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**A Study of the Impact of Management Philosophy on
HR Practices and Employee Attitudes and
Performance in Two Chinese Manufacturing
Organizations: A Case Study Approach**

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To my wife, Frances Ip, the love of my life,
To my daughter, Annie Tam, my pride and joy.

STATEMENT OF ORIGINAL AUTHORSHIP

This dissertation contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. I give consent to this copy of my dissertation, when deposited in the University Library, being made available for loan and photocopying subject to the provisions of the Copyright Act 1968.

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古之學者必有師。所以傳道受業解惑也。人非而知之者，孰能無惑？惑而不從師，其為惑也，終不解矣。

“弟子不必不如師，師不必賢於弟子，聞道有先後，術業有專攻”

師說 韓愈

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SYNOPSIS

The objective of this research is to provide insight into the impact of Chinese and Western management philosophies on HR practices in Chinese manufacturing organisations in China and subsequent organisational and employee performance. This research follows a case study approach. It investigates the management philosophies and HR practices of two very similar manufacturing firms in Shenzhen, China. Both firms engage in original brand manufacturing (OBM) of the same products, both employ approximately 3,000 local Chinese operator level staff and both produce finished products for export. The key difference between the firms is that one is a subsidiary of an American Multinational Corporation that adopts a Western management philosophy and HR practices; whereas the other is Chinese owned and adopts a Chinese management philosophy and HR practices. This empirical, qualitative study aims to answer the following research questions through a multi-level qualitative case study methodology:

- (1) How does management philosophy impact the use and implementation of HRM in a Chinese context?
- (2) How is management philosophy understood, implemented and operationalized in a foreign MNE operating in China and a Chinese-owned enterprise; and what are the differences and similarities across these areas in these two organisations?
- (3) What practices are most beneficial in increasing employee and organisational performance in manufacturing firms in China?

In relation to research question 1, this study finds that in the case of OBM in China, HR practices influenced by a Western management philosophy have a negative impact on operator level workplace attitudes, perceptions and performance. Conversely, HR practices influenced by a Chinese management philosophy have a positive effect on the same factors. This suggests that at least in the context of OBM in China, the management philosophy enacted by senior management needs to be congruent with the values, attitudes and beliefs of the workers.

In relation to research question 2, this study finds that local Chinese employees in the Western-oriented firm did not fully understand the HR directives from top management and were not willing or able to work effectively, even though they were given specific detailed instructions, clearly written in Chinese characters. Conversely, employees in the Chinese-oriented firm clearly understood general messages and directives from top management without such explicit instructions and were more willing and able to work effectively.

Finally, in relation to research question 3, this research suggest that the practice most beneficial in increasing employee and organisational performance in manufacturing firms in China is to implement a management philosophy and HR practices that are congruent with the values, attitudes and beliefs of all employees.

Keywords:

Chinese philosophy, Western management philosophy, employee attitudes, organisational performance and case study.