger 26 to 30 31 to 35 36 to 40 41 to 45 46 to 50 51 to 55 56 to 60 61 to 65 66 or over	
90	Counting from the first year of formal education you attended when you were a child, approximately how many years of formal education have you had?	0 1-6 (primary) 7-9 (middle school) 10-12 (high school) 13 (college or above)
91	What is your occupation?	
92	What is your 'job-level' in the organization you work for? Please mark one:	Non-management Lower management

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		Middle management Top management
93	How many years have you worked full-time?	
94	How many years have you worked in the organization you work for now?	
95	What is the ownership of the organization you work for:	SOE COE FOE JV POE Others
96	How many employees in your organization:	Fewer than 200 200—500 500—1000 1000 or above

Part II Human Resource Preferences Questionnaire

In this part, you will see pairs of Human Resource Management policies or practices. There is no right or wrong answer. Please show the extent of your preferences by marking a number from 1 to 7. If you prefer the left-hand side policies or practices, please circle 1, 2 or 3, the lower the number, the stronger the preferences. If you prefer the right-hand side policies, please circle 5, 6 or 7, the higher the number, the stronger the preferences. If you choose 4, that means you show no particular preference for these policies or preferences.

	Planning	
Formal HR planning system conducted by HR specialists from the HR department	1 2 3 4 5 6 7	Informal HR planning system depends on interdepartmental cooperation and communication
HR department should be involved in the company's strategic planning	1 2 3 4 5 6 7	HR department should focus on basic personnel management
HR planning should focus on short term needs; a realistic time horizon for HR planning is one year or less	1 2 3 4 5 6 7	HR planning should focus on long term needs; a realistic time horizon for HR planning is five years or more
Job analysis is very important	1 2 3 4 5 6 7	Job analysis is not important
Selection criteria for the post should be explicit and strictly applied	1 2 3 4 5 6 7	Selection criteria are just for reference purpose; if he/she can complete the job then those criteria do not matter
Job instructions should be comprehensive and strictly followed	1 2 3 4 5 6 7	Job instructions should be broad, allowing employees to determine how to complete the job
Make company structure flat, minimize management levels	1 2 3 4 5 6 7	Just maintain current company structure
Job design should avoid cross-departmental cooperation	1 2 3 4 5 6 7	Job design should encourage cross-departmental cooperation
	Staffing	
Make recruitment criteria very clear to all job applicants	1 2 3 4 5 6 7	No need to make recruitment criteria very clear to all job applicants
Use various selection methods (interviews, exams, psychological tests etc.) in recruitment	1 2 3 4 5 6 7	Use simple selection methods such as interviews in recruitment
Fill a job vacancy internally before considering external applicants	1 2 3 4 5 6 7	Select the 'best' candidate for a job vacancy regardless of internal or external source
Fill a management vacancy by promoting from same department	1 2 3 4 5 6 7	Fill a management vacancy by the 'best' candidate
Make selection emphasize on	1 2 3 4 5 6 7	Make selection emphasize on 'soft'

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'hard' criteria such as applicant's qualifications and degrees		criteria such as applicant's ability of teamwork and maintain a harmonious relationship with others
Make promotion criteria explicit and open	1 2 3 4 5 6 7	Make promotion criteria implicit, allow managers to determine promotion based on circumstances
Make career path broad, encourage transfer between different functional departments	1 2 3 4 5 6 7	Make career path narrow, encourage transfer within the same functional department
Promotion mainly determined by achievements and abilities	1 2 3 4 5 6 7	Promotion mainly determined by loyalty and seniority
Appraisal		
'Appraisal of results', focus on how many things have been done	1 2 3 4 5 6 7	'Appraisal of behaviours', focus on how things have been done
The primary objective of appraisal is to help employees identify their weaknesses and improve their performance	1 2 3 4 5 6 7	The primary objective of appraisal is to provide criteria for pay rise and promotion
Disclose appraisal results to all employees	1 2 3 4 5 6 7	Keep appraisal results confidential, only be known between manager and the individual
Employees should be consulted in designing appraisal system	1 2 3 4 5 6 7	Managers determine appraisal system
Make appraisal frequent such as monthly or weekly based	1 2 3 4 5 6 7	Make appraisal occasional such as quarterly or yearly based
Make appraisal individual-based	1 2 3 4 5 6 7	Make appraisal group-based
Appraisal should be conducted internally within the company	1 2 3 4 5 6 7	Appraisal should invite external appraisers
An employees' performance should be reviewed by his/her supervisors (downward appraisal)	1 2 3 4 5 6 7	An employee's performance should be reviewed by his/her subordinates or colleagues (upward appraisal)
Compensation		
Salary should be associated with hierarchy: the higher the position, the higher the salary	1 2 3 4 5 6 7	Salary should be associated with performance: the better the performance, the higher the salary
Disclose individual's compensation level	1 2 3 4 5 6 7	Keep individual's compensation level confidential
Performance determines compensation	1 2 3 4 5 6 7	Compensation should take into account other factors such as seniority and age

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Compensation level should be based on company tradition	1 2 3 4 5 6 7	Compensation should reflect labour market level
Compensation should take into account qualifications and degrees	1 2 3 4 5 6 7	No need to take into these factors
Company should reward long term service	1 2 3 4 5 6 7	No need to reward long term service
Monetary reward is very important	1 2 3 4 5 6 7	Non-monetary reward is very important
Company provide long term incentives such as employee shares	1 2 3 4 5 6 7	Company provides short term incentives such as cash payment
Company provides flexible compensation package	1 2 3 4 5 6 7	Company provides standardized compensation package
Employment security is extremely important	1 2 3 4 5 6 7	Employment security is not important
Compensation should reflect internal equality: minimize compensation gap between employees of the same grade	1 2 3 4 5 6 7	Compensation should reflect external equality: compensation reflects labour market level
Privileges for managers are acceptable	1 2 3 4 5 6 7	Privileges for managers are unacceptable
Higher salary lower welfare policy is better	1 2 3 4 5 6 7	Lower salary higher welfare policy is better
Make bonus individual-based	1 2 3 4 5 6 7	Make bonus group-based
Training		
Training to improve skills for present job	1 2 3 4 5 6 7	Training to improve various skills for present and future jobs
The main purpose of training is to improve technical skills	1 2 3 4 5 6 7	The main purpose of training is to improve management skills
Make training base on employees' needs	1 2 3 4 5 6 7	Make training base on company's needs
Training should be systematic and continuous	1 2 3 4 5 6 7	Make training occasional, base on change in production or services
Employees should be responsible for their own career planning	1 2 3 4 5 6 7	Company should be responsible for employees' career planning
Allocation of training opportunity should be based on individual needs	1 2 3 4 5 6 7	Allocation of training opportunity should be based on group needs
Provide training for key employees only	1 2 3 4 5 6 7	Provide training for all employees

End of the questionnaire. Thank you very much for your cooperation.

Appendix 2 Questionnaire – Chinese version
the Cultural Perspective Questionnaire (CPQ8) and the Human Resource
Management Preferences Questionnaire (HRMPQ): Chinese Version

调查问卷

敬启者，

您好！

感谢您参与本研究计划 ‘中国员工的文化价值观对人力资源管理实务的影响’。本调查问卷的主要目的在于了解您的文化价值观以及对特定人力资源管理政策的看法。调查以匿名方式进行，所有数据仅供学术研究使用，绝不对外公开。请您费心回答每一个问题，感谢您的合作！

如果您对本研究有任何建议，我们非常欢迎您提出您的看法。

祝

工作顺利！
宏图大展！

英国卡地夫大学商学院 (Cardiff University, UK)
指导教授 Professor Jonathan Morris
博士生 蔡梓铭 Ziming CAI (人力资源管理专业)

联络地址： *****
联络电话： *****
电子邮件： *****

第一部分：文化观点调查问卷

不同的人对人与人之间的关系以及我们周围的环境有不同的看法，所有这些看法都是有价值的。不同观点之间的差异有可能给企业里存在的问题带来更新，更好的解决办法。

以下您将看到一系列观点对于每一个观点，有的人完全赞同，有的人完全不赞同，而其他人则介于这两个极端之间。各种回答都没有对错之分，最重要的是您对每一个观点表达自己最真实的想法。请您对每个观点，在1-7之间的一个数字的上方用符号表示您赞同或不赞同的程度，当然也可以表示‘难做定论’。

“1”表示“强烈不赞同”，“2”表示“有几分不赞同”，“3”表示“有一点不赞同”，“4”表示“难做定论”，“5”表示“有一点赞同”，“6”表示“有几分赞同”，“7”表示“强烈赞同”。

范例：

例子	观点	强烈不赞同	有几分不赞同	有一点不赞同	难做定论	有一点赞同	有几分赞同	强烈赞同
1	会弹钢琴很重要。	1	2	3	4	5	6	7
2	音乐中的鼓声应该一直很响。	1	2	3	4	5	6	7

此人‘强烈赞同’会弹钢琴很重要；但是‘有一点不赞同’音乐中的鼓声应该一直很响。

A部分：人们做什么，以及怎么做。	
1	无论在什么状况下，花额外的时间制定综合计划都是值得的。
2	一个组织规划的期限为五年或更长。
3	未来的发展比今天所发生的更重要。
4	人们只有在想工作的时候，才应当工作。
5	完成工作之后才进行休闲娱乐会更好。
6	工作以外的时间最好完成一些事情。

7	努力工作的本身就是回报。	1 2 3 4 5 6 7
8	一个组织规划的期限为一年或更短。	1 2 3 4 5 6 7
9	最佳决策就是最合乎逻辑的决策。	1 2 3 4 5 6 7
10	停下来做计划总是比立即行动好。	1 2 3 4 5 6 7
11	应该根据分析而不是凭直觉或情感制定决策。	1 2 3 4 5 6 7
12	人们应当毫无拘束地表达自己的情感。	1 2 3 4 5 6 7
13	在企业组织内部分配资源时，根据当前需要和短期需要做决定非常关键。	1 2 3 4 5 6 7
14	尊重传统很重要。	1 2 3 4 5 6 7
15	人们只应当做他们真正喜爱的工作。	1 2 3 4 5 6 7
16	人们总是需要全身心地贴近生活。	1 2 3 4 5 6 7
17	在企业组织分配资源时，根据长远的未来需要做决定非常关键。	1 2 3 4 5 6 7
18	立即行动通常比花太长时间深思熟虑好。	1 2 3 4 5 6 7
19	采取行动通常比担心人们对此项决定的感觉更重要。	1 2 3 4 5 6 7
20	“今天”比“昨天”和“明天”更重要。	1 2 3 4 5 6 7
21	灵活比按部就班更重要。	1 2 3 4 5 6 7
22	在实施决策之前应当从每一个可能的角度加以分析。	1 2 3 4 5 6 7
23	人们在制定未来的决策时，始终要考虑到过去的事情。	1 2 3 4 5 6 7
24	按计划做事情比到最后一刻赶时间做更重要。	1 2 3 4 5 6 7
25	享受工作以外的生活比享受工作本身更重要。	1 2 3 4 5 6 7
26	只要人们努力工作，就能完成重要的工作。	1 2 3 4 5 6 7
27	人们应当把目光放在今天和不久的将来，而不是担忧遥远的未来。	1 2 3 4 5 6 7
28	人们应当尽可能地生活在“当前”现实中。	1 2 3 4 5 6 7
29	人们在行动之前要深思熟虑。	1 2 3 4 5 6 7
30	人们始终要往前看，而不是担心今天或昨天。	1 2 3 4 5 6 7
31	人们希望做有意义的和重要的工作。	1 2 3 4 5 6 7
32	在企业组织分配资源时，根据过去的经验和未来发展趋势作决定非常关键。	1 2 3 4 5 6 7

33	我们只有了解过去，才有可能前进。	1 2 3 4 5 6 7
34	最成功的人士是那些始终对其行动深思熟虑的人们。	1 2 3 4 5 6 7
35	如果出现更好的可能性，总要修改计划。	1 2 3 4 5 6 7
36	只要努力工作，几乎总是会成功的。	1 2 3 4 5 6 7
B 部分：人们如何处理彼此之间的关系。		
37	相信人们能够把事情做好。	1 2 3 4 5 6 7
38	家庭的整体利益比任何一个家庭成员的单独利益更重要。	1 2 3 4 5 6 7
39	人们应该先满足自己的需要，然后才考虑他人的需要。	1 2 3 4 5 6 7
40	上司应当替自己的下属做重要决定。	1 2 3 4 5 6 7
41	团队里的所有成员应当互相负责。	1 2 3 4 5 6 7
42	人们应当照顾自己。	1 2 3 4 5 6 7
43	好人难做。	1 2 3 4 5 6 7
44	仅仅依赖自己本身的人通常都会成功。	1 2 3 4 5 6 7
45	组织里的上司必须关心他们的下属。	1 2 3 4 5 6 7
46	团队或组织里的下属应当执行上司的决定。	1 2 3 4 5 6 7
47	团体社会里的等级制度随着时间的推移应当保持一致。	1 2 3 4 5 6 7
48	年轻人应当学会独立。	1 2 3 4 5 6 7
49	每个人的责任就是做对整个社会最有益的事情。	1 2 3 4 5 6 7
50	上司应当比下属有更多的特权。	1 2 3 4 5 6 7
51	整个社会应当有责任帮助任何一个需要帮助的人。	1 2 3 4 5 6 7
52	人们的首要职责是为自己，而不是为他人。	1 2 3 4 5 6 7
53	人们不能指望别人是好人。	1 2 3 4 5 6 7
54	不依赖别人很重要。	1 2 3 4 5 6 7
55	人们应对父母子女之外的家庭成员承担责任。	1 2 3 4 5 6 7
56	一个人不应当指望他人关心自己的利益。	1 2 3 4 5 6 7
57	组织里的下属不应当指望获得更大的权力。	1 2 3 4 5 6 7
58	只有在别无选择的时候，人们才会做坏事。	1 2 3 4 5 6 7

59	人们认为要优先考虑自己的需要，再考虑他人的需要。	1 2 3 4 5 6 7
60	人基本上是善良的。	1 2 3 4 5 6 7
61	一个人的首要责任应当是对家庭和好友负责，包括他 / 她的大家族。	1 2 3 4 5 6 7
62	人们应当先关心他人，再关心自己。	1 2 3 4 5 6 7
63	要优先考虑团队的利益，再考虑各个团队成员的利益。	1 2 3 4 5 6 7
64	只有建立明确而正规的等级制度，组织才会运转得最好。	1 2 3 4 5 6 7
C 部分：人们如何看待工作环境。		
65	良好的业绩来源于组织及其环境之间的完美和谐。	1 2 3 4 5 6 7
66	组织的成功在很大程度上取决于自然或者超自然力量。	1 2 3 4 5 6 7
67	最成功的企业总是在不断地变革，即使业绩已经令人满意也如此。	1 2 3 4 5 6 7
68	人们应当顺应命运，而不是尝试着决定自己的命运。	1 2 3 4 5 6 7
69	只有在了解变革对整个组织的意义之后，优秀的经理才会做一些变革。	1 2 3 4 5 6 7
70	如果事情进展顺利，人们就不应当打破和谐局面。	1 2 3 4 5 6 7
71	如果有足够的时间和资源，人们几乎能够做任何事情。	1 2 3 4 5 6 7
72	对人们来说，重要的是要控制身边的重大事件。	1 2 3 4 5 6 7
73	只有整个组织都进行协调的变革，组织的局部变革才能取得成效。	1 2 3 4 5 6 7
74	大多数的重大事件的结果是可预先确定的。	1 2 3 4 5 6 7
75	人们应当与大自然和谐相处。	1 2 3 4 5 6 7
76	无论人们如何为实现一个目标而努力，他们成功与否只能听从命运的安排。	1 2 3 4 5 6 7
77	不进行变革的企业无法获得良好的业绩。	1 2 3 4 5 6 7
78	如果人们采用正确的方法，几乎可以解决他们面临的任何问题。	1 2 3 4 5 6 7
79	人们应意识到他们不能控制生活中的重大事件。	1 2 3 4 5 6 7
80	优秀的经理能积极控制事态发展，并迅速解决问题。	1 2 3 4 5 6 7

81	最成功的企业对周围环境控制得很好。	1 2 3 4 5 6 7
82	社会状态保持和谐至关重要。	1 2 3 4 5 6 7
83	良好的业绩来源于对经营过程的严密控制。	1 2 3 4 5 6 7
84	效率最高的企业与环境和谐相处。	1 2 3 4 5 6 7
D 部分：您自己的文化。		
85	您出生于哪个国家？	
86	您一直居住在您出生的国家吗？	
	a. 您在哪些国家居住过一年或者一年以上？	
	b. 您在哪个国家居住时间最长？	
	c. 您现在居住在哪个国家？	
87	哪种文化与您关系最密切？	出生国 居住最长的国家 现在居住的国家 宗教文化（请说明） 其他（请说明）
88	您的性别是？	女 男
89	您属于哪个年龄组别？	25 或以下 26 至 30 岁 31 岁 35 岁 36 至 40 岁 41 至 45 岁 46 至 50 岁 51 至 55 岁 56 至 60 岁 61 至 65 岁 66 或以上
90	从儿时接受正规教育的第一年算起，您大约接受了多少年正规教育？	0 1-6 年（小学） 7-9 年（初中） 10-12 年（高中） 13 年+（大学）
91	您的职业是什么？ （请说明）	
92	您在企业里的‘工作级别’是什么？	普通员工 初级管理 中级管理 高级管理
93	您全职工作了多少年？	年数
94	您在目前企业工作了多少年？	年数
95	您目前所在公司是：	国有企业 集体企业 外资企业 合资企业 私营企业

		其他
96	您目前所在公司员工规模:	小于 200 人 200—500 人 500—1000 人 1000 人以上

第二部分：人力资源管理实务倾向性问卷

在本部分，您将会看到一系列人力资源管理实务的观点。请标出 1-7 之间的一个数字，表明您对其中一种观点的同意程度。数字越小，表示您越同意左边的观点；数字越大，表示您越同意右边的观点。**这些观点都没有错误**，最重要的是您表达出您最真实的想法。

A 部分：人力资源规划		
公司的人力资源规划必须由专门的部门负责，由专业人员进行规划。	1 2 3 4 5 6 7	公司不用建立正式的人力资源规划系统，由非正式的人际关系以及部门间协作即可完成规划。
人力资源部门应当参与企业的战略规划。	1 2 3 4 5 6 7	人力资源部门只要作好人事工作即可。
人力资源规划应注重短期需要，规划期为一年或者一年以下。	1 2 3 4 5 6 7	人力资源规划要注重长期需要，规划期长于 5 年。
工作分析很重要。	1 2 3 4 5 6 7	不一定要进行工作分析。
公司对从事某一职位的职业资格，资格等级，年龄要有明确规定并严格执行。	1 2 3 4 5 6 7	只要能完成该工作，有没有相关资格并不重要。
员工必须严格按照公司规定的方法完成工作。	1 2 3 4 5 6 7	只要工作能完成，员工应该能决定如何完成该工作。
管理结构应该扁平化。	1 2 3 4 5 6 7	维持现在状况即可。
工作设计，应该尽量避免一个工作要由跨部门合作完成的局面。	1 2 3 4 5 6 7	工作设计，应该增加跨部门合作的机会。

B 部分：人员配制		
录用标准应该明确细致，并告知每一个应聘者。	1 2 3 4 5 6 7	公司没有必要把人员录用标准告知每一个应聘者。
公司要采用多种测试方法来录取员工（比如说，面谈，智力测试，工作能力倾向测试等）。	1 2 3 4 5 6 7	公司的录用标准应当尽量简单（比如说，只采取面谈的形式）。
公司岗位出现空缺时，应该从公司内部选拔，如果没有合适人选才对外招聘。	1 2 3 4 5 6 7	公司岗位出现空缺时，应当依据最优的原则进行内外招聘，不用优先照顾内部员工。
管理职位出现空缺时，应该从该部门内部选拔人员晋升到该空缺职位。	1 2 3 4 5 6 7	管理职位出现空缺时，应该鼓励跨部门选拔晋升。
招聘新员工，应重点考核他（她）是否具有胜任该工作的专业能力，如是否具有某资格，职称，学位。	1 2 3 4 5 6 7	招聘新员工，应考虑他（她）是否能融入工作集体，与同事保持良好关系。
晋升的标准应该明确并事先向所有员工公开。	1 2 3 4 5 6 7	晋升的决定权在于经理，不用向员工公开具体的晋升标准。
应该鼓励不同职能部门的人员流动（如从市场部调到人力资源部）。	1 2 3 4 5 6 7	应该鼓励本职能部门内部的人员流动(如上下级公司市场部之间的调动)。
晋升应该以工作表现或者技术能力为主要依据。	1 2 3 4 5 6 7	晋升应该以忠诚度或者资历为主要依据。
C 部分：绩效评估		
绩效评估应该以工作成果为主要依据。	1 2 3 4 5 6 7	绩效评估应该以平时表现为主要依据。
绩效评估的主要目的是帮助员工认识不足以便改进。	1 2 3 4 5 6 7	绩效评估的目的在于决定加薪，晋升。
绩效评估的结果应该让全体员工知道。	1 2 3 4 5 6 7	绩效评估的结果由经理掌握，只对本人公开。
员工应当参与绩效标准的制定过程。	1 2 3 4 5 6 7	绩效评估的标准由管理层制定即可。

绩效评估的周期应该是半年或者更短（经常进行）。	1 2 3 4 5 6 7	绩效评估的周期应该是一年或者以上（偶尔进行）。
绩效评估应该以个人工作表现为主要依据。	1 2 3 4 5 6 7	绩效评估应该以小团队或者部门工作表现为主要依据。
绩效评估应当由公司内部人员进行。	1 2 3 4 5 6 7	绩效评估要吸收公司外部人员（比如说顾客）参与。
绩效评估应该由经理对下属进行评定（向下评估）。	1 2 3 4 5 6 7	绩效评估应当由同事或者下属进行评定（向上评估）。
D 部分：报酬		
员工薪水的多少应该公开。	1 2 3 4 5 6 7	员工薪水的多少应该保密。
确定工资应以本公司历史水平为依据。	1 2 3 4 5 6 7	确定工资应以劳动力市场同类企业工资水平为依据。
物质奖励很重要。	1 2 3 4 5 6 7	精神奖励很重要。
员工应当参与到福利计划的设计过程。	1 2 3 4 5 6 7	由公司设计福利计划，员工选择参加即可。
员工的薪水应该注重内部平衡，同一级别的员工薪水应该尽可能一致。	1 2 3 4 5 6 7	员工的薪水应当和劳动力市场上相类似工作的水平尽可能一致。
级别越高，能享受的特权就越多。	1 2 3 4 5 6 7	应该对所有员工都一视同仁，管理层不应该有特权。
高工资，低福利的政策比较好。	1 2 3 4 5 6 7	低工资，高福利的政策比较好。
奖金的多少应该以个人表现为标准。	1 2 3 4 5 6 7	奖金的多少应该以小团队或者部门表现为标准。
工资水平要反映职位等级，职务越高，工资越高。	1 2 3 4 5 6 7	工资水平要反映员工的实际贡献，对公司的贡献越多，工资越高。
薪水的多少由工作表现决定。	1 2 3 4 5 6 7	薪资水平要考虑员工的资历，年龄，家庭等因素。
薪水的多少要考虑员工的职业资格，职称，学位等因素。	1 2 3 4 5 6 7	不用考虑这些因素。

对在公司服务一定年限的老员工（如10年，20年）应该给予特别奖励。	1 2 3 4 5 6 7	不用给予类似奖励。
公司应该鼓励员工持股。	1 2 3 4 5 6 7	没必要鼓励员工持股。
公司要提供雇佣保障。	1 2 3 4 5 6 7	公司不用向员工提供雇佣保障。
E 部分：培训与发展		
培训课程应该注重提升当前工作所需要的技能。	1 2 3 4 5 6 7	培训课程应该提供学习更广泛技能的机会，即使与目前工作不相关也无妨。
培训主要是提高专业技能。	1 2 3 4 5 6 7	培训主要是提高管理技能。
公司应当根据员工兴趣设立培训课程，让员工选择参与。	1 2 3 4 5 6 7	培训课程的设立应当根据公司需要，由公司决定。
培训要有规划，要系统，连续进行。	1 2 3 4 5 6 7	培训应工作变化（如业务扩展）而设立即可。
员工要对自己的职业生涯规划负责。	1 2 3 4 5 6 7	公司要对员工的职业生涯规划负责。
应该针对个人发展需要对员工进行培训。	1 2 3 4 5 6 7	应该针对小团队或者部门发展需要对员工进行培训。
培训主要针对核心员工。	1 2 3 4 5 6 7	所有员工都要享有培训的机会。

本调查问卷到此全部结束，再次感谢您的支持与合作！如果您对本问卷有任何看法或意见，我们非常希望能与您有进一步的交流！联系方法请见首页

