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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

Table of Contents

CHAPTER FIVE - CONCLUSIONS AND IMPLICATIONS

List of references

Appendices

List of figures page

List of tables   Page

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.

The Way that can be followed is not the eternal Way. The name that can be named is not the eternal name. (道可道，非常道；名可名，非常名)

<div align="right">*Tao Ta Ching, 1:1*</div>

CHAPTER ONE: INTRODUCTION

1.0   Background to the research

China launched the 'Open Door Policy' in 1987 and as a consequence China's economy has been developing very quickly, with many Western firms relocating manufacturing plants to China. A major attraction for Western organisations is the comparatively lower costs of Chinese labour and raw material (Leung, 2008). Today, China is one of the world's manufacturing giants with a GDP of $30,067 billion and an estimated work force of 798 million in 2008 (Herd, Conway, Hill, Hu, & Pigott, 2010). The work force can generally be broken down into the following three sectors: agriculture and forestry - 45%; service – 31%; and industry – 24% (Pezzini, 2010). In 2007, the GDP real growth rate was 11.4% and in 2010 China became the largest labour intensive manufacturing market in the world (Herd, et al., 2010). The literature (Pezzini, 2010) suggests that China will have great commercial and political significance in the 21st century. Therefore, given China's increasing role in a globalising economy, it is important for Eastern and Western business practitioners and academicians alike to develop a clearer understanding of the management of Chinese manufacturing organisations.

Western organisations with Western senior managers often use a Western philosophical and cultural approach when managing local employees in Chinese subsidiaries (Adidam, Gajre, & Kejriwal, 2009; Fatas & Mihov, 2009; Zheng, Soosay & Hyland, 2008). Conversely, Senior Chinese managers employed by domestic firms apply a Chinese management philosophy underpinned by Chinese cultural values in managing their Chinese workforce (Faurea & Fang, 2008; Gahan & Abeysekera, 2009; Hartel, Ma & As-Saber, 2010; Zhang, Dolan, & Zhou, 2009). This research explores both Chinese culture and Western culture in order to better appreciate the underpinnings of the management philosophy of both Chinese and Western managers because it is well understood that management philosophy can influence HRM practices and subsequent employee attitudes, behaviours and firm performance (Cohen, 1955; Morden, 1995; Schuler & Jackson, 1987). This research provides some important insights into the influence of management philosophy and HRM practices on employees and their

attitudes towards work in China. It also builds on a long tradition of management philosophy research and its impact on work values, leadership style, and employee attitudes (Sim, 2009; Tsang, 2009).

1.1   Research focus

Management philosophy refers to the culturally embedded assumptions manager's hold in relation to human nature and human behaviour that inform their thinking and managerial practice (Koprowski, 1981). These assumptions are inculcated in individuals through the socialisation process and inform their perceptions and behaviours. Koprowski (1981) argues that Western management philosophy is underpinned by the Judeo-Christian tradition whereas Eastern management philosophy often reflects Eastern teachings. It is critical to note here that whilst the assumptions are held by individuals, they are also reflective of the assumptions held and shared by the majority of members of a given country and organisations from that country. Therefore, Western firms managed by Westerners will tend to have a management philosophy informed by Judeo-Christian tradition whereas Eastern firms managed by Easterners will tend to have a management philosophy informed by Eastern traditions.

The impact of management philosophy on human resource (HR) practices has attracted increasing attention over the last two decades (Senguder, 2001) and the discipline of Human Resources Management (HRM) has grown in popularity in China over the last decade. It is clear from research that management philosophy in China and in Western countries such as England, the United States of America, France and Germany are very different (Gould-Williams & Mohamed, 2010; Hartel, Ma, et al., 2010; Lett & Smith, 2009; Tan, 2010). The question is how do these two management philosophies impact HRM practices and manager and employee attitudes in the Chinese context?

To address this question, this research compares Western and Eastern management philosophies as well as their impact on HRM practices in both an indigenous Chinese owned and managed firm and a Western multinational corporation located in China. Specifically, it explores the views of the senior, middle, line management and operator level employees from each firm regarding their attitudes about management philosophy and HRM. It also explores how these practices impact their attitudes towards work and

their performance and how effectively management philosophies are translated through HRM practices from the top of the organisation down to the operator level.

1.2   Justification for the research

Many multinational enterprises have invested in China without profiting from the relocation because they do not adopt Chinese cultural practices (Gamble & Gibson, 1999). Differences in philosophical approaches to management can impact leadership behaviour, managerial values, HRM practices, employee attitudes, employee perceptions of performance and ultimately, organisational performance (Gahan & Abeysekera, 2009; Warner, 2009). Consequently, it is important for Western managers to understand the impact of these differences when managing local Chinese employees (Jaw, Ling, Wang, & Chang, 2007).

Traditional Chinese HRM practices are quite different to those found in the West. Employees are often chosen on basis of *renqing* (human feelings or humanized obligation) (Child & Möllering, 2003; Duo, 2005), *guanxi* (connections or relationships) (Duo, 2005; Law & Jones, 2009), and *mianzi* (one's dignity, self-respect or prestige) (Hofstede & Bond, 1988) rather than their professional ability. Promotion often occurs on the basis of dedication shown by employees to the organisation rather than their actual performance. Even the remuneration provided to employees depends more on seniority rather than their job performance. The emphasis of HRM in Chinese organisations is more on the employment and coordination of workers rather than practices such as job analysis and design, human resource development and career planning and development (Kragh, 2012; Tang & Wang, 2010).

To gain a more complete understanding of how management philosophy might influence the HRM processes within an organisation, researchers have called for a greater use of multi-level approaches to HRM research (Baglione & Zimmener, 2007; Chen, 2001; Lee, 2005a; Lee, 2005b; Selmer, 2002; Stanton, Young, Bartram & Leggat, 2010). This research answers this call by exploring the impact of management philosophy on HRM in one American (also termed Western-oriented) and one Chinese owned (Chinese-oriented) manufacturing organisation operating in China. HR practices are explored from the top level (CEO and HR director) to middle level (middle and line managers) and then at the operator level (local Chinese employees).

1.3   Research gaps and research questions

In order to systematically derive research questions for this research, Chapter 2 reviews the literature on the influence of management philosophies on HR practices; provides an overview of previous research undertaken on the impact of management philosophy on HRM in Chinese manufacturing organisations in China and; discusses the research gaps present in the extant literature.

The first step towards developing indigenous human resource theories and models is to have a thorough understanding of the cultural values of the local employees in which the HR practices are to be implemented (Wright, Berrell, & Gloet, 2008). There are a number of comparative studies of Chinese and Western cultural values. Some examples include Smith and Peterson's (1988) *Leadership, Organisations and Culture* and Fu's (2000) *Perceived Effectiveness of Influence Tactics in the United States and China*. These two examples identify the differences in cultural values between the West and China from the point of the perceived effectiveness of influence tactics and employee attitudes.

China and Western countries still differ greatly with regard to their economic systems, social values and laws, despite the substantial socio-economic changes that have occurred in China. Chinese managers are higher in uncertainty avoidance and Hofstede (1994) argues that Chinese people in general have high power distance and engage in collectivist, masculine and long-term orientated behaviours. Western managers on the other hand tend to be more individualistic, masculine, short-term oriented and comfortable with uncertainties (Komarraju, Dollinger, & Lovell, 2008; Noordin, 2010; Triandis, 1995; Wright, et al., 2008). It therefore stands to reason that understanding and incorporating indigenous cultural values in management techniques are important components in gaining effective commitment and providing job satisfaction for Chinese employees in Chinese manufacturing organisations.

A key tenant of management involves adopting the appropriate leadership style to assist employees to achieve their goals (Tsai, Chen, & Cheng, 2009). Chinese leadership styles are strongly influenced by Confucian, Legalist and Taoist philosophies (Cheng, 1992; Lin & Chi, 2007a, 2007b). Confucianism hinges on the Rule of Man and gives managers the right position to exert hierarchical authority (Fernandez, 2004; Frederickson, 2002). Legalism emphasises that laws and punishment be meted out on subordinates in order to achieve the leader's goals (Lin & Chi, 2007b). Taoism

emphasises change, flexibility and seizing opportunities, rather than maintaining the status quo (Foo & McKiernan, 2007; Wagner, 1999). These contrast with Western leadership styles such as the transactional, transformational, Christian or servant and connective models which are influenced by Western philosophy (Cheung & Chan, 2008). Western leadership styles rely on the use of appropriate rewards to motivate subordinates. This suggests that the provision of rewards needs to be contingent with the subordinate's performance and preferences (Manning, 2003; Tsang, 2007).

The literature suggests that management philosophy impacts on HR practices and that these in turn impact on employee and organisational performance. However, what has not been clearly addressed in the literature is how Western management philosophies and HR practices impact on native Chinese employees in comparison to Chinese oriented management philosophies and HR practices. The aim of this study is to identify which type of management philosophy and associated HR practices are most likely to enhance employee performance in manufacturing firms in China that employ native Chinese operational staff by addressing the following three overarching research questions.

RQ 1: How does management philosophy impact the use and implementation of HRM?

RQ 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 across these two types of organisations?

RQ 3: What practices are most beneficial in increasing employee and organisational performance in manufacturing firms in China?

1.4 Research methodology and design overview

This study explores how the management philosophy and HRM policies and practices are understood, interpreted and operationalised across the management hierarchy in a Chinese-oriented firm and a Western Oriented firm. Both firms employ in excess of 3,000 employees (managers and staff) and were selected from the list of Chinese manufacturing organisations registered with the Hong Kong Trade Development

Council and listed in its Hong Kong directory (HKTDC, 2009). The researcher acknowledges that there are many Chinese manufacturing organisations employing more or less than 3,000 employees and other categories of Chinese manufacturing organisations in this region but they have not been considered in this study due to time and cost constraints.

The research draws on a conceptual framework developed by Bowen and Ostroff (2004) and adopts a multi-level qualitative case study methodology (Yin, 1993), a valuable approach that few researchers have applied to HRM in other parts of the world, let alone in China. It also adopts a systemic methodology to gain a more complete and coherent knowledge of local Chinese employees.

Primary data were collected from two groups, senior managers; and middle and line managers and operational employees. CEOs and HR directors were interviewed using semi-structured, open ended face-to-face interviews, whereas data from middle and line managers and the local Chinese workers were collected through focus group interviews. The same numbers of employees, at the same hierarchical levels, were interviewed in both companies. The questions posed in the interviews and focus group sessions were developed from Bowen and Ostroff (2004) conceptual framework and were designed to draw data that might provide insights into how the two different styles of management philosophy and related HRM policies and practices affect organisational performance and organisational effectiveness (Becker & Huselid, 2006; Bowen & Ostroff, 2004; Boxall & Macky, 2007) in the Chinese context.

This research also draws on secondary sources including key documentation such as annual reports; human resource policy and procedure manuals and; other relevant organisational reports. The interviews and focus groups sessions, coupled with archival research permitted the researcher to gather rich information on the management philosophy and associated practices and processes from the perspective of a cross section of employees and sources. This approach allows for some triangulation to improve the reliability and validity of the data (Given, 2008). Detailed discussion regarding the research methodology and design is in Chapter 3. Figure 1.1 illustrates the flowchart of this research and the structure of this dissertation.

Figure 1.1   **Flowchart of this research study**

Body of knowledge in management philosophy

Chapter Two – Literature review
- Literature review on management philosophy
- Conceptual theory of management philosophy
- Research questions development

Chapter Five –Conclusion and implications
- Summary of the research findings and drawing a conclusion
- Provision of the theoretical implications of the research
- Suggestions for further research

Chapter One – Introduction
- The research proposal on this study

Level

Chapter Four – Data analysis and findings
- Analyse data from the interview and focus group meeting
- Study the research question and implications of the data

Chapter Three – Research methodology and design
- Justification of the methodology
- Research procedure
- Research method

Methodology of research study

1.5   Dissertation outline

Chapter 1 provides a background to this research, the topic area, the importance of undertaking this research, an overview of this dissertation and an introduction to the research questions.

Chapter 2 provides a comprehensive review of the literature concerning the theories and findings developed in previous research relating to the impact of management philosophy on HRM practices both in the West and China. The chapter first reviews the concept of management philosophy; the differences between those that are Western and Chinese-oriented, as well as identifying research gaps in the extant literature suitable for empirical study. The discussion explains various factors such as managerial values, leadership styles and the assumptions and beliefs that influence the working attitudes of Chinese employees and the subsequent effect on organisational performance.

Chapter 3 discusses the methodology and design developed for this research. The chapter explains the social science paradigm adopted. The chapter also argues for the research method adopted before discussing the research design. The chapter concludes with a discussion of the validity, reliability and limitations of research as well as ethical considerations.

Chapter 4 discusses the participants, analysis, analytical techniques and processes and the results of the data obtained from adopting the research design, methodology and strategies identified in Chapter 3.

Chapter 5 explains and discusses the findings drawn from the empirical analysis in Chapter 4 and draws conclusions and implications from these findings for practice and theory. This chapter also discusses the limitations of this research and implications for future research.

1.6   Research definitions

(1) Management philosophy refers to the culturally embedded assumptions manager's hold in relation to human nature and human behaviour that inform their thinking and managerial practice (Koprowski, 1981). However, the researcher also acknowledges that management philosophy may evolve over time through the role of managers and also concurs with the definition of management philosophy proposed by Lin and Chi (2007b, p.192):

> [M]anagement (philosophy) includes very complicated knowledge, experience and practice methods. It is a complicated process that is used by man to change nature, society and life; philosophy is also wisdom encompassing the culture, ethics plus science, and economics of human beings.

(2)   The researcher defines Chinese manufacturing organisations to be organisations that produce products using their own brand. They are manufacturers of equipment that may be marketed by another manufacturer. The workers and operators in these organisations are local Chinese employees.

(3)   A multinational enterprise (MNE) is defined as a corporation or enterprise that manages production or delivers services in more than one country. An MNE is fundamentally an organisation that extends employment contracts over national boundaries. The distinguishable characteristic of MNEs is the use of hierarchical methods of coordination (managerial directives) to organise cross-national interdependencies (Pitelis & Sugden, 2000).

(4)   A domestic enterprise is defined as an organisation that operates within only one national boundary (Dowling & Welch, 2004).

1.7   Research scope, limitations, and key assumptions

No research is without limitations. This research study, like any other research, has limitations in both scope and methodology. The research scope focuses on employee attitude and performance under HR practices which are based on Western (using an American firm as proxy for a Western firm) and Chinese management philosophies. The researcher acknowledges that there are variances in management philosophies across Western countries due to different historical processes. Being a qualitative case study, the approach is a naturalistic and interpretative one, concerned with understanding the meanings that people attach to phenomena (actions, decisions, thoughts, beliefs and values) within their working environment in Chinese manufacturing organisations. Management philosophy has many variations in the West and East. This research study only has only focused on one aspect of the underpinnings

of Western management philosophy, the Protestant work ethic, which in turn is underpinned by Judeo-Christian values, due to its influence on US culture and thought.

It terms of the methodology, the data was collected through secondary data, interviews and focus group meetings and some individual biases may have been present in the participants during the interview activity. Further, the participants were only interviewed once, so their responses may just reflect their thoughts at the time of the interview only. Another limitation of this research is that it is a single industry study and therefore it is difficult to generalise the findings to firms operating in other industries.

The assumptions of this study were that all participants would answer all questions honestly and had a basic understanding of the concepts of management philosophy and HRM. It was further assumed that participants would not be intimidated by the types of interview questions or the respective interview styles.

1.8   Conclusion

Many scholarly articles and books discuss theories and procedures pertaining to motivation, performance management, management philosophy and HRM practices, each with the aim of assisting managers in improving the workplace attitudes and behaviours of employees. Indeed it is argued that the appropriate management philosophy and HRM practices are of paramount importance to organisational effectiveness, efficiency and performance. Thus, it is of significance to do research in this area, especially in the Chinese context, where little research has previously been conducted.

Confucius said: "If you govern with the power of your virtue, you will be like the North Star. It just stays in its place while all the other stars position themselves around it." (子曰：「爲政以德，譬如北辰居其所而衆星共之。」)

<div align="right">

Analects, 2:1

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CHAPTER TWO: LITERATURE REVIEW

2.0   Introduction

Since the launch of the 'Open Door policy' in 1978 by China's paramount leader Deng Xiaoping, the Peoples' Republic of China (China hereafter) has experienced over thirty years of political and economic reforms. The opening up of the Chinese market has brought about historic changes. The reforms and open door policies have led the country to unparalleled economic growth, averaging about 10 per cent year throughout the 1980s and about 8 per cent throughout the 1991 - 1995 respectively (De Keijzer, 1995; Gill, et al., 2009; Jimenez, et al., 2006; Nouriel & Bilodeau, 2008). China has witnessed a boom in almost all sectors of the economy and society, including foreign investment, trade, finance, consumption, travel, overseas studies, military moderation and foreign relations. Part of the reason for the boom has been China's strategy to modernise and grow quickly by attracting foreign investment, frequently in the form of joint ventures, mergers and partnerships. These arrangements require that the foreigner investors work directly and closely with their Chinese counterparts. This strategy has resulted in frequent reference to China as the 'World's Factory' (Benson, Debroux, Yuasa & Zhu, 2000; Gebauer, Putz & Fischer, 2008). The literature (Cheung & Chan, 2008; Huang, 2008; Lee, 2005b; O'Keefe & O'Keefe, 1997) suggests that foreign investors need to understand Chinese management philosophy in order to manage the indigenous employees if they are to work towards a competitive advantage.

The purpose of this chapter is to develop a conceptual framework and research questions in order to explore the impact of culture on management philosophy and HRM practices and thereby identify what factors underpin problems experienced by Chinese and Westerners when they attempt to work together in a joint venture, merger or partnership in a Chinese manufacturing context.

Articulating a theoretical foundation is an essential step in initiating an empirical study. For this purpose, the role of the literature review is extremely important since it serves to illuminate the dominant constructs, define the concepts of these constructs,

specify the theoretical domain, build interrelationships among constructs, make specific predictions, and specify the theoretical perspectives (Bryman & Bell, 2007; Lewis, 1998; Wacker, 1998). This chapter presents an extensive literature review concerning the theories and findings developed in previous studies that relate to differences between Western and Chinese management philosophy on HR practices and employee attitudes associated with organisational performance (Bhagat & Steers, 2009; Fontaine, 2007; Gomes, Yasin, & Lisboa, 2004). Thus, this research studies the factors underpinning the behaviour of local Chinese employees who sing the same tune as their management, as well as those who do not share the same vision as their superiors.

2.1   General concept of management philosophy

Management philosophy refers to the culturally embedded assumptions manager's hold in relation to human nature and human behaviour that inform their thinking and managerial practice (Koprowski, 1981). These assumptions are inculcated in individuals through the socialisation process and inform their perceptions and behaviours. Koprowski (1981) argues that Western management philosophy is underpinned by the Judeo-Christian tradition whereas Eastern management philosophy often reflects Eastern teachings. It is critical to note here that whilst the assumptions are held by individuals, they are also reflective of the assumptions held and shared by the majority of members of a given country and organisations from that country. Further, as Schein (1970) suggests, regardless of whether managers are cognisant of the assumptions or not, they are influenced by the assumptions in their dealings with superiors, colleagues and subordinates.

The literature (Claude, 1968; Kenny, 1998; Mou, 2009; Senguder, 2001; Shand, 2002) suggests that research into management philosophy should include three aspects. The first is temporal in order to fully reflect the historic development of the philosophy. The second is a theory or doctrine of philosophy. The theory or doctrine is developed from the original thinker and then verified by the follower. The evolution of the theory or doctrine of philosophy fully reflects the historical development in the philosophy from the thinker to the follower. The third is the human behavioural aspect. The philosophy follower changes their own behaviour or thought to fit in with following the philosophy. Therefore, the follower's behaviour is changed through belief in the philosophy.

The dissemination of management philosophy is one of the key management functions (Lee, 2005b; Rich, 1959; Senguder, 2001); however it is rarely addressed in academic research. This disinterest might be rooted in the typically negative connotation of the term 'philosophy'. It may also be because the nature of philosophy is the theory of knowledge (epistemology) and the essential nature of reality (metaphysics) (Shand, 2002). Many academics prefer management theory and motivation theory (Herzberg, 1959; Song, Wang, & Wei, 2007; Tung, 1981; Vroom, 1964), or planning (Dauten, 1958) and organisational topics over philosophy. Academics and managers are highly interested in and concerned with visions, strategies and plans (Cooke, 2008; Verbeke, 2000). However, the majority of these visions, strategies and plans fail or are not implemented successfully. One of the key reasons for such failures is that the implementation of management philosophy and the subsequent impact on HR practices undertaken by managers is often neglected (Pierce, 1991; Tai, 1988).

2.2   Western management philosophy

Western management philosophy is based on history and the ongoing evolution of management thought. Its language, theories, models and methodologies influence organisational performance. History may not repeat itself but it does provide a baseline for evaluating significant new theories and techniques. History is also a means for appreciating the evolution of Western management philosophy across time and the enduring contributions of the management discipline's leading thinkers (Wren & Bedeian, 2009). Western management philosophy is the existing body of knowledge about the activity of management and its function, purpose, and scope. The study of management philosophy, like the study of people and their cultures, is an unfolding story of changing ideas about the nature of work, human beings, and function of organisations (Wren & Bedeian, 2009).

Wren & Bedeian (2009) propose that the study of management philosophy be based on a cultural framework. Such a framework should refer to the following:

(1)   the economic and cultural relationship between people and resources;

(2)   the social facet which is the relationship between people in a given culture;

(3)   the political facet which is the relationship between the individual and the state, which also includes the legal and political arrangements for the establishment of social order and the protection of life and property; and

(4)   the technological facet which is the art and applied science of making tools and equipment.

Such a framework thus allows for the examination of the theories developed by those who have made significant contributions in the above areas; their background; ideas and; their influence over the respective management philosophy.

Analysing management philosophy also involves examining trends, movements, and environmental forces in order to understand individuals and their approaches to the solution of management problems (Armstrong, 2009; Boxall & Purcell, 2008; Dowling & Welch, 2004; Jackson, 2002). The objective is to place management philosophy in the context of its cultural environment and thereby understand not only what management philosophy was and is, but also explain its development and application (Berrel, Wright & Hoa, 1999; Hofstede, 1993).

The literature argues that Western management philosophy contains three components:

(1)   management principles and methods, developed through the practice of management in the organisation (Srikantia & Bilimoria, 1997; Weymes, 2004) and in terms of HR practices, the effective acquisition, allocation and utilisation of human efforts and physical resources to accomplish organisational goals (Al-Husan & James, 2009; Minbaeva, Foss, & Snell, 2009; Taylor, Levy, Boyacigiller & Beechler, 2008).

(2)   management theories based on human behaviour propositions (Robbins, 1993), which influence the development of how management theory is applied in the organisation (George & James, 1993) and;

(3)   management practice as observed in case studies of organisations, so as to observe the feedback from the employees (Weymes, 2004).

2.3   Mainstream doctrines of Western management philosophy

In Western management philosophy, innovations such as HR practices, individualistic employer management theories and individualistic employee attitudes are intricately inter-dependent on the economic, social and political landscape and cultural ethos of the nation state which bore their birth (Bhagat & Steers, 2009; Harris, 2008; Reberts, 2005).

The field of HRM in Western societies embodies a number of common themes. They include utilitarianism in the strategic integration of human resources; managing

organisational culture and cultural change; employee involvement and participation; commitment and collaboration between management and employees (Armstrong, 2009; Robbins, 1993). One of the themes central to the dogma of HRM is the sanctity of the individual. Western HRM is predominantly concerned with techniques of direct employee/management communication, appraisals, performance related pay provisions and encouraging individual responsibility for output and performance quality. Gould-Williams and Mohamed (2010, p. 653) 'consider the five-related outcomes, namely job satisfaction, motivation, organisational citizenship behaviour, stress and quit intentions'. The individual employee is given some of the responsibility of upgrading organisational performance and job design which assists in enhancing employee contribution to work. Moreover, the literature argues that employees will experience higher levels of job satisfaction when they are able to complete a whole task and as this allows them to take ownership of the work (Dany, Guedri, & Hatt, 2008; Vlachos, 2008).

In order to create and sustain a competitive advantage in their organisational performance, Western managers scan the economic, geographical, social and political circumstances in the external environment and make decisions on how best to configure and manage their HR based on such observations. This suggests that there is a positive relationship between HRM, employee attitude and organisational performance (Paauwe, 2004; Wang & Shyu, 2009; Wilkins & Ouchi, 1983). In the context of this practice, HRM refers to 'all those activities associated with the management of people in the firm' (Boxall & Purcell, 2008, p. 1). According to a number of scholars, HRM encompasses an individualist stance and encapsulates a management philosophy for managing people, based on the belief in the value of the individual and their contribution to the economic and social success of the organisation. Western management philosophy emphasises individual performance and reward and the need for the individual to gain satisfaction and fulfilment, both from their current job and through future career development (Dauten, 1958; Rich, 1959; Senguder, 2001). The employer-employee relationship between the individual and their manager is emphasised along with the working environment, to create a sense of community and to provide an open communication channel (Bhagat & Steers, 2009; Dowling & Welch, 2004; Harris, 2008; Purcell & Hutchinson, 2007). In order to better appreciate why Western management philosophy and HR practices have evolved in the manner they have, the following sections examine their historical value laden underpinnings.

2.3.1 Declaration of Independence – Thomson Jefferson

The essence of American management philosophy has evolved and developed under the auspices of integral dogmas such as the Declaration of Independence or the American Constitution, in association with unique economic, geographical, social and political circumstances (Jayne, 1998). The values enshrined in the US Constitution and the Declaration of Independence should logically underpin American management philosophy as they are the values of the American people. Given that much of Western management philosophy has been developed in America, it is fair to suggest that Western management philosophy on HR practice is partially influenced by American values, precepts and assumptions, factors that are clearly reflected in the American Declaration of Independence:

> We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and Pursuit of Happiness.
>
> Jayne (1998, p. 174)

The spirit of Declaration of Independence illustrates the sanctity of the individual and egalitarianism and alludes to employee involvement in decision making and job design and merit based rewards, all attributes of Western HRM.

2.3.2 'Invisible hand' in free economy and division of labour - Adam Smith

In the Wealth of Nations, the famous Scottish social philosopher and economist of Adam Smith (1733 – 1790), advocates a free economy that is guided by the "invisible hand" and proposes that the division of labour most enhances productivity.

> [T]he greatest improvement in the productive powers of labour, and the greater part of the skill, dexterity, and judgment with which it is anywhere directed, or applied, seem to have been the effects of the division of labour.
>
> Cannan (1994, p. 17).

The effect of the division of labour in modern society is more easily understood by considering the manner in which it evolved in a manufacturing context. The division of labour became more evident when manufacturing switched from handmade production to batch or mass production (Vernadat, 1999). During this time individuals started to specialise in specific aspects of the manufacturing process in order to increase skill and speed of work and the output of production. Today, modern manufacturing plants still apply this theory to gain optimum output of product through the division or

specialisation of labour and the consequent fragmentation of work. The larger the manufacturing organisation, the more specialised the work and the higher the level of fragmentation (Jayaram, Droge, & Vickery, 1999). The advantage of the division of labour is that the production process is broken down into a series of small tasks, each performed by a different worker. The specialisation of the worker on limited, repetitive tasks allows them to become very proficient at their tasks and further encourages the development of specialised machinery. It can be concluded that the division of labour brings about:

(1) an increase of dexterity in each worker;

(2) the saving of time which may otherwise be lost in passing from one type of work to another and;

(3) the invention of a great number of machines that facilitate and abridge labour and enable one man to do the work of many (Benson, et al., 2000).

It should also be noted that the division of labour may not result in employee satisfaction as employees do not have the opportunity to take ownership over a whole piece of work. However the basic principles of the specialisation and the division of labour underpin organisational structure and design and change management practices and inform HR practices such as HR planning, acquisition, development, job analysis and job design.

2.3.3   The Protestant work ethic and Judeo-Christian values

'The Protestant Ethic and the Spirit of Capitalism was published in German more than one hundred years ago by Max Weber, as a two-part article in the 1904/5 issue of the journal Archiv fur Sozialwissenschaft und Sozialpolitik'* (Furnham, 1990, p. 1). The following statement by Oates (1971, p.84) explains the essence of the Protestant Ethic:

> the Protestant Work Ethic (PWE) can be summarised as follows: a universal taboo is placed on *idleness*, and *industriousness* is considered a religious ideal; *waste* is a vice, and *frugality* a virtue; *complacency* and *failure* are outlawed, and *ambition* and *success* are taken as sure signs of God's favour; the universal sign of sin is *poverty*, and the crowning sign of God's favour is *wealth*.

Weber's work reflects his multi-disciplinary scholarly interests including religion, political economy, the law, and the social sciences. Today, the Protestant Work Ethic (PWE) is seen as an individual variable by psychologists; a set of cultural values by

sociologists and; a moderator between job attitude and performance by management researchers (Furnham, Petrides, Tsaousis, Pappas, & Garrod, 2005). The PWE construct has confirmed its place in Western management philosophy as an important individual variable related to human motivation. Western employer-employees as individuals operate within a cultural milieu that makes work more or less important to them – and which constantly reminds them of it. Clearly, the values individuals place on work represents much of who they are as individuals, even though the religious underpinnings have been largely lost over the last several centuries. The Protestant Work Ethic also provides a basis for the relationship between attitude and behaviour; the connection between job satisfaction and performance and; the role of work as a central life value held by the employers and employees who work within Western organisations (Furnham, 1990; Furnham, et al., 2005).

There are other important themes in management philosophy such as the relationship among needs and the possibility of substituting one need for another. More importantly, however, is the question concerning the role of job satisfaction and its relationship to productivity. Some have argued the job satisfaction is a crucially important determinant of the meaning of work while to others; it is completely irrelevant (Locke, 1976; Paik, Parboteeah & Shim, 2007; Saari & Judge, 2004).

There also remains the question of the influence of the New Testament teachings on PWE-related issues such as work, money, time, and leisure. Barclay (1972) has pointed out some of the fundamental Christian ethics on issues such as work, pleasure and wealth. There are innumerable references to the importance of work in the Bible and one of the most frequently quoted is that of St. Paul when he argued that if a man refused to work, he had no right to eat (2 Thess. 3:10). For Barclay (1972) four themes are detectable: our work is what we are and where we are; there is no better test of a person than the way he works; the test of a person is whether he deserves his pay and; work should be seen as a contribution to the community as a whole. He suggests that Christian ethics emphasise the right of a person to work, a living wage and reasonable working environments. It would therefore appear that the centrality of work in the Christian ethics is beyond doubt. However, the relationship between Christian ethic and the PWE depends, undoubtedly, on one's ethical position; and one can find Biblical justification either for or against the PWE. In any case however, the work related values

embodied in the PWE underpin modern Western management philosophy and HR practices such as remuneration, promotion and engendering job satisfaction.

2.3.4   Bureaucracy – Max Weber

In 1904, while in the final stages of preparing his epochal study, *The Protestant Ethic and the Spirit of Capitalism*, Weber not only addressed this issue, but he also developed his concept of 'bureaucracy'. Weber is known as the "Father of Organisation Theory". Weber's goal was not perfection, but systematisation – moving managerial practice and organisational design towards more logical ways of operating (Roth & Wittich, 1978). The advantages of bureaucracy (Dieh, 1923; Weber, 1946; Wren & Bedeian, 2009) include:

(1)   Labour being divided so that authority and responsibility are clearly defined;

(2)   Offices or positions being organised in a hierarchy of authority;

(3)   All employees being selected on the basis of technical qualifications earned by normal examinations, education, or training;

(4)   Employees being career professional rather than "politicians", and working for fixed salaried and pursuing "careers" in their respective fields although a measure of flexibility is attained by electing higher-level officials who presumably express the will of an electorate;

(5)   All employees being subjected to formal rules and other controls regarding the performance of their duties; and

(6)   Rules and other controls being impersonal and uniformly applied in all cases.

Whilst Weber's work on bureaucracy was published over 100 years ago, it still informs management philosophy on organisation structure and design and a range of HR practices including HR planning, acquisition, training and development, job analysis and job design, remuneration, promotion and the development of standardised documentation such as operating procedures.

2.3.5   Scientific management - Frederick W. Taylor

Western manufacturing and mining industries experienced a great change, referred to as the Industrial Revolution, which occurred largely in England from 1770 to the early 1800s (Daniel, 1980; Fayol, 1949). The Industrial Revolution has influenced the

manufacturing world - changes have been made from craft to machine, hand-made to machine-based manufacturing and unit production to mass production. Societal life has also changed as many people moved from agrarian pursuits to working in factories in cities. In the times since, academics and management gurus have proposed management philosophies and motivation theories to people who manage manufacturing plants (Gomes, et al., 2004).

Frederick W. Taylor (1856–1915) is known as the Father of Scientific Management and approached the management of work as a science. He proposed a management philosophy in manufacturing, rooted in concepts from the Industrial Revolution period. Based on observations, measurements and analysis, he identified the best method for performing each job. Once determined, the methods were standardised for all workers and economic incentives were established to encourage workers to follow the standards (Phelps, Parayitam, & Olson, 2007). Taylor's philosophy became known as Scientific Management. According to Daniel (1980), the principles of Scientific Management require that the practitioner should:

(1) develop a science for each operation to replace opinion and rule-of-thumb;

(2) determine accurately the correct time and method for each job;

(3) set up a suitable organisation to shoulder responsibilities from the workers except that of actual job performance;

(4) select and train the workers; and

(5) accept that management itself be governed by the science developed for each operation, and surrender its arbitrary power over workers i.e. cooperate with them.

Taylor's philosophy also gave the impetus for the Western managers to implement a generic management philosophy on HR practices (Fisher & Yuan, 1998; Chinta & Capar, 2007). Scientific management and the resulting industrial efficiency movement, which became famous for its use of time-and-motion studies, were direct attempts to abolish the craft guild system that had dominated shop floors for centuries. It tried to do so by applying a deterministic philosophy to business operations (Shibata, 2009). From the employers' point of view, efficiency of working methods was the dominant issue. However, Taylor felt that everyone should benefit from Scientific Management – workers as well as managers. Taylor's approach was to scientifically measure the workers' jobs and set pay rates accordingly. Taylor believed that efficient workers

should be rewarded for their productivity without limit, thereby creating a win-win situation for workers and employers (Jayaram, et al., 1999). In practice, Taylorism is most evident in HR practices focused on employee efficiency (Morgan 2006) such as HR planning, job analysis and job design, training and development, remuneration and standardised documentation such as systems and procedures manuals.

2.3.6   General administrative theory – Henri Fayol

The most prominent general administrative theorist was Henri Fayol (1841 – 1925). He prefaced his famous definition of management by stating what he considers to be the key activities of any industrial undertaking (Fayol, 1949). He outlined six such activities:

> (1)   technical activities (production and engineering);
>
> (2)   commercial activities (buying and selling);
>
> (3)   financial activities (securing capital);
>
> (4)   security activities (safeguarding property and intelligence property);
>
> (5)   accounting activities (providing financial information); and
>
> (6)   managerial activities (planning and organising).

In addition, he argued that management is an activity common to all human undertaking in business, government and even in the home. He stated fourteen principles of management which are the precepts he applied most frequently during his working life (Armstrong, 2009; Fayol, 1949). Today, many of Fayol's 14 principles still underpin Western management philosophy (for example centralisation versus decentralisation, authority – the right to give orders and unity of command) and influence HR practices such as equity (*espirit de corps*), fair remuneration, division of work and encouraging subordinate initiative.

2.3.7   Motivation Theories

The literature suggests that that there are a number of motivation theories that influence Western management philosophy and HR practices (Jackson & Bak, 1998; Song, et al., 2007; Tung, 1981; Wu, Su, & Lee, 2008; Zhang & Edwards, 2007). The needs hierarchy theory developed by Abraham Maslow has been one of the most popular and widely known theories of motivation among practising managers. It hypothesises that all people possess a set of five needs (physiological, safety, belongingness / social,

esteem and self-actualisation) and that these needs are arranged in a hierarchy from the most fundamental or basic of survival, to the most advanced for personal growth and development. Maslow's theory is that people tend to satisfy their needs systematically, starting with the basic physiological needs and then moving up the hierarchy. Until a particular group of needs is satisfied, a person's behaviour will be dominated by them (Maslow, 1968).

Following an investigation into the sources of job satisfaction and dissatisfaction of accountants and engineers, Herzberg (1959) proposed the Motivation-Hygiene Theory. He concluded that certain factors tend to lead to job satisfaction, while others led frequently to dissatisfaction. The factors giving rise to satisfaction are called motivators (e.g. achievement, recognition and work itself). Those giving rise to dissatisfaction are called hygiene factors (e.g. supervision, relationship with peers and relationship with subordinates) (Herzberg, 1959; Vroom, 1964). 'Hygiene' or 'maintenance' factors are concerned basically with job environment. However, to motivate workers to give their best, it is theorised that proper attention must be given to a different set of factors - the 'motivators' or 'growth' factors. These are concerned with job content (Herzberg, Manusner, & Snyderman, 1959).

The other best-known motivational theorist is Douglas McGregor (1906-1964). McGregor argued that the style of management adopted is a function of the manager's attitude towards human nature and behaviour at work. He put forward two suppositions called Theory X and Theory Y, which are based on popular assumptions about work and people (McGregor, 1987). McGregor expanded the idea that managerial assumptions about human nature and behaviour were all-important in determining a manager's style of operation (Wren & Bedeian, 2009). McGregor suggested managers adopting a Theory X perspective assumed people are lazy, inherently dislike work, avoid responsibilities, prefer to be directed, lack ambition and value security the most. Therefore, they must be coerced, controlled, directed and threatened with punishment if the organisation is to achieve its objectives. He also suggested that motivation occurs only at the physiological and security levels (McGregor, 1987; Wren & Bedeian, 2009). Conversely, McGregor suggested managers adopting that Theory Y's perspective assumed people are self-directed and have self-control when it comes to objectives to which they are committed. In other words, the commitment to objectives is a function of rewards associated with their achievement. These people are able to learn to accept and

seek responsibilities; their motivation occurs at the affiliation, esteem and self-actualisation levels, as well as the physiological and security levels (McGregor, 1987; Robbins, 1993; Wren & Bedeian, 2009).

The two views of Theory X and Theory Y tend to represent extremes of the natural inclination of managers towards a particular style of behaviour. In practice, however, the actual style of management behaviour adopted will be influenced by the demands of the situation (McGregor, 1960). McGregor served as a bridge from the old view of human relations to the new organisational humanism. It was McGregor's fundamental belief that harmony can be achieved, not by adopting a hard or soft in approach, but by changing assumptions about people and believing that they can be trusted. Harmony can also be achieved by exercising self-motivation and control and having the capacity to integrate their own personal goals with those of the formal organisation (McGregor, 1960; Robbins, 1993; Wren & Bedeian, 2009).

ERG theory (the need for existence, relatedness and growth), formulated by Alderfer (1972), is about the subjective states of satisfaction and desire. Satisfaction is concerned with the outcome of events between people and their environment. It is a subjective reaction which refers to the internal state of people who have obtained what they are seeking, and is synonymous with getting and fulfilling (Latham, Almost, Mann, & Moore, 2005). Desire is even more subjective because it refers exclusively to the internal state of a person related to his needs, wants, preferences and motives. ERG theory adopts an 'open system' approach of the human personality. Alderfer concluded that there are really only three major sets of needs – existence needs (the basics of life), relatedness needs (social and interpersonal needs), and growth needs (personal development needs) and it is argued that this theory provides a more dynamic model of human needs than Maslow's five level model (Jackson & Bak, 1998; Latham, et al., 2005; Zhang & Edwards, 2007).

The learned needs theory of motivation is an alternative way of classifying needs. It was developed by McClelland (1961) who based it mainly on studies of managers. He identified three needs as being most important:

    (1) The need for achievement, defined as the need for competitive success measured against a personal standard of excellence;

    (2) The need for affiliation, defined as the need for warm, friendly, compassionate relationships with others; and

(3) The need for power, defined as the need to control or influence others.

He concluded that all three learned needs are developed more by childhood experience and cultural background than by purely inherited factors (Barney & Zhang, 2009; Zhang & Edwards, 2007). If this is correct, it has important implications for management and supervisory training. If the need for achievement is influenced primarily by environmental factors, then clearly, it is possible to develop training programmes designed to increase the achievement motive in the employees concerned (Zhang & Li, 2009). McClelland (1961, p. 3) was also the first to attempt a specifically psychological analysis of the Protestant Work Ethic and linked it to economic growth which he argued was 'a first attempt by a psychologist interested primarily in human motivation to shed some light on a problem of historic importance'.

Expectancy theory suggests that employee performance is influenced by the expectancies of employees. It was originally contained in the valency-instrumentality-expectancy (VIE) theory formulated by Vroom (1964). Valency stands for value. Instrumentality is the belief that if we do one thing, it will lead to another and expectancy is the probability that action or effort will lead to an outcome (Tung, 1981; Zhang & Edwards, 2007). A key point of this theory is that an individual's behaviour is formed not on objective reality but on his subjective perception of that reality. The essence of this theory relates to how a person perceives the relationships between three things – effort, performance and rewards. Vroom focused especially on the factors involved in stimulating an individual to put effort into something, since these are the basis of motivation. He concluded that there are three such factors. First, the extent to which an outcome is regard as desirable, i.e. its valence, is related to values. For instance, material gain is likely to be regarded as highly desirable by people who endorse achievement. Second, the perceived likelihood of a given action to generate a specific outcome, i.e. the expectancy is a belief and may therefore be related to an axiom dimension. Lastly, the expectancy model provides a framework to integrate values and beliefs that are tied to a specific situation or object, because the common situation or object provides the basis for integrating the corresponding values and beliefs (Vroom, 1964; Jackson & Bak, 1998; Sorrentino & Yamaguchi, 2008).

Goal theory, as developed by Locke and Latham (1988), posits that motivation and performance are higher when individuals are set on specific goals; when goals are difficult but accepted and; when there is feedback on performance. Participation in goal

setting is important as a means of getting agreement to the setting of higher goals. Difficult goals must be agreed on and their achievement reinforced by guidance and advice. Feedback is vital in maintaining motivation, particularly towards the achievement of even higher goals. Goal commitment is likely to be enhanced when goals are made public and when they are set by the individual rather than by being imposed externally. Clearly, the concept of goal 'ownership' is important here. A major aspect of management-by-objectives is the intention that the process should attempt to harmonise individual and company goals (Su, Baird, & Blair, 2009; Taylor, Levy, Boyacigiller & Beechler, 2008; Yu & Egri, 2005).

Equity theory states, in effect, that people will be better motivated if they are treated equitably and will be de-motivated if they are treated inequitably. This theory explains only one aspect of the processes of motivation and job satisfaction, although it may be significant in terms of morale. This theory explains that people make comparisons between themselves and others in terms of what they invest in their work (input) and what outcomes (output) they receive from it. In a review of research, Robbins (1993) suggests that when people perceive an inequitable situation for themselves, they can be predicated to make one of the following six choices:

     (1)   change their inputs;

     (2)   change their outcomes;

     (3)   distort their perception of self;

     (4)   distort their perceptions of others;

     (5)   choose a different reference point; or

     (6)   leave the field.

This theory suggests that people are not only interested in rewards per se, which is the central point of expectancy theory, but that they are also interested in the comparative nature of rewards.

High Performance Work Systems (HPWS) is 'a system of HR practices designed to enhance employees' skills, commitment and productivity in such a way that employees become source of sustainable competitive advantage' (Datta, Guthrie & Wright, 2005, p.135). The features of HPWS include the governance and managerial processes in which the organisation applies HR practices. The HPWS takes on the role of management system and employee variables in the performance of any kind of HR system (Boxall & Macky, 2007). Both the performance of employees and organisations

are counted as the performance level on HR practices (Qiao, Khilji, & Wang, 2009). The flow is that HPWS influences and aligns employees' attitudes and commitment and subsequently, organisational performance (Gong, Chang & Cheung, 2010; Schuler & Jackson, 1987). Qiao, et al., (2009) argues that the most influential aspect of the best fit or best practice approach has been HPWS, which are designed to enhance employee attitude, work responsibility and job satisfaction. Such employees become a key element for organisation excellence.

In his (1985) seminal paper Walton (1985), asserted that proactive HR practices that promote communication, trust, and cooperation will elicit job commitment of employees and attribute to the best outcome with regard to organisational performance. More recently, Martin-Tapia, Aragon-Correa, and Guthrie (2009) premise that there is a positive correlation between the attitude of employees and the influence of HPWS. However, Boxall and Macky (2009, p. 2) argue that the popularity of HPWS study has changed in the context of the current workplace and has taken us away from the eclectic and contentious concept of 'best practices'. Being highly labour intensive, manufacturing organisations should be ideal candidates for the successful implementation of HPWS. However, there may be mediating constructs that impact on employee attitudes and behaviours, such job satisfaction and trust in the management. These can also increase or decrease the impact of HPWS (Boxall & Macky, 2007).

In bundling HR practices to constitute a HPWS, there is significant debate about what the composition should be. As Boxall and Macky (2007, p. 537) argue, '[w]hile there are a number of theoretical, empirical and practical dimensions on which these constructs differ, a common theme is the notion that the HR practices involved should form a coherent, integrated 'bundle'; a system of complementarities whose effect is greater than the sum of parts'. Hence, HPWS involves the mutual interdependence and congruence of key organisational variables - structure, strategy, people, management style, human resource systems and functions (such as recruitment, selection, performance appraisal, teamwork, training and development, and reward management), procedures and culture (Boxall & Purcell, 2008; Schuler & Jackson, 1987). Moreover, Boxall & Macky (2009, p. 4) propose that 'HPWS constitutes a claim that there exists a system of work practices that lead in some way to superior organisational performance. There are three concepts explicitly embedded in the proposition: performance, work practices and systemic effects'.

Critical to this discussion is that the development of these motivational theories have, over time, informed Western management thinking and management philosophy and this in turn has informed the ongoing development and evolution of HR practices from the era of personnel management through to the current era in which HRM is being more frequently perceived as a strategic component of overall organisational management (Deadrick, & Stone, 2009). Also critical to this discussion is that current Western HRM practices have been developed in Western societies and would appear to be congruent to the cultural values and assumptions held by the majority of individuals in such societies. However, Jaeger (1990) argues that the uncritical application of theories from Western management to developing country firms may result in organisational inefficiency as well as resentment, particularly where the application of such theories may clash with the values and assumptions held within the local culture. Therefore, the following section examines the nature of culture and how it might influence management philosophy and HR practices from one society to another.

2.4   Culture and management philosophy

Culture is the pillar of management philosophy and is defined as the 'human-made part of the environment' (Herskovits, 1955, p.70). According to Kim, Triandis, Kagitcibasi, Choi, and Yoon (1994, p. 44) '[s]ubjective culture is its subjective aspect - the shared perceptions of the social environment'. The differences in perspectives on the values of people in organisations and the validity of HRM practices, particularly in non-Western countries, may be best understood in terms of the concept of locus of human values. Hofstede (1994), states that in the Individualism-Collectivism dimension, there seems to be a simple split between individualistic Western cultures and collectivistic non-Western ones. In the former, individuals are brought up in nuclear families and individual achievements are often stressed whereas in the latter, people are more likely to be part of an extended family and group involvement is stressed. The latter appears to be the case in China. The lifetime protection of people which collectivism subscribes to would seem to indicate a respect of people in their own right and as part of a collective entity. The expectation that people in individualistic cultures will look after themselves would indicate a more instrumental view of people in organisations (Han, Kang, Salter, & Yoo, 2010; Hartel, Lloyd, et al., 2010).

Individualism occurs in societies in which the ties between individuals are fragile. Everyone is expected to look only after himself and his immediate family. On the other hand, Collectivism occurs in a society in which people from birth are already integrated into strong, cohesive in-groups, which throughout their lives; continue to protect them in exchange for unquestioned loyalty (Fischer, et al., 2009; Kuhn, 2009). The Chinese are very concerned about clanship, and they also claim that those sharing the same surname share a common relative in the distant past. This may, in part, explain why they work together in harmony. They also believe that leaders will protect their subordinates (Fischer, et al., 2009; Munro, 1985; Zhao & Chen, 2008).

Each culture operates according to its own internal dynamic, principles, and laws - written and unwritten. Even time and space are unique to each culture. There are, however, some common threads that run through all cultures. It is possible to say that the world of communication can be divided into three parts: words, material things and behaviour. Words are the medium of business, politics, and diplomacy. Material things are usually indicators of status of power. Behaviour provides feedback on how other people feel and includes techniques for avoiding confrontation (Hofstede, 1993; Taylor, et al., 2008).

Management philosophies are deeply rooted in culture so it may not be easy to change HR practices from one culture to another (Chien, 2006; Chow, Huang, & Liu, 2008). Culture is a distinctly human capacity for adapting to circumstances and transmitting coping skill and knowledge from previous and to subsequent generations. Culture gives people a sense of who they are, where they belong, how they should behave and what they should be doing. Culture impacts behaviour, morale and productivity at work and includes values and patterns that influence company attitudes and actions. Corporate culture affects how an organisation copes with competition and change in terms of technology, economics and people (Albrecht, 2001; Chow, et al., 2008).

Philosophy is neither a science nor religion, although historically, it has been entwined with both (Kenny, 1998). Philosophy is a multi-directional subject because unlike historical disciplines, it gives no new information about nature or society. Philosophy aims to provide not knowledge but understanding; and its history shows how difficult it has been, even for the very greatest of minds, to develop a complete and coherent vision. It can be said without exaggeration that no human being has yet

succeeded in reaching a complete and coherent understanding, even of the language we use to think our simplest thoughts (Davis, 1958; Fischer, et al., 2009).

2.5 Preamble on Chinese philosophy

The history of philosophy in China is generally divided into three periods. The first, which spans from 6th to 2nd BCE, is the classical period; the second, which spans from 1st to 10th CE, is marked by the introduction and ascendancy of Buddhism and; the third, which spans from 11th to 16th CE, is the renaissance of philosophy in China, with the rise of Neo-Confucianism (Carr & Mahalingam, 1997; Mou, 2009).

In the first period, China encountered a world of excited debate generated by the Hundred Schools of Philosophers (Chan, 1969; Mou, 2009). The vigour of philosophical thought in the classical period led to forceful and original conceptions of morality. The major schools of thought during this classical period of were Confucianism, Taoism and Legalism. These three schools have also deeply influenced Chinese values, how the Chinese think and how they behave (Chan, 1954; Shi & Xu, 1993; Smith, 1996).

The second period was marked by the introduction of Buddhism from India to China via The Silk Route in the first century CE. Buddhism influenced a wide spectrum of society, from the emperors to the commoners, as well as the poets, painters, and scholars. By the fifth century, Buddhism had become firmly established in northern China, and by the seventh century, it had become the third main philosophical and religious tradition in China. Taoism has also deeply influenced Buddhism in China (Mou, 2009; Shi & Xu, 1993).

In the third period, Neo-Confucian philosophy emerged as a formidable synthesis of the insights of the Confucian tradition, Taoism, Legalism, Mohism, and Buddhism. The major Neo-Confucian philosophers were Zhou Dunyi, Zhang Zai, the Cheng bothers, Zhu Xi, Lu Xiangshan, and Wang Yangming (Mou, 2009).

At the outset, Confucius himself put forward his vision in order to save the culture of the declining Zhou dynasty; but that does not suggest that Confucius has no universal insights to offer about human nature. A history of Confucianism has been a process of discovering and rediscovering the true *dao,* 道 of Confucius. The Neo-Confucians of the Song and Ming Dynasties believed that they were the real successor of Mencius and the defenders of the Confucian *dao* in the face of the aggression of Buddhism. The is one of

contributions made by Neo-Confucianism, particularly by the philosophy of Wang Yangming, but still it saw many problems to overcome in explaining the Confucian *dao*. Neo-Confucianist doctrine focuses on human ethics and commonality, but it too restricted (Chan, 1969; Cheng & Bunnin, 2002; Mou, 2009). In the late nineteenth century, Kang Youwei put forward a revolutionary ethical perspective, reinvigorating the insights of Confucius and the Neo-Confucian philosophers, to advocate political and social reforms (Mou, 2009; Shi & Xu, 1993).

The core foundation of Chinese culture is Chinese philosophy (Chan, 1969; Mou, 2009). The current research defines its scope on cultural values and behaviours from the original and fundamental schools of philosophical thoughts and beliefs. Legalism, Confucianism and Taoism are included in the research because over the centuries, these three schools of thought have had uninterrupted impact on Chinese society and constitute the basic pillars underpinning Chinese culture (Chan, 1954; Smith, 1996). Emphasis is given to those Chinese behaviours which appear to have their roots in Legalism, Confucianism and Taoism. The following sections contain a description of the above three core doctrines of Chinese philosophy on which much of Chinese values and behaviours are based. The researcher also highlights some of the behavioural differences of Chinese and the Westerners, in an attempt to identify a suitable management philosophy and HR practices that might be most suitable for the Chinese-Western business environment (Child, 2009; Huang, 2008; Tsang, 2009).

2.6   Mainstream doctrines of Chinese philosophy

2.6.1   Legalism 法家 – Han Fei 韓非

The representative philosopher of Legalism was Han Fei (280-233 B.C.). He was a prince during the Han Dynasty. The book of Han Feizi, which consists of 55 treatises, is ascribed to him. Legalism is often called *Fa Jia, 法家*. The word *fa* covers a wide range of meanings, such as law, punishment, custom, duty, discipline, method, technique, and model and has to be translated into many definitions. The word *Jia* refers to the school of proposition. Therefore, *fa jia* could be defined as integrating three basic themes; penal law (*fa, 法*); statecraft or technique (*shu, 術*) and; power (*shi 势*) in Han Fei's proposal for effective government (Chan, 1969; Watson, 2003). So in summary, the school of Legalism involves the three concepts of law, statecraft, and power (Chad,

1994). The book of Han Feizi has been read for generations and is still of interest today - a time when people are again concerned with nature and use of power. The book of Han Feizi produces the final and most readable exposition of that school's theories. This handbook for rulers deals with the problems of strengthening and preserving the state, the way of the ruler and use of power, punishment and favour. The handbook was followed by many ancient Chinese emperors (Harding, 1933). It also holds that all ideas and ways of life that impede the realisation of the ruler's aims should be unmercifully quashed and that the people should be kept in a state of ignorance and awe. Although it has been condemned for its advocacy of harshness and deceit, its penetrating analysis and astute advice have been drawn upon again and again by later rulers and theorists (Chan, 1952, 1954, 1969). Ironically, the ruler most influenced by Han Feizi, was the king of Qin, who was persuaded by one of Han Feizi's former classmates to send him to prison, where he later committed suicide (Watson, 2003).

Legalism is the most radical of all ancient Chinese schools. It rejects the moral standards of Confucianism and the religious sanction of the Mohists in favour of power. It accepts no authority except that of the ruler and looks for no precedent (Chad, 1994). Its aim is political control of the state and the population; a control to be achieved through an intensive set of laws, backed up by generous rewards and severe punishments. According to its theory, aggression, war and regimentation would be used without hesitation so long as they contributed to the power of the ruler (Chan, 1969; Mou, 2009). The legalists were primarily interested in the accumulation of power; the subjugation of the individual to the state; uniformity of thought and; the use of force. Legalism does not concern itself with ethical, metaphysical, or logical concepts like many other schools (Etz, 1964; Wang & Chang, 1977).

As noted above, the chief objective of Legalism is the concentration of power in the ruler. It is divided into three categories, the first emphasises the concept of the law itself; the second emphasises statecraft as the art of conducting affairs and handling people and; the third emphasises power. Legalism makes a comprehensive synthesis of the enforcement of law, the manipulation of statecraft and the exercise of power (Chad, 1994). "Law" refers to rules made by the ruler for the proper regulation of society or for correct conduct in life. According to Legalism, the intelligent ruler should rule the state by using laws. After laws have been made, everyone in the state, both the ruler and the ruled, must obey them and cannot change them at will (Cheung & Chan, 2005; Smith,

1996). In fact, the highest ideal of Legalism is that the ruler and the minister, the superior and the inferior, the noble and the humble, all obey the laws. Laws, then, are the highest standards, to judge the words and actions of the people of a state. All words and actions not in accordance with the law must be prohibited (Hochsmann, 2004; Yang, 1998).

Statecraft means the skill or technique and wisdom of the ruler in managing public affairs. To select and evaluate officials, the ruler should employ his statecraft (Chan, 1969; Mou, 2009). After assigning posts according to individual capacity, the ruler should demand satisfactory performance of the responsibility devolved to the posts and punish anyone who is derelict of duty or oversteps his power. Statecraft was also perceived to be Legalism's answer to the problem of usurpation, through which many rulers lost their power. The interest of the ruler and the ruled are incompatible. Therefore, it behoves the ruler to trust no one; to be suspicious of sycophants; to permit no one to gain undue power or influence and above all; to use wile to unearth plots against the throne (Chan, 1952; Cheung & Chan, 2005).

Power refers to the highest position and the supreme power of the ruler to issue orders and to make others obey (Cheung & Chan, 2005). A ruler's authority is outwardly manifested in his rewards and punishments, which act as the 'two handles' of his administration. Since there is no one who does not fear capital punishment or find the receiving of rewards beneficial, the ruler can profitably make use of rewards and punishments on his people, and make effective his awe-inspiring authority (Huang, 2008; Lok, 2005). With supreme authority, secure and good order prevailing, the ruler proceeds to aggrandise his realm by means of military power. Might is the decisive factor in interstate relations. Military power is inseparable from economic strength.

2.6.2 Confucianism 儒家 – Kongzi 孔子

The representative philosopher of Confucianism is Confucius / Kongzi (511-479 BCE). The key concept of Confucianism is humanity (*jen or ren,* 仁) which occurs 108 times in the book of Analects (Chan, 1955, 1969; Mou, 2009; Yum, 2007). In Chinese culture, humanity is defined as everyone living together and being cordial to one another. The Chinese word for "humanity" is made up of the character for "man" and is combined with the character for "two", (仁) denoting ideographically what is common between two men; and suggests the notion of a common denominator in mankind and a

demarcation between man and animal (Taylor, 1998; Yum, 2007). Thus, it is a word embracing all those moral qualities which should govern one man in his relationship with another. It focuses on human relationships and underpins Confucianism's huge following among the Chinese (Cua, 1975; Reid, 1916; Rubin, 1981; Taylor & Arbuckle, 1995). The point of humanity has been variously translated as benevolence, perfect virtue, goodness, human-heartedness, love and altruism (Lau, 1969; Reid, 1916; Rubin, 1981). None of these fully express all the meanings of the term. Humanity refers to a particular virtue or benevolence but also the general virtue which is the basis of all goodness. Confucianism understands it to mean love or 'men living together' (Chan, 1952; Taylor & Arbuckle, 1995; Yum, 2007).

The virtue of humanity and the accompanying virtues of righteousness, propriety and wisdom arise from the innermost depths of the human heart. The cardinal virtues come in their seed form, often called the 'Four Beginnings, 四端'. These are the feelings of compassion, shame, modesty and the distinction between right and wrong (Lai, 2008; Stephens, 2009). Therefore, of upmost importance is the function of education and self-cultivation, so that one does not lose his hidden and original 'child's heart' and maintains the highest ethical standards (Chan, 1998). The 'Four Beginnings' comprises four rites. The first, rites (*Li,* 禮) refers to the regulations of a society as well as rules and orders in everyday life. It is the actual display of one's righteousness (Rubin, 1981). The second rite Righteousness (*Yi,* 義), is the ability not to be directed by the interests of oneself. It is the beginning of achieving higher morals (Chan, 1955). The third rite Integrity (*Lian,* 廉), is very often explained as freedom from corruption (Taylor, 1998) or having good face. The fourth rite Shame (*Chi,* 恥), refers to leading the people by virtue and restraining them by rites rather than leading the people by using the law and regulating them with penalties. It is believed that if people have a sense of shame they will become good by avoiding wrong-doing. However if only laws are used, people will try to avoid wrong-doings to avoid punishment but will have no sense of shame and may not become good. Many Chinese argue that the 'Four Beginnings' are the four pillars of spirit of their country (Taylor & Arbuckle, 1995).

In the book of Mencius, Confucius comments that a good government requires that '[t]he king ought to behave like a king, minister like a minister, father like a father, and son like a son, '君、臣、父、子' (Mencius, Teng Wen Gong I). This may be

interpreted firstly as a guideline for a person's behaviour in relation to people of different roles in society and secondly, for different people to have respect to their own social roles (Lai, 2008; Lin & Ho, 2009). The social roles are called Five Relations (*Wulun,* 五倫). From the top of the hierarchy there is the ruler and subject, father and son, husband and wife, elder brother and young bother, friend and friend (only the participants in the last relationship are equal to one other) (Lin & Chi, 2007a; Lockett, 1988).

Confucianism also proposes the concepts that to improve oneself; one must cleanse one's heart, build one's character, manage one's family affairs, and govern one's country so that one rules the world (修身、齊家、治國、平天下). As (Legge, 1970, p375 – 378) explains:

> The ancients who wished to illustrate illustrious virtue throughout the Kingdom, first ordered well their own states. Wishing to order well their states, they first regulated their families. Wishing to regulate their families, they first cultivated their persons. Wishing to cultivate their persons, they first rectified their hearts. Wishing to rectify their hearts, they first sought to be sincere in their thoughts. Wishing to be sincere in their thoughts, they first extended to the utmost their knowledge. Such extension of Knowledge lay in the investigation of things. (心正而後身修，身修而家齊，家齊而後國治，國治而後天下平).

Confucius was born during the Warring States Period, a time of severe crisis and warfare between Chinese states (Makeham, 2004; Shien, 1953; Wu, 1973). It was this crisis that motivated Confucius and later Lao Tzu to return to a more harmonious past through social reform and personal transformation. To Confucius it appeared obvious that the problems of the people stemmed from sovereign power exerted without any moral principles and solely for the benefit of the sovereign luxury. This is why he urged for social reforms that would allow the government to be administered for the benefit of all the people. This could be done, he urged, if the members of the government were of the highest personal integrity, understood the needs of the people and cared as much for the welfare and happiness of the people as they did for themselves (Jensen, 2005).

Confucius proposed philanthropy or 'Do unto others as you would have them do unto you' (己所不欲, 勿施於人), as this practice had been lost during the Warring States Period (Rubin, 1981; Yum, 2007). It is a principle derived from reflections on the conditions required for an ideal society. The attitude underlying these reflections

regards knowing humanity as more important than knowing nature (Angle, 2001; Dallmayr, 1993; Huang, 2007). If people cannot know and regulate themselves, how then can they hope to know and control all of nature? Confucius did not look for the basis of human goodness and morality outside of human beings. According to Confucius, within humanity itself can be found the source and structure of human goodness and happiness. It is this attitude that makes Confucianism a humanism rather that naturalism (Chan, 1969; Mou, 2009; Reid, 1916).

Confucianism and Neo-Confucianism have had a profound impact Chinese culture and in many respects underpin Chinese cultural values. Confucius' teachings inevitably contain both conservative and progressive aspects. He emphasised the importance of humanity and regarded it as the highest ideal of morality. Yet, according to him, humanity encompasses different grades of love – more love for those who are close and less for those who are distant; more for those who "higher beings" and less for those who are "lesser beings" (Keller & Kronstedt, 2005; Makeham, 2004; Rubin, 1981).

In summary, it can be readily seen that Legalism is entirely incompatible Confucianism, which it bitterly opposed. Confucianism is dedicated to the cultivation of virtue, development of individual personality, government for the people, social harmony and use of moral principles (Chang, 1976; Fan, 1995). Conversely, Legalism was primarily interested in the accumulation of power, subjugation of the individual to the state, uniformity of thought, and use of force (Lin & Chi, 2007b; Slingerland, 2007).

2.6.3 Taoism 道家 – Lao Tzu 老子

The representative philosopher of the Taoism is Lao Tzu (571-477 B.C.). The classic book of Lao Tzu is the 5000-word *Way and Its Virtue* (*Tao Te Ching,* 道德經), which expounds Lao Tzu's philosophy (Creel, 1956; Reid, 1917; Verellen, 1995). The key concept was the advocacy of inaction in government and the natural way (*Tao,* 道). The essential concept of Taoism is the natural way. According to Taoism, the *Tao* is the origin of all things and the universe. It begets all things, and all things return to it at last. It is materialistic as well as spiritual. Taoism urges men to adopt the unity of spirit and teaches that all activities should be in harmony with the unseen, with abundant liberality towards all things in nature (Davis, 2004; Verellen, 1995). Chapter 1 of *Tao Te Ching* states "it was from the Nameless that Heaven and Earth sprang". Before the chaos that occurred in heaven and on earth, it existed. Without sound, without substance, it stands

alone without changing. It is all pervading and unfailing. One may think of it as the mother of all beneath Heaven. We do not know its name, but we term it the *Tao* (way). Forced to give an appellation to it, Lao stated it was great (Chuan, 1997; Grava, 1963; Wagner, 1999).

Again, this philosophy is embodied in a small classic of words. No other Chinese classic of such small size has exercised so much influence. More commentaries have been written on it than on any other Chinese classic. There are also more English translations of it than of any other Chinese book (Reid, 1917). It is a combination of poetry, philosophical speculation, and mystical reflection. Its vague and cryptic character makes interpretation and translation extremely difficult (Reid, 1917; Verellen, 1995; Wagner, 1999). Its literary style, grammatical patterns, rhymes and ideas are in many places inconsistent. Certain terms are indisputably later interpolations. Passages attributed to Taoism in other works are either not found in the *Tao Te Ching* or are different (Mak, 2000; Shien, 1953). On the basis of these facts, some scholars have agreed that they belonged to the 4th or 3rd century BCE or even later (Chan, 1952, 1969; Chang, 1976). However, other scholars contend that these objections apply to practically all ancient Chinese texts and see sufficient evidence to uphold the traditional 6th century BCE date (Grava, 1963). The argument that the style (e.g. it is not in question-and-answer form) of ideas do not belong to the 6th century BCE and must come after such and such a style or idea (as the idea of Tao must follow the idea of the Will of Heaven in the *Mo Tzu*, a work of the 4th century BCE), is purely subjective. It is reasonable to believe that the book probably contains the basic teachings of Lao Tzu but was compiled later by more than one person (Creel, 1956; Grava, 1963; Reid, 1917; Verellen, 1995).

Applying such a theory to politics, Taoism refutes the Confucian doctrine of humanity and rites and advocates inaction in government. This means to allow things to take their own course and not interfere in people's lives and their activities (Mak, 2000; Munro, 1985; Shien, 1953). From his proposition, it is clear that the *Tao* (way) never acts, yet there is nothing it has not done. Taoism declares that numerous laws and institutions are a mistake and; that government interference with the natural ways of things, especially by imposing high taxes, is evil (Munro, 1985). The people should be encouraged to return to a primitive simplicity; their bellies should be filled, their minds emptied, their wills weakened, and their sinews toughened (Creel, 1956; Reid, 1917), so

that they will always be without knowledge and desire. An ideal society, according to Taoism, is small in population and territory, where although there are boats, carriages, armour and weapons, there is no one and no occasion to employ them (Wagner, 1999). People should record events by making knots with ropes and never in their lives visit people of a neighbouring state, even if they could hear the crowing of cocks and the barking of dogs on the other side of the border. These ideas are opposed to human civilisation and reflect the pessimism of the Taoists; many of whom are hermits and recluses (Chuan, 1997; Wagner, 1999).

Confucianism emphasises social order and an active life (Reid, 1916), whereas Taoism concentrates on individual life and tranquillity. This thus suggests that Taoism plays a secondary role (Verellen, 1995). In other schools, *Tao*, 道 means a system or moral truth but in the *Tao Te Ching*, it is the One, which is natural, eternal, spontaneous, nameless, and indescribable. It is at once the beginning of all things and the way in which all things pursue their course (Creel, 1956). When the Tao is possessed by individual things, it becomes its character or virtue (*te,* 德). The ideal life for the individual, order for society and type of government are all based on and guided by it (Wagner, 1999). As the way of life, it denotes simplicity, spontaneity, tranquillity, weakness and most important of all, non-action (*wu-wei,* 無為) (Chan, 1952; Reid, 1917; Wagner, 1999). The latter is not meant to be taken literally as 'inactivity' but rather 'taking no action that is contrary to Nature'. In Chapter 3 of *Tao Te Ching,* 'to govern by doing nothing that going with nature, '為無為, 則無不治'. In other words, it means letting Nature take its course (Creel, 1956; Grava, 1963; Moeller, 2006; Reid, 1917; Verellen, 1995).

Taoists believe that all things become what they are and all principles are commensurable. Principles are patterns according to which all things come into being and Tao is the cause of their being (Davis, 2004; Davis, 1958). Therefore, it is known that Tao puts things in order. Things have their respective principles and cannot interfere with each other. Since things have their respective principles and cannot interfere with each other, principles are therefore controlling factors in things (Verellen, 1995; Wagner, 1999). Everything has its own principle and it is different from that of others and the *Tao* equates all of them as one. Consequently, everything has to go through the process of transformation. Since everything has to go through this process

of transformation, it has no fixed mode of life (Chuan, 1997; Mak, 2000). As it has no fixed mode of life, its life and death depend on the endowment of material force by Tao (Mou, 2009; Shien, 1953). Wisdom depends on it and it is the cause in the rise and fall of all things (Chan, 1969; Cheung & Chan, 2008; Mou, 2009; Shien, 1953; Xu, Zhu, Zheng, & Wang, 2007).

2.6.4 Summary of selected Chinese philosophies

Table 2.1 summarises the key points of the three mainstream doctrines of Chinese philosophy.

Table 2.1 **Summary of selected Chinese philosophy**

Items	Legalism	Confucianism	Taoism
Representative person	Han Fei	Kongzi	Lao Tzu
Magnum Opus	Han Feizi	Four Books – Analects, Mencius, Great Learning and Doctrine of the Mean	Tao Te Ching
Background of Doctrine	1. Law, Statecraft and Power. 2. 'Two handles' of the government.	1. Humanity (*Jen*). 2. Four Beginnings (Rites (*Li*), Righteousness (*Yi*), Integrity (*Lian*) and Shame (*Chi*). 3. Five Relations (*Wulun*). 4. Improve by self, build one's character, manage one's family affairs, govern one's country, so that one rules the world. 5. Philanthropy	1. Natural way (*Tao*) 2. Taking no action that is contrary to nature (*Wu-wei*)
Characteristics	It accepts no authority except that of the ruler and looks for no precedent. Its aim is political control of the state and population. Control is to be achieved through an intensive set of laws, backed up by generous rewards and severe punishments.	Confucius was officially recognized as a great sage by the rulers of China in 221 BCE. The Analects, the book that purports to be the record of Kongzi's teachings became required reading for any educated Chinese person. Most Chinese agreed with the propositions in the Analects and implemented them in their lives.	All things in the world come from being and being comes from non-being. Lao Tzu's naturalness suggests the harmony of human societies and of the universe without conflict, oppression, and chaos. *Tao* not only has universal force and function, but it also embodies the highest values for human societies.

2.6.5 Cultural aspects in Chinese manufacturing organisations

This section discusses the cultural and philosophical management differences between Chinese-oriented and Western-oriented manufacturing organisations in China, that may be expected on the grounds of cultural theory (Hartel, Lloyd, et al., 2010; Taras, Kirkman, & Steel, 2010).

Culture has been subject to ongoing research for centuries, especially in disciplines such as philosophy, anthropology, sociology, psychology, and economics. However, a multitude of definitions exists for the notion of culture, and a common understanding is yet to be established (Swidler, 1986). According to Hofstede (2001), culture influences an individual's "mental programming", or "habitus", of which three layers exist:

(1) The first level, the universal level, is the least unique because it is common in all human beings and constitutes our "operating system" (p.2). In this sense, the universal level accounts for general traits, characteristics, and behaviours 'such as laughing and weeping, associative and aggressive behaviours that are also found in higher animals (p.2)';

(2) The second level, termed collective level, 'is shared with some but not all other people. It is common to people belonging to a certain group or category but different from people belonging to other groups or categories (p.2)'; and

(3) The third level is the individual's own personality.

While the first and third levels are either common in all human beings or different between each and every person, the collective level is most likely to be shared by individuals, 'who have gone through the same learning process (p.3)'. Consequently, Hofstede (2001, p.9) defines culture as 'the collective programming of the mind that distinguishes the members of one group or category of people from another'.

In Hofstede's framework of cultural differences, he measures national culture along four distinct dimensions (power distance, uncertainty avoidance, individualism / collectivism, masculine / feminine). Hofstede later became aware of the fact that his original study included a Western-hemisphere bias. Therefore, another study was conducted in 23 Asian and non-Asian counties to include the Asian cultural aspect. This data was combined with the original data, and analyses yielded a fifth cultural dimension (Confucian dynamism), and long-term vs. short-term orientation (Hofstede, 1994, 2001).

Hofstede (2001, p. 83) provides the following rather tangible definition of power distance. 'Power distance between a boss B and a subordinate S in a hierarchy is the difference between the extent to which B can determine the behaviour of S and the extent to which S can determine the behaviour of B'. This suggests that culture influences the employer's leadership style and employee's working attitude and argues that the behaviour of the employee stems from past experiences.

According to Hofstede, individualism is manifested in high levels of autonomy in employees; employer-employee relationships that are predominantly based on the employment contract and; work conditions that provide employees with sufficient personal time. Collectivism (or low individualism), on the other hand, is manifested in work unit solidarity; group responsibility for results; moralistic / family-like relationship with employers and; the priority of relationship over tasks (Hofstede, 2001). The literature suggests that the Chinese workplace advocates collectivism because workers have a 'big brother' (*tai lu,* 大佬) as their leader. This *tai lu* leads them in their tasks, and protect their benefits in the working environment, and the followers (workers) listen to his orders (Geare, Edgar, & McAndrew, 2009; Hofstede, 1994; Lang & Lee, 2010; Zhang & Agarwal, 2009).

Collectivism in Western management practices is manifested through the employees engaging in teamwork. However, whilst the Chinese culture of collectivism prepares the ground for teamwork, it is more problematic in the Chinese context due to the ancestral idea of clansman-ship. The lack of horizontal communication; tendency to work only with same level peers; reluctance to share knowledge and mistrust among co-workers arising from the lack of explicit expression, all need to be carefully handled before teamwork and team spirit can be established in the Chinese context (Leung, 2008; Peppas & Yu, 2007).

An examination of the impact of management philosophies on HR practices between Western-oriented and Chinese-oriented firms necessitates the inclusion of cultural dimensions. Hence, this research draws on Hofstede's cultural dimensions in order to frame data gathered through empirical research.

2.6.6   The impact of Chinese philosophy on Chinese management philosophy

Section 2.5 and 2.6 discussed the three main pillars on Chinese philosophy. This section discusses how these philosophies may impact on Chinese management philosophy and HR practices.

People often speak of China as being the quintessential Confucian state but in reality, Chinese ideology remains a fusion of Confucianism and Legalism with some Taoist aspects as well (Chan, 1969). Confucius saw a society based on five basic relationships in Five Relations (*wulun,* 五倫). Thus, an inferior must obey his superior but the superior is obliged to support and nurture the inferior at all times. Therefore, according to the *wulun*, there is the key tie between the employers, managers and employees in Chinese manufacturing organisations (Mou, 2009).

Legalism also has a profound effect on Chinese thinking. Legalism is a pragmatic political philosophy that is mainly concerned with the most effective way of governing society, and it can also be applied to the management of Chinese manufacturing organisations. It is based on the idea that the best way to control human behaviour is through written laws and rules, rather than through rituals, customs or ethics. Han Fei Tzu advocated a system of clearly written laws which enable the ruler to govern effectively. The king must have absolute power to rule the country, and the people must obey him unconditionally. Today, many employers in Chinese manufacturing organisations also apply this concept in their organisations to manage their subordinates (Watson, 2003).

Early Taoists countered the Confucian view that man is a social animal who must live in society. They saw that the problem with society (organisations) was society (organisations) itself with all its rules and regulations. These rules restrict man's freedom, and it is the lack of freedom that deprives man of his happiness. Joy in life can only be found if a person is free to lead his life as he wishes, unencumbered with the restrictions found in Confucian society (organisations). Some employers of Chinese manufacturing organisations apply this concept to manage their employees by providing limited instructions to allow their employees to make their own work-place decisions (Davis, 2004; Grava, 1963; Mak, 2000).

2.6.7 Western management philosophy in Chinese manufacturing organisations

As discussed in Sections 2.2 to 2.4, Western-oriented organisations implement Western management philosophies and HR practices such as the division of labour; administrative management; organisation theory; scientific management; Theory X and Theory Y; hierarchy of needs; motivation of work; achievement motivation and; expectancy theory.

Western management philosophy, as a self-conscious response, is a creation of the post-industrial revolution era, although systematic consideration of the elements started from the late 18th century, based on Adam Smith's proposed division of labour concept (Cannan, 1994; Wren & Bedeian, 2009). The development of Western management philosophy demonstrates a gradual accretion of both insight and expertise. As the field developed, it has been influenced, nourished and enhanced by notions derived from culture and management practices (Bhagat & Steers, 2009; Hartel, Lloyd, et al., 2010).

Management philosophy is a discipline, tool and guideline on a body of knowledge in management practice and as such, according to some scholars, is applicable everywhere (Lee, 2005b; Rich, 1959; Senguder, 2001). However, in reality, management philosophy is not value-free. Management philosophy is a social function, and is embedded in a culture. The organisation and society have a tradition of values, customs and beliefs (Miroshnik, 2002; Taras, et al., 2010; Taylor, et al., 2008). Management philosophy is considered to be culture-conditioned but in turn, management and managers shape culture and society.

2.7 Conceptual framework developed for this research

The previous review of the literature suggests that there are considerable differences in the philosophical underpinnings of the work ethic in China when compared to that in the West and that such differences may impact on organisational success. Therefore, this research proposes to explore the effect of Western and Eastern management philosophies on HR practices and employee performance in manufacturing organisations in Guangdong province in China. Such research should provide valuable insights into which philosophies and HR practices might be best suited to manufacturing organisations employing native Chinese workers in China.

HRM scholars have argued that greater research be conducted at the organisational level, exploring complex connections and relationships that can cast light on the reality

of HR practices on operationalisation processes (Malhotra & Hinings, 2010; Purcell & Hutchinson, 2007; Stanton, et al., 2010). This involves the greater use of qualitative and reflexive approaches that drill-down into organisational discourse and further build on our understanding of management philosophy on HR practices and processes and how these are influenced by the context and environment (Wright, et al., 2008; Wright, Szeto, & Geory, 2000). This research needs to include the attitudes and performance of everyone – the CEOs and HR directors, middle and line managers and local Chinese employees in order to develop comprehensive insights.

The HRM literature argues that each organisation has its own unique features which have an impact on the overall effectiveness and strength of its unique HRM system which in turn play a crucial role in this process (Bowen & Ostroff, 2004; Boxall & Gilbert, 2007; Wright & Gardner, 2004). Bowen and Ostroff (2004) suggest that a 'strong' HRM system can create an unambiguous social structure in any organisation, integrate HRM content and process messages for all participants. It can also create good organisational goals and practices and subsequent individual goals and behaviours. An HRM system that is perceived as high in distinctiveness, consistency and consensus will create a 'strong situation' and consistent management and employee behaviour and thereby improve organisational performance (Bowen & Ostroff, 2004).

According to Bowen and Ostroff (2004), the management philosophy on HR practices should send consistent signals throughout the HR infrastructure to operational management that allows them to understand the appropriate individual and collective responses. It acts as an open system. Creating and transmitting unambiguous HRM messages (e.g. organisational mission and values and congruent individual behaviour throughout the organisation) is an important feature of strong HRM systems (Bowen & Ostroff, 2004). The key components of strong HRM systems are distinctiveness and the consistency of messages and consensus between decision-makers (CEO / HR director / middle managers / line managers) and operator level employees.

Miles and Huberman (1984, p. 18) define a conceptual framework as a visual or written product, one that 'explains, either graphically or in narrative form, the main things to be studied – the key factors, concepts, or variables – and the presumed relationship among them'. Bowen and Ostroff (2004) developed a conceptual framework to examine how management philosophy on HR practices is understood, interpreted and operationalised across the organisational hierarchy. The following figure

2.1 is developed from Bowen and Ostroff (2004) and illustrates the conceptual framework for this research study. The conceptual framework illustrates that management philosophy informs HRM directives and practices and that these are communicated down through the organisational hierarchy in the form of management messages (direct communication, job specifications, operating guides, notices on staff noticeboards, etc.) and that the interpretation of such messages by employees influences their performance and individual and collective efficiency and effectiveness.

Figure 2.1   **The conceptual framework developed for this research**
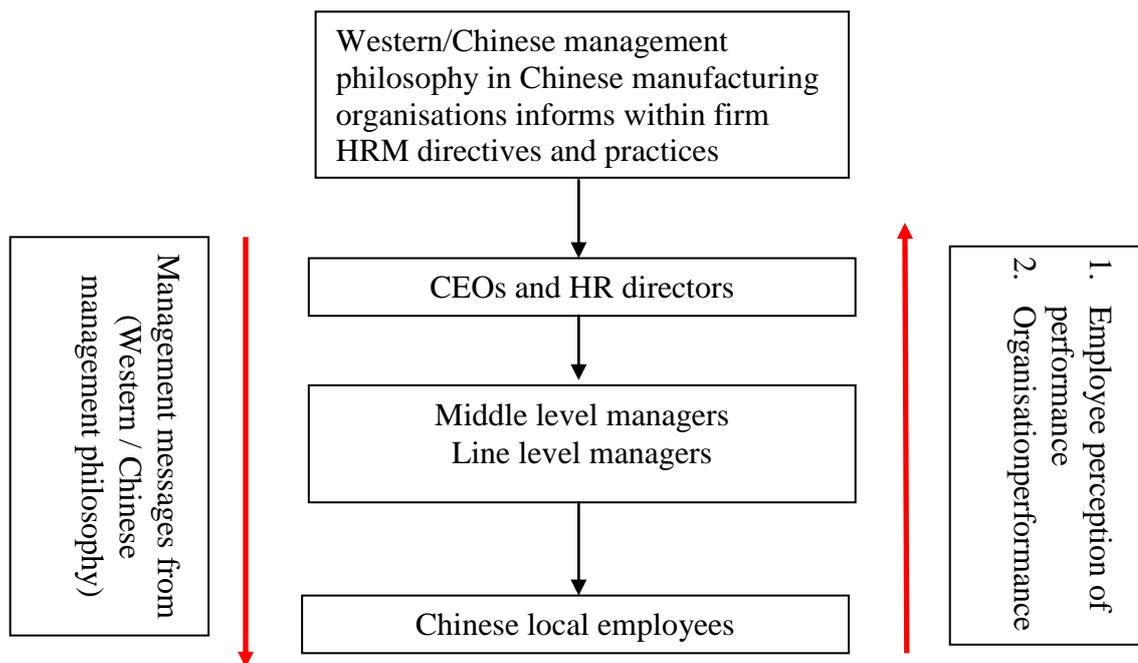
Developed from Bowen and Ostroff (2004) for this study

2.8   Research gap and research questions

The previous sections have identified that management philosophy impacts on HR practices and that these in turn impact on employee and organisational performance. However, what has not been clearly addressed in the literature is how Western management philosophies and HR practices impact on Native Chinese employees in comparison to Chinese oriented management philosophies and HR practices. The following three overarching research questions have been developed by building on the body of knowledge of Chinese philosophy and Western management philosophy discussed in this literature review and the modified Bowen and Ostroff (2004)

conceptual framework illustrated in Figure 2.1. The aim of this study is to identify which type of management philosophy and associated HR practices are most likely to enhance employee performance in manufacturing firms in China that employ native Chinese operational staff.

RQ 1: How does management philosophy impact the use and implementation of HRM?

This question explores how management philosophy on HR practices is 'understood, interpreted and operationalized across the management hierarchy' (Stanton, et al., 2010, p. 567).

RQ 2: How is management philosophy understood, implemented and operationalized in a Western MNE operating in China and a Chinese-owned enterprise; and what are the differences and similarities across these areas across these two types of organisations?

This question looks at how HRM messages are transmitted, transferred and translated from the top management to operational level employee across the management hierarchy.

RQ 3: What practices are most beneficial in increasing employee and organisational performance in manufacturing firms in China?

This question is based on the previous two questions and aims to identify what type of management philosophy and HR practices are most beneficial in increasing employee and organisational performance in manufacturing firms in China.

*The Duke of Ai asked: "How can I make the people follow me?" Confucius replied: "Advance the upright and set aside the crooked, and the people will follow you. Advance the crooked and set aside the upright, and the people will not follow you."*哀公聞曰：「何爲則民服」孔子對曰：「舉直錯諸枉，則民服；舉枉錯諸直，則民不服。」

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Analects, 2:19

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CHAPTER THREE: RESEARCH METHODOLOGY AND DESIGN

3.0   Introduction

Research in common parlance refers to a search for knowledge (Kothari, 2004). This chapter illustrates the how the researcher has adopted a scientific and systematic search for relative information on the impact of management philosophy on HR practices, employee attitude and organisational performance in two different firms in China. The chapter explains the social science paradigm adopted. The chapter also argues for the research method adopted before discussing the research design. The chapter concludes with a discussion of the validity, reliability and limitations of research as well as ethical considerations.

3.1   Background to the research methodology and design

Kothari (2004, p. 1) proposes that:

> research comprises defining and redefining problems, formulating hypothesis or suggested solutions; collecting, organizing and evaluating data; making deductions and reaching conclusions and; finally carefully testing the conclusions to determine whether they fit the formulating hypothesis or research question.

This is the typical research methodology procedure. Research is the search for knowledge through an objective and systematic method to find solutions to problems. The systematic approach concerning generalisation and the formulation of a theory is also considered research (Baker, 2002a; Bryman, 2007; Chan, 2008; Harris, 2008).

The common types of research are quantitative, qualitative and mixed methods (Bryman & Bell, 2007). Quantitative research is based on the measurement of quantity or amount. It is applicable to phenomena that can be expressed in terms of quantity (Denzin & Lincoln, 2000; Long, White, Friedman & Brazeal, 2000; Rosanas, 2007). On the other hand, qualitative research is concerned with qualitative phenomenon of human behaviour, i.e. phenomena relating to or involving the quality or type of behaviour or

feeling. In this research, the overarching research questions are concerned with how management philosophy influences the behaviour of both employers and employees in two different manufacturing organisations in China. The primary objective of this study is to identify what type of management philosophy and approach to HRM might be used in China by both Western and Chinese manufacturing firms to improve employee performance. As this research investigates human behaviour and why people think or do certain things in the work place, a qualitative approach is important.

3.2   Alternative research methods in qualitative research

Qualitative research is designed to explore the human elements in relation to a given topic, for example, to examine how individuals see and experience an organisation. Crewell (2007) defines qualitative research as having five approaches - narrative research, phenomenology, grounded theory, ethnography and the case study approach. This section examines each approach in order to determine the most appropriate research design (Given, 2008) for this study. This section discusses the advantage and drawback of each approach in relation to answering the overarching research questions.

3.2.1   Narrative research

Narrative analysis refers to a family of analytic methods for interpreting texts that have in common a storied form. As in all families, there is conflict and disagreement among those holding different perspectives. Analysis of data is only one component of the broader field of narrative inquiry. Methods are case centred and the cases that form the basis for analysis can be individuals, identity groups, communities, organisations, or even nations. Methods can be used to interpret different kinds of texts – oral, written, and visual (Given, 2008; Crewell, 2007). Whilst this research involves the review of some company related documents, it is primarily focused at exploring the mental perceptions of organisational employees and hence narrative analysis is not suitable.

3.2.2   Phenomenology

Phenomenology is the reflective study of the lived experience. To say it somewhat differently, a main characteristic of the phenomenological tradition is that it is the study of the living world as we immediately experience it, pre-reflectively, rather than as we conceptualize, theorize, categorize, or reflect on it. Phenomenology is now commonly

considered to be one of the alternative qualitative research methodologies to which researchers can turn. However phenomenology is also a term that can carry quite different meanings depending on theoretical and practical contexts (Given, 2008; Berg, 2001). This research requires probing into the perceptions, attitudes and reflections of participants in order to understand the influence of management philosophy on HR practices in Chinese manufacturing organisation. Therefore a phenomenological approach is not suitable for the research.

3.2.3 Grounded theory

Grounded theory is an approach to research offering a systematically applied set of methods to generate a substantive theory (Glaser & Strauss, 1967). The grounded theory approach can be applied to theory building in the social sciences and is considered especially relevant to the study of any social phenomenon that is processual in nature. Grounded theory evolved from the idea that theoretical concepts should be grounded in the inter-subjective reality of the social world, which is experienced by the researcher, with a directed research aim (Mills, Durepos, & Wiebe, 2010; Myers. 2009). As this research is using an adapted version of the existing Bowen and Ostroff framework, the use of grounded theory is not appropriate.

3.2.4 Ethnography

Ethnography is the art and science of describing a group or culture. The ethnographer enters the field with an open mind, although not with an empty head. Before asking the first question in the field, the ethnographer begins with a problem, a theory or model, a research design, specific data collection techniques, tools for analysis and a specific writing style. A series of quality controls, such as triangulation, contextualization, and a non-judgmental orientation, place a check on the negative influence of bias (Given, 2008; Mills et. al., 2010). Whilst this study contains aspects of an ethnographic study, it is more suited case study approach, as the following section explains.

3.2.5 Case study

A case study is a research approach in which one or a few instance of a phenomenon are studied in depth. Case studies were the predominant research approach at the beginning of modern social science. Qualitative case study researchers argue that cases must be

seen in a configurational context – and / or as path-dependent entities. The case study approach focuses on one or a few instances, phenomena, or units of analysis in depth and detail (Given, 2008; Mills et.al, 2010; Stake, 2005; Yin, 1994a; Yin, 2003). By way of example, case study approaches have previously been used in examining the impact of Chinese philosophy on tourism related decision making processes within a single Chinese city (Wang, 2001); across multiple levels of respondents within a single Chinese firm in relation to brand strategy development (Huang & Hseih, 2011) and; in a comparison of the effectiveness of three non-Asian firms introducing the Japanese continuous improvement practice of *kaizen* into non-Asian factories (Schaeffer, Cadavid & Backstrom, 2010).

In the qualitative case study approach, the researcher may require individual interviews, focus groups, observations, a review of existing documents, or a number of these techniques. Although these data sources would result in a wealth of rich information, considerable time and resources may be required to adequately represent the area being studied (Bender & Slomp, 2009; Hancock & Algozzine, 2006). In the cases of Schaefer et al. (2010) and Huang and Hseih (2011), data was gathered through semi-structured interviews with employees from various hierarchical levels within the firm/s, from observations and from archival information. Conversely, in the case of Wang (2011) data was predominantly gathered through 47 in-depth semi-structured interviews. Critically however, each study sought data from the sources that could most suitably inform the objectives of the respective study. Based on the approaches adopted in previous related studies and the similar data needs of this study, this research has adopted the case study method. Further justification for the adoption of a case study approach is discussed in the next section.

3.3   Research design

Research design refers to the way in which a research idea is transformed into a research project or plan that can then be carried out in practice by the researcher. It involves selecting the appropriate methods or techniques to be used in collecting data for a study (Crewell, 2007; Geringer, Frayne, & Milliman, 2002; Hassard, 1991). As discussed in the previous section, the researcher has selected the qualitative case study method in this research as it has been used in similar types of studies. The strengths of qualitative research are derived primarily from its inductive approach; its focus on

specific situations or people; the behaviour of people in a certain environment and; its emphasis on words rather than numbers. Such an approach is suitable for gaining insights into how CEOs, managers and local Chinese employees think, through the use of interviews and focus group meetings (Denzin & Lincoln, 2000; Maxwell, 2005; Stake, 2005). The case study approach justifies the selection of a particular case in terms of the goals of the study, existing theory and research and the need to derive data from a range of sources in order to support the generalisability of its conclusions (Denzin & Lincoln, 2005; Stake, 2005; Yin & Davis, 2007). Qualitative researchers usually study a single setting or small number of individuals or sites, using theoretical or purposeful rather than probability samples, and they rarely make explicit claims about the generalizability of their accounts (Eisenhardt, 1989; Eisenhardt & Graebner, 2007).

Research design should also encompass decisions about how the research itself is conceptualised, the subsequent conduct of the research project and ultimately the contribution the research is intended to make to the development of knowledge (Bryman & Bell, 2007; Kothari, 2004; Woodside & Wilson, 2003). Given (2008) argues that the process of developing a research design combines three broadly connected and interdependent components: the theoretical (management philosophy), methodological (case study method), and ethical considerations (researcher behaviour) towards participants and their rights during the interview activity relevant to the study. The aim of this study is to achieve the following objectives:-

(1) To identify the impact of management philosophy on employee attitudes and behaviours.

(2) To identify how the management philosophy, embedded in HRM messages, is understood, implemented and operationalised across the organisational hierarchy.

(3) To identify the differences and impact of Western and Chinese management philosophies applied to manufacturing organisations in China.

(4) To explore the impact of management philosophy on HRM practices and the subsequent impact on employee perceptions, attitudes and behaviour and on individual and organisational performance.

3.4   Data collection strategy

In order to address the problem statement, the researcher needs to choose organisations that share as many similarities as possible with the exception of the focus of the study.

In this study, the principle difference is management philosophy on HRM practices. Consequently, the case study data is gathered from two manufacturing firms in Shenzhen, China, one, an American multinational and the other a Chinese domestic enterprise. Both firms are typical of manufacturing firms located in China. Both have more than 3,000 employees and all operational level employees are local Chinese people (Cunningham, Cunningham & Park, 2008; McKenna, Richardson, Singh, & Xu, 2010; Ngai, 2005). Both firms engage in Original Branding Manufacturing (OBM) and all their finished products are exported overseas. The Western-oriented Chinese manufacturing firm is owned by an American multinational. It is headed by an American CEO and senior management team who implement a Western management philosophy in their HR practices. The Chinese domestic enterprise on the other hand is Chinese-owned with a Chinese CEO and senior management who implement a Chinese management philosophy in their HR practices.

The task of data collection begins after a research problem has been defined and the research design chalked out. In the data collection phase, the researcher can obtain primary data from interview activity and secondary data from the organisations' operational documentation. The primary data refers to data that is collected fresh and for the first time and thus is original. This kind of data can be obtained from both of individual interview and focus group meetings (Bachiochi & Weiner, 2004). Secondary data refers to data that has already been collected by someone else, such as financial and annual reports and managerial and operational documentations that is then recoded for the purpose of the study at hand (Corti & Thompson, 2004; Kothari, 2004).

Collecting information using a variety of sources and methods is one aspect of improving triangulation (Decrop, 1999; Jonsen & Jehn, 2009). Triangulation reduces the risk of the researcher's conclusions reflecting only systematic biases that may arise through only using a specific source or method, and also allows the researcher to gain a broader and more secure understanding of the issues under investigation. To increase the rigour of this study, the researcher applied triangulation by drawing data from a number of relatively independent sources. The triangulation of methods is a common practice in qualitative research. It is considered a multi-method of data collection and analysis and the methodology literature suggest that such a practice enhances the rigour and reliability of the findings. It is most commonly used in data collection and analysis, but it also applies to the sourcing of data (Given, 2008; Lee & Fielding, 2004). The

gathering of data is done through different methods so that the researcher can compare different forms of data against each other. Focus groups may be a useful way of gaining an overview of ideas in the first instance, which can be subsequently followed up with focused individual interviews (Mills, et al., 2010). Patton (1987) discusses four types of triangulation: (1) data sources (data triangulation); (2) different evaluators (investigator triangulation); (3) same data set (theory triangulation) and (4) methods (methodological triangulation). These allow the researcher to collect information from multiple sources in order to corroborate the phenomenon of interest.

In this research triangulation was achieved through data triangulation and methodological triangulation. The primary data in this research was gained from individual interviews with CEOs and HR directors from both firms and was also gained from focus group meeting with different groups of managers and employees from both firms. Secondary data was gained from information recorded in both organisation's reports and procedure guides.

3.4.1 Sampling strategy

The logic of using a sample of subjects is to make inference about some larger population from a smaller one – the sample. An important step is to choose a sample to represent a whole population in a practical, efficient and ethical way (Marshall, 2001). In quantitative research, the investigator is keenly concerned with probability sampling. In qualitative research however, one cannot normally select the size of samples used in large-scale surveys and which conform to the restricted needs of a probability sample. In these situations investigators rely upon non-probability samples (Baker, 2002b; Berg, 2001; Marshall, 2001). In non-probability sampling, the researcher does not base the sample selection on probability theory. Rather, efforts are undertaken to create quasi-random sample, and / or, to have a clear idea about issues relating to a larger group of which the sample is reflective. Non-probability sampling offer the benefits of not requiring a list of all possible elements in a full population, and the ability to access otherwise highly sensitive or difficult to research study populations. Berg (2001) proposes that the most common types of non-probability samples are convenience, purposive, snowball and quota samples. Marshall (2001) proposes convenience, judgement (purposeful) and theoretical approaches to selecting sample for qualitative research. Based on the methodology literature, the researcher has selected judgemental

sampling for this research as the researcher needs to interview people at specific levels within both organisations on order to adequately answer the research questions.

3.4.2   Units of analysis

In this research, the researcher has two situations for data collection. The unit of analysis for the case study is different from the unit of analysis for the data collection and this is illustrated in Table 3.1.

Table 3.1   **Data collection sources**

		Data Collection Source			**Study conclusion**
		From an individual	From an organisation		
Design	About employees	Individual behaviour Individual attitudes Individual perceptions	Archival records Operation procedures	→	Employee Performance
	About an organisation	How an organisation works Why an organisation works	Personnel policies Organisation Outcomes	→	Organisational performance

Developed from Yin (1994a, p. 72) for this research

3.4.3   Language strategy

There has been considerable debate regarding language issues when interviewing respondents whose native language differ (Thomas, 2010). The selected organisations in this research contain some respondents who speak English and other who speak Mandarin and Cantonese. The researcher is effectively the instrument for data collection in the interview activity and therefore fully needs to understand the participants' responses. In this research, the researcher is fluent in English, Cantonese and Mandarin and is therefore able to clearly understand the responses from all participants. However, to ensure clarity of understanding on behalf of the participants, clear and simple language was used in the interview protocol and the interview sessions.

3.4.4   Interview strategy

Table 3.2 draws from the Bowen and Ostroff (2004) model discussed in Chapter 2 and summarises the similarities and differences between the organisations in the context of the theoretical framework.

Table 3.2   **Similarities and differences in research framework**

Category Items	Chinese manufacturing organisation (Multinational enterprise)	Chinese manufacturing organisation (Domestic enterprise)
Philosophical perspective	Western management philosophy	Chinese philosophy
Qualitative Research	Case Study Method in descriptive practice-oriented research	Case Study Method in descriptive practice-oriented research
Number of case study	One organisation	One organisation
Nature of company	American-owned firm	Chinese-owned firm
In depth structure interviews	1. CEO and HR Director 2. Conducting a number of one -hour interviews	1. CEO and HR Director 2. Conducting a number of one-hour interviews
Focus group Interviews	1. Middle and line level management team 2. Employees (local Chinese) 3. Conducting two focus group meetings with 10 participants from middle and line management each; one focus group meeting of 15 local Chinese employees. 4. All of focus meetings take 1.5 hours each	1. Middle and line level management team 2. Employees (local Chinese) 3. Conducting two focus group meetings with 10 participants from middle and line management each; one focus group meeting with 15 local Chinese employees. 4. All of focus meetings take 1.5 hours each
CEO and HR Director	Westerners	Chinese
Primary Data	From interviews and focus groups	From interviews and focus groups
Secondary Data	Public documentation archival records such as annual reports, HR policies, procedural manuals, workplace forms and posters, management system certificates, and other relevant organisation reports	Public documentation archival records such as annual reports, HR policies, procedural manuals, workplace forms and posters, management system certificates, and other relevant organisation reports
Managerial approach	Western management philosophy	Chinese management philosophy
Company nature	1. About 3,000 workers, including management team. 2. Finished products are exported overseas. 3. Original Branding Manufacturer.	1. About 3,000 workers, including management team. 2. Finished products are exported overseas. 3. Original Branding Manufacturer.

In this research, the interview process involved in-depth structured interviews with CEOs and HR directors (Rapley, 2004) and focus group interviews with the middle and line managers and local Chinese employees (Edmunds, 1999; Macnaghten & Myers, 2004). The focus group interviews were undertaken with the respondents in order to understand their perceptions and interpretation of the respective management environments (MacDougall & Fudge, 2001; Stewart, Shamdasani, Rock, 2007). Specifically, the individual and focus group interviews were conducted to investigate the participants' views concerning the implementation of the management philosophy (leadership styles, managerial values, thoughts and beliefs) in their organisation and

then how this approach influenced workers' behaviour. The HR department of each organisation randomly selected employees to attend the focus group meetings. All participants freely consented to engage in the interviews prior to their random selection by the respective HR departments.

3.4.5 Interview procedure and process

The procedure adopted in organising the interviews was as follows:

(1) The researcher sent an invitation letter (see Appendix A) and an Information Statement and Consent Form (see Appendices E and F) to the selected firms' CEO or HR director to ensure that the selected firms fully understood the purpose of this research and consented to participate.

(2) The researcher arranged for the selected firms' HR departments to distribute the Information Statements to staff informing them that it was their choice whether or not they participated in the interviews and focus group sessions. The HR departments also organised the scheduling of the interviews and focus group sessions.

(3) Prior to each interview and focus group session the researcher obtained a signed consent form from each of the participants and informed them of their right to withdraw at any time during the session and informed them of the approximate duration of the session.

(4) The researcher personally interviewed all participants and acted as the moderator in the focus group sessions. Being competent in Cantonese, Mandarin and English, the researcher was able to pose questions in which ever language the participants were most comfortable. The same questions were posed to all participants. To ensure a breadth and depth of data, focus group meetings with middle and line managers was kept to a maximum of 10 and focus groups with local employees were kept to 15. Table 3.3 shown distribution of participants in interview activity.

(5) The researcher used a tape recorder to record all dialogue in each interview and focus group session and also used an interview data sheet (see Appendix C) to note any unusual respondent behaviour during each interview and focus group session.

Table 3.3   **Distribution of interview and focus group meeting participants**

Type of interview	Level of participants	Western manufacturing organisation's participant	Chinese manufacturing organisation's participant	Total Participants
Face-to-face Interview	CEO	1	1	2
	HR Director	1	1	2
Focus group meeting	Middle Manger	10	10	20
	Line Manager	10	10	20
	Employees (local Chinese employee)	15	15	30
			Total participants for this research	74

Each interview and focus group session comprised three sections as illustrated in Table 3.4 and detailed in Appendix B.

Table 3.4   **Themes and codes developed for this research**

Theme 1	Management messages pass from top level to operator level without any difference in meaning via formal mechanisms	
	Code 1	Organisational policy and Procedure (Mission, Vision, and Values)
	Code 2	Motivation theory (punishment or reward)
	Code 3	Communication style (order or request)
	Code 4	Leadership style (practice based on Western or Chinese philosophy)
Theme 2	Effect of top down communication style on employee attitudes	
	Code 1	Organisational cultural values
	Code 2	Top management thought
	Code 3	Organisational hierarchy authority
Theme 3	Impact of management philosophy on HR practices on employee perceptions and performance	
	Code 1	Job commitment
	Code 2	Having responsibility for work
	Code 3	Willing working
	Code 4	Job satisfaction
	Code 5	Self-discipline

Section one comprised five questions and was used to source demographic information regarding the respondents and a background to organisation. Section two comprised nine open-ended questions, developed from the literature review in Chapter 2, to gauge respondent's perceptions of the firm's management philosophy on HR

practices. Section three posed twelve open-ended questions developed around the Bowen and Ostroff (2004) model. Questions in the latter two sections were conversational and aimed at encouraging participants to further discuss their thoughts and perspectives. As a consequence of this strategy, the focus group sessions produced a very rich body of data expressed in the participants' own words and context (Macnaghten & Myers, 2004; Stewart, et al., 2007). In summary, the open-ended questions were used to collect data for later analysis based around three key themes identified in the literature and encapsulated in the Bowen & Ostroff model (2004). Table 3.4 illustrates the themes and codes adopted.

The advantage of using interviews is that a large quantity and variety of data can be acquired over a relatively short period of time (Mills, at el., 2010) with relatively low time and cost constraints. Further, as the researcher acts as a moderator in the process of collecting the information, they are able to ensure that the group discussion goes smoothly (Stewart, et al., 2007) and ensure that the discussion stays on track. According to the conventional research methodology perspective, a case study cannot be of value in the absence of control or scientific value (Flyvbjerg, 2006). However, Flyvbjerg (2006, p. 221) argues that a 'case study produces the type of context-dependent knowledge that research on learning shows to be necessary to allow people to develop from rule-based beginners to virtuosos experts'. In other words, the case study research is a process of building knowledge from the literature and the data collected from the interview activity (Eisenhardt, 1989).

3.5   Pilot study and feedback from pilot study

A pilot study is a simulation of the main study used to pre-test methodological setting and to examine potential roadblocks, especially when attempting to collect data in interview activity (Given, 2008). To strengthen the content validity, it is necessary to pre-test the interview questions with valid measures before data is collected. A pilot study is important because the researcher needs to identify any previously unforeseen problems and to validate the methodology before embarking on the main study (Crouch & McKenzie, 2006; McClintock, Brannon, & Maynard-Moody, 1979).

To ensure that the pilot study closely resembled the characteristics of the main study (Sekaran, 2000), the researcher invited a CEO working in another Chinese manufacturing organisation in Shenzhen to engage in a pilot study from 9th to 11th

February 2011. The pilot study organisation has over 3,000 employees and is a local Chinese-oriented firm. As with the firms in the main study, the firm in the pilot study is an OBM, with four levels of hierarchy that also exports its finished products. In all respects the firm used in the pilot study resembled the firms in the main study. As a consequence of conducting the pilot study, the researcher gained additional interviewing experience, realised the time required for respondents to answer each question and identified the need to draw on the assistance of the firms' HR departments to facilitate the interviews and focus group sessions. The pilot study identified that the research methodology and design and the interview protocol, all based on the literature review were sound. Consequently, apart from the points noted in above, no other changes were made to the main study.

3.6   Main study

The main study interviews and focus group sessions took place in the Western-oriented firm from 17th to 19th February, 2011 and from 3rd to 5th March 2011 in Chinese-oriented firm. Each face to face interview took approximately one hour and the focus group sessions took between one and one and a half hours. The CEO and HR director of the Western-oriented firm were both American citizens and educated in USA. Both have previously worked in American and Chinese firms. Half the management staff in the Western-oriented firm was Western whilst the other half was Chinese. All operator level employees were Chinese. The CEO and HR director and all management staff and operational staff of the Chinese-oriented firm were Chinese natives and Chinese educated. All interviews and focus group sessions proceeded smoothly and there were no unexpected problems or issues. As previously noted, being competent in Cantonese, Mandarin and English, the researcher was able to pose questions in which ever language the participants were most comfortable.

3.7   Validity and reliability

Validity is often broadly described as being dependent on the degree to which a study actually measure what it purports to measure – whether "the truth" is accurately identified and described (Adcock & Collier, 2001; Johnson, 1997; Creswell & Miller, 2000; Given, 2008). Validity from this perspective is increased by the researcher's use of specifically prescribed and well-entrenched procedures and strategies (Given, 2008;

Kirk & Miller, 1986; Healy & Perry, 2000). Validity is a judgement of an adequate and representative set of interview questions that tap the concept under examination. It is a function of how well the dimensions and elements of a concept have been delineated. In qualitative research, validity cannot be determined statistically but can be determined by experts and by reference to the literature. Given (2008, p.753) argues that in qualitative research 'parallel concepts such as credibility, dependability, confirmability and consistency [act] as appropriate qualitative correlates to reliability'. Together they characterise a 'trustworthiness' equivalent to rigour (Patton, 1987) and their application to this research are discussed in the following sections.

3.7.1   Credibility

Given (2008, p138) defines credibility as 'the methodological procedures and sources used to establish a high level of harmony between the participants' expressions and the researcher's interpretation of them'. The specific strategies adopted in any particular case study to enhance credibility depend upon the goals of the researcher, the guiding frameworks for the research, and the nature of the case itself. Credibility is a relative judgement taken from a particular perspective, rather than a definitive claim about the case study as a whole (Creswell & Millar, 2000; Mills et al., 2010). In this research the data was collected from a range of different levels of management staff and local employees in both individual and focus group interviews. The researcher recorded the data using both a tape recorder and Interview Data Sheet (See Appendix C). The researcher established an audit trail through organisational records such as annual reports, policies and procedures throughout the research process. He also documented various decision rules, data units, categories, themes as well as the coding system that was developed for this research.

3.7.2   Dependability and consistency

Given (2008, p.208) argues that 'dependability in a qualitative study recognizes that the research context is evolving and that it cannot be completely understood a priori at a singular moment in time'. Mills et al. (2010, p.437) notes that 'consistency is also imperative within any interaction event, and any front will have to be sequestered from contradictory ones, lest discrediting role conflict – or inconsistent role demands– develop'. Therefore it is important that there is stability and consistency in the in the

development of the theoretical framework, the research instrument and its application. In this research the interview protocol was developed around previous findings in the literature and in particular the Bowen and Ostroff (2004) model. It was tested through a pilot study to ensure the questions were understood by participants and yielded appropriate responses. Finally, exactly the same questions were asked in both personal and focus group interviews to enhance stability and consistency and to facilitate the triangulation of responses.

3.7.3   Confirmability

Given (2008, p.112) suggests that 'confirmability is an accurate means through which to verify the two basic goals of qualitative research: (1) to understand a phenomenon from the perspective of the research participants and (2) to understand the meanings people give to their experiences'. The researcher is looking for messages that are consistent with, confirm, or expand on current knowledge and theory. From these insights, the researcher is then able to make statements about the context under study. In effect, the researcher is providing evidence that interpretations of participants' constructions are rooted in the participants' construction and also that data analysis and the resulting findings and conclusions can be verified as reflective of and grounded in the participants' perceptions. Confirmability requires that the researcher institute procedures to reduce subjectivity and personal bias. In this study, confirmability has been enhanced by having the research methodology peer reviewed by a Faculty peer review body; creating an audit trail of each stage of the data collection process and; asking a number of participants to review their transcribed comments to ensure that the transcribed comments were a true reflection of their intended meaning.

3.7.4   Triangulation

In qualitative research, the concept of triangulation is generally understood to involve a 'multi-method approach to data collection and data analysis' (Given 2008, p.892) and is a method of enhancing the rigour of the research. In this study triangulation was applied by collecting data from both face-to-face interviews and focus group meeting and from the respective organisation's in annual reports, policies and procedures. This approach permitted the researcher to test of validity of research findings by using more than one method to study the same phenomenon.

3.8   Limitations of the research

Qualitative approaches do have their limitations in terms of validity and reliability, the role of the researcher, the data-gathering process and academic impact. In relation to validity and reliability, qualitative studies are less representative and their findings are less generalisable to the wider population. However, qualitative studies are more applicable in their description or in relation to theories to settings or context. The researcher also needs to follow social and ethnic conventions in data collection (such as not probing employees too deeply about their employers) and consequently some deeper perceptions may be missing from the data collected and this may influence the quality of the results. Further, participants might find the data gathering experience intimidating and may withhold information (Creswell & Miller, 2000; Golafshani, 2003; Johnson, 1997).

It can also be difficult to present the contextual material in words. For example, the data collected included not only verbatim dialogue, but also observations of participant behaviour during the interviews. It is also easy to misunderstand what the participants mean or think when they express themselves, however this problem was largely overcome through the aforementioned triangulation. Finally, whilst this research was focused on examining the impact on Western and Chinese management philosophies on HR practices in a specific location and industry, and the subsequent impact on employee and organisational performance, it is constrained its low (statistical) representativeness (Easton, 2010). Having noted these points however, the logic of generalisability has is a quite different interpretation in qualitative case study research in comparison to quantitative studies (Horsburgh, 2003).

3.9   Researcher's credibility

The researcher obtained his BSc. (Hons) in Mechanical Engineering in Material and Design from the Open University of Hong Kong. He possesses an MBA from the University of Surrey, UK and MSc. (Eng) from the University of Hong Kong respectively. He has studied the DBA programme at the University of Newcastle including courses such as Literature Review, Qualitative and Quantitative Research Methods and Research Proposal. He has also been guided by his supervisor during this research study and therefore has the capability to develop and implement the research. Finally, he has 25 years' work experience in Engineering and Quality Management at

senior management levels in Western and Chinese oriented firms, of which the past 10 years have been in Chinese oriented firms in China.

3.10   Ethical considerations

Prior to conducting this research, the researcher developed the research design to ensure that it followed ethical considerations. The adherence of this research to ethical considerations was confirmed by the approval of this research by the by the Human Research Ethics Committee, the University of Newcastle (see Appendix E). Finally all interviews and focus group sessions were only conducted after research approval was granted by the Human Research Ethics Committee, the University of Newcastle.

3.11   Conclusion

A qualitative case study method is designed to help the researcher understand people working in the selected organisations and what they say and do. It helps the researcher to understand the social and cultural contexts within which people live. The key benefit of using case studies is that they allow the researcher and other research followers to perceive and understand the context within which decisions and actions take place. It is often the case that human decisions and actions can only be understood in context – that is - it is the context that helps to 'explain' why someone acts in a particular way. This context is best understood by interviewing people (Hancock & Algozzine, 2006; Myers, 2009; Yin, 1993, 1994b, 2003). This chapter has described the research methodology and research design implemented for this research. It argued for the research method adopted before delineating the actual research design and implementation. Finally, the chapter concluded with an examination of validity issues, limitations and ethical issues pertinent to this research.

Ruling a large country is like cooking a small fish.（治大國如烹小鮮）

Tao Ta Ching, 60:1

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.0   Introduction

This chapter provides data analysis of company reports and themes identified from the face-to-face interviews with the CEOs and HR directors and focus group interviews with middle and line managers and the local Chinese employees. There are six sections in this chapter. The chapter opens with a discussion of the demographic and background information of the participants and relevant information about each company. This is followed by an evaluation of the research assumptions and an assessment the validity of assumptions. The following sections discuss the coding of the data and the analysis of the data before discussing the findings drawn from the analysis.

4.1   Demographic and background information

This section presents an overview of the demographics and organisational performance of each firm. The data was gathered through an examination of the respective annual reports, financial reports, HR documentation and organisational procedures documents of each firm. This analysis of secondary date was undertaken to both deduce the performance of each firm and to facilitate triangulation against interview responses in order to reduce potential biases and misinterpretation (Jonsen & Jehn, 2009; Lewis, 1998).

A grounded theory approach provides guidelines for the use of themes and codes to analyse qualitative data transcribed from interviews (Dey, 2004). This approach is adequate for the aims of this study, which is to identify the relationship between management philosophy on HR practices and its influences of employee attitudes and performances and seek explanations for the relationship. As previously noted, data from the personal and focus group interviews were recorded and notes were taken in relation to participant behaviour in the interviews. The data and observations were then transcribed and coded in accordance with Table 3.4. Analytic memos were then written and coded for each interview. Matrices were then constructed to identify themes and to check evolving concepts (Auerbarch & Silverstein, 2003; Maxwell, 2005). Based on the

identification of detailed codes, the researcher aims to reproduce the whole picture that has emerged from this research (Dey, 2004; Draucker, Martsolf, Ross, & Rusk, 2007; Pidgeon & Henwood, 2004).

In order to adopt a strong analytical approach, rather than a descriptive one (Jonsen & Jehn, 2009), the data and themes from each case study were analysed with respect to the specific research questions in order to determine whether the results show if the theme supports, links with, or reflects the overall research problem. The aim of this analysis was to determine if there were one or more patterns, conflicts or disagreements in the data that related to the research problem. This was made possible by using primary data (interviews and focus group meetings) and secondary data (organisation documentation) (Grbich, 2007; Lewis, 1998).

For ethical reasons, the names of the participants and selected organisations have not been identified. Rather, the researcher has provided the identification system illustrated in Table 4.1 to identify the participants.

Table 4.1   **Participant identification system**

Participant	Western-oriented firm CS1	Chinese-oriented firm CS2
CEO	WCEO	CCEO
HR Director	WHRD	CHRD
Middle Managers	WFGMM	CFGMM
Line Managers	WFGLM	CFGLM
Local Chinese employees	WFGCE	CFGCE

4.1.1   Background findings on firms from secondary data

According to company documentation the Western-oriented firm, hereafter identified as CS1 is a relocated manufacturing division of an American based company that manufactures metal and plastic home appliances. The parent company is a public listed company in the USA and relocated the manufacturing operation to China in 1992 in order to derive tax benefits and lower labour costs under China's 'Open Door Policy'. The parent company has five subsidiaries in China. The mission, vision, and values of CS1 are posted everywhere in the workplace in the form of posters and are written in both English and Chinese. Interestingly, the English language version is at the top of the posters and the Chinese language version on the bottom of the posters. CS1 management are intent on ensuring that all staff are fully cognisant of the vision, mission and values.

The vision of CS1 is 'High-tech, High-quality, High-efficiency, Customer's satisfaction is our success'. Other instructive posters were also on notice boards around the building including 'Keep Clean', 'Keep Tidy' and do not do this or do that. The firm has ISO 9001 (Quality Management Standards), ISO 14001 (Environment Management Standards) and OHSAS 18001 (Occupational Health and Safety Management System Standards) certification. Total revenue in 2010 was US$700 million and revenue has been increasing at around two to five percent for the past five years. The 2010 Annual Report states that finished products were shipped to customers on time, satisfying 96% of customers' expectations and that the rate of defective products being returned was less than 5%. CS1 is a typical manufacturing organisation with four levels – the CEO, middle managers, line managers and operators and employs approximately 3000 operational staff. The staff turnover rate at CS1 was 25% in at 2010. In 2010, employee retention rates were 90% for staff employed for more than 15 years; 95% for staff employed for 8 - 15 years; 65% for staff employed for 3 – 8 years; 55% for staff employed for 1 – 3 years and; 45% for staff employed for less than 1 year.

According to company documentation, the Chinese-oriented manufacturing firm, hereafter referred to as CS2, is a Chinese family-owned company. It manufactures metal and plastic home appliances. CS2 has ISO 9001 (Quality Management Standards) and ISO 14001 (Environment Management Standards) certification. CS2 has as its vision, "Our factory is our home", posted everywhere and in Chinese only. The Annual Report stated that the revenue in 2010 was US$850 million and that revenue has been increasing at about 1.5 - 8% for the past five years. It also reported that its finished products were shipped to customers on time, satisfying 96% of customers' expectations, and defective products are returned at the rate of less than 3%. As with CS1, CS2 is a typical manufacturing organisation with four levels of within its hierarchy – the CEO, middle managers, line managers and operators. It also employs approximately 3000 operational staff. In 2010, the staff turnover rate at CS2 was 10% and the employee retention rates were 100% for staff employed for more than 15 years; 100% for staff employed for 8 - 15 years; 95% for staff employed for 3 – 8 years; 80% for staff employed for 1 – 3 years and; 65% for staff employed for less than 1 year.

The aforementioned data in relation to each firm are illustrated in Table 4.2 to allow for a more direct comparison of firm demographics. As Table 4.2 illustrates, with the exception of 'Form of ownership' and 'Management structure', both firms are very

similar, although the Western firm has slightly lower revenues and lower staff retention and higher staff turnover.

Table 4.2   **Summary of the results of key documentations**

Item	CS 1	CS 2
Form of ownership	Subsidiary of a US public company	Chinese family owned firm
Management country of origin	Western/Chinese	All Chinese
Number of plants at China	Five	One
Certified management system	ISO 9001 ISO 14001 OHSAS 18001	ISO 9001 ISO 14001
Revenue as at 2010	0.7 billion USD	0.85 billion USD
Change revenue for past 5 years	+ 2 to 5 %	+ 1.5 to 8 %
Management hierarchy level	Four	Four
Hired employees	~ 3,000	~ 3, 000
Employee turnover rate as at 2010	25%	10%
Employee retention rate as at 2010 Over 15 years 8- 15 years 3 - 8 years 1 - 3 years Less than 1 year	90 % 95 % 65 % 55 % 45 %	100 % 100 % 95 % 80 % 65 %

4.1.2   Demographics of senior management

WCEO is in his forties. He is an American born in California. He obtained a bachelor's degree in Manufacturing Engineering and a Master of Business Administrative degree in the United States and has been employed by the firm for 15 years. He was transferred to China when the company relocated some its manufacturing units to China in the 1990s. The company takes orders from its headquarters in the United States.

WHRD is in his forties. He is American and born in Texas. He obtained his bachelor's degree in Human Resources Management in the USA and worked in various American manufacturing organisations before joining this company. He has been working for this company for about eight years.

CCEO is in his fifties. He is Chinese and was born in Zhaoqing. He obtained his bachelor's degree in Industrial Engineering from a Chinese university after the Cultural Revolution. He has been working for the company for 25 years and is the company owner. The company was founded by his father and he took on the CEO role upon his

father's retirement. As the CEO and owner, he sets all company policies and procedures.

CHRD is in her forties. She is a Wenzhou-born Chinese. She obtained her bachelor's degree in Business Administration from Zhejiang University. She worked in various manufacturing organisations in China before joining this company. She has been working in this company for about ten years.

4.1.3 Demographics of the focus group interviews

All of the participants from CS2 were Chinese, however a number of middle and line managers from CS1 were Westerners. Table 4.3 provides a summary of the demographics of the focus group participants and their countries of origin in the case of the Western firm.

Table 4.3   **Summary of demography of focus group participants**

Participants	CS 1	CS 2
Middle managers	4 Westerners 6 Chinese	10 All local Chinese
	1 from marketing department (USA) 3 from engineering department (1 from USA, 2 from China) 1 from quality department (Chinese) 4 from production department (2 from USA, 2 from China) 1 from administration (Chinese)	2 from marketing department 3 from engineering department 1 from quality department 3 from production department 1 from logistics department
Line managers	3 Westerners 7 Chinese	10 All local Chinese
	1 from marketing department (Chinese) 4 from engineering department (1 from USA, 3 from China) 4 from production department (2 from USA, 2 from China) 1 from material control (Chinese)	4 from engineering department 1 from quality department 4 from production department 1 from administrative department
Employees	All local Chinese	All local Chinese
	3 from engineering department 12 from production department	4 from engineering department 11 from production department

Table 4.4, provides a summary of the age, gender and nationality of the participants in order to illustrate the demographics of the respondents from each firm. The data from Table 4.3 and 4.4 illustrates that whilst there is obvious country of origin differences at the management level, gender and age demographics are reasonably compatible. For the sake of brevity, participants in this chapter are identified by the acronyms illustrated in

Table 4.4 and by US (American) and CN (Chinese); M (male), F (female) and; age group.

Table 4.4   **Summary of general information of focus group participants**

	Items	CS 1	CS 2
Age group	18 – 25	3	5
	26 – 35	15	11
	36 – 45	10	15
	Over 45	7	4
Gender	Male (M)	17	15
	Female (F)	18	20
Nationality	USA (US)	7	0
	China (CN)	28	35

4.2   Research assumptions

As previously noted, and illustrated in Table 4.3 and Table 4.4, these two firms are typical of manufacturing organisations in China, with the principle differences potentially lying in the country of origin of the management staff and their respective management philosophies and HR practices. Thus they fit the criterion of generalisation in relation to case study analyses (Reuvid & Yong, 2006). The literature reviewed in Chapter 2 suggests that cultural values and assumptions influence management philosophy and how individual managers manage their employees. Further, the literature suggests that management messages are transmitted from the top to bottom of the hierarchy (De, 1995; Tai, 1988). Therefore it is assumed that the Western-oriented manufacturing firm applies Western management philosophy to its HR practices while the Chinese-oriented one applies Chinese management philosophy to its HR practices. This assumption is tested in the following sections by an analysis of the data gathered in the individual and focus group interviews.

4.3   Data coding

Immediately after transcription of the data gathered in the interviews, the data was coded. Coding was initially done using codes from a 'start list' (Miles & Huberman, 1984) generated from the interview questions based on the Bowen and Ostroff (2004) model and illustrated in Table 3.4. Codes were also inductively generated using the 'grounded' approach suggested by Glaser and Strauss (1967) and emerged from the participants' descriptions of the managerial practices and employee performance. As

patterns of themes were identified, they were recorded and dimensionalised into applicable themes.

The researcher selected NVivo 8 and Microsoft Excel spreadsheets to carry out the data analysis. NVivo8 was selected because it can create a project to hold the data and ideas and most importantly, allow the researcher to create connections between them (Richards, 1999). The software programmes allowed for a compilation of quotes for each code and made possible an analysis of trends, contrasts and similarities between codes. Matrices were also constructed to check the validity of themes which emerged. Finally, the data were used to compare local Chinese employees' perspectives with managers' perspectives of the same phenomenon. This was done in order to determine how the managers' intentions were perceived by the local employees and the impact of the manager's intentions on the attitudes and performance of the local Chinese employees (Auld, et al., 2007; Richards, 1999).

4.4 Analysis of the data and findings

This section presents an analysis of the themes and codes uncovered in the analysis process. The themes and codes are derived from the research questions, which in turn were derived from the Bowen and Ostroff (2004) conceptual framework discussed in Chapter 2. They are used to logically create a cluster linkage to the conceptual framework. Table 4.5 reiterates Table 3.4 (Themes and codes developed for this research) and includes a column indicating which section number (…) and question number relate to each theme and code. The interview protocol containing each question is located in Appendix B.

Table 4.5   **Themes, codes and related questions**

Theme 1	Management messages pass from top level to operator level without any difference meaning via formal mechanisms		Question numbers
	Code 1	Organisational policy and Procedure (Mission, Vision, and Values)	(2)1; (3)2; (3)3; and (3)10.
	Code 2	Motivation theory (punishment or reward)	(2)8; (3)6; (3)8 and (3)11.
	Code 3	Communication style (order or request)	(2)8.
	Code 4	Leadership style (practice based on Western or Chinese philosophy)	(2)4; (3)7; and (3)9.
Theme 2	Effect of top down communication style on employee attitudes		Question numbers
	Code 1	Organisational cultural values	(2)2; (2)6; (2)9; and (3)8.
	Code 2	Top management thought	(2)3; and (2)6.
	Code 3	Organisational hierarchy authority	(3)2; and (3)4.
Theme 3	Impact of management philosophy on HR practices on employee perceptions and performance		Question numbers
	Code 1	Job commitment	(2)5; and (3)5.
	Code 2	Having responsibility for work	(2)4; and (2)7.
	Code 3	Willing working	(2)4; and (3)5.
	Code 4	Job satisfaction	(2)5; and (3)12
	Code 5	Self-discipline	(3)1; and (3)4

4.4.1   Theme 1: Transfer of management messages

Bowen and Ostroff (2004, p.208) suggest management messages should pass from top level to operator level without any difference in meaning via formal organisational mechanisms such as policies and procedures, positional power, communications style and leadership style. This section discusses the analysis of the data in relation to the transfer of information from the top to the bottom of both organisations through formal organisational mechanisms.

Theme 1 - Code 1: Organisation policies and procedures (Mission, Vision and Values) - CS1 findings

WCEO pointed out that the organisation's policies and procedures were developed by the Chairman who also developed the mission statement: 'High-tech, High-quality, High-efficiency; Customer satisfaction is our success'. This statement was also found on the front page of the firm's profile brochure.

WHRD noted: 'We have used this mission and vision to develop the HR procedures even when recruiting the managers and employees. They have agreed to comply with our organisational policy. I think the management can easy drive this policy to manage

their down-line employees and employees can accept these procedures as part of their work practice'. WHRD also pointed out that 'you [the researcher] can see the mission and vision statement everywhere in our organisation. We have posted it everywhere as we want to alert all the employees to it and make them understand and implement it as part of their work practice'.

WFGMM 2 (US, M, over 45) stated in a focus group interview: 'I have been working in this organisation for about five years. I also agreed with our organisation policies from day one. This is because I remember that during the interview, the HR director mentioned that these policies are our organisation's mission and vision and asked me if I agreed with them. I am very surprised that this question was never posed to me in previous job interviews'. WFGMM 2 (US, M, over 45) continued 'I feel I can implement the organisation policy to my team subordinates after having worked here for half a year'. WFGLM 4 (CN, F, 36 - 45) stated: 'I follow the operation procedures to manage my team workers (local Chinese employees) in order complete the daily tasks which include making sure enough products are completed on time and that they are within the acceptable rate for defects in production. I understand that the operation procedures are developed based on our organisation policies'. Five WFGCE participants (all Chinese) reported that they only know the organisational policy (mission and vision) because it is posted everywhere. The policy in is the 3H's (High-tech, High-quality, High-efficiency) but do not really understand its meaning. They all concurred with one participant who stated 'I only carry out tasks according to instructions from my superiors'.

In summary, whilst the local Chinese workers at CS1 know the organisation's vision, mission and values from the posters and other documentation, they do not clearly understand its meaning and prefer to simply follow the direct instructions of their superiors.

Theme 1 - Code 1: Organisation policies and procedures (Mission, Vision and Values) - CS2 findings:

CCEO stated: 'I created the mission, vision and values in my organisation based on my management philosophy and have them printed on my company profile brochure. I am Chinese so I think my behaviour and thinking is a result of [my] culture. In my statement, the wording is very important because I treat my employees like my family

members and they can help my organisation to flourish. The first statement is for marketing purposes only. You [the researcher] can see "Our product and service are always improving" and "Our factory is our home" posted everywhere. I have also asked my administration to have them printed on the reverse of every employee card so that my workers can easy read them at all times'.

CHRD stated: 'My boss is very concerned about the human in the working environment element [our factory is our home], so I guess all the organisational policies and procedures must include it'.

CFGMM 5 (CN, F, 26 – 35) stated: 'My organisation policies and procedures are developed from the mission and vision from my CEO. I fully understand this statement and have passed this to my down-line employees during work'.

CFGLM 7 (CN, M, 36 -45) stated: 'My working activity is based on policies and procedures and I also think this statement comes from my CEO. He is very concerned about the human element and our feelings. I use this statement to manage my team workers'.

Six CFGCE participants explicitly suggested that the statement "our factory is our home" and "continuous improvement of our product" is the organisation's mission, whilst another six participants explicitly suggested that the "continuous improvement of our products and our factory is our home" is my organisation mission'. The three other CFGCE participants suggested that they understood the organisation's mission as "Our factory is our home". Consequently it was quite evident that all 15 of the CFGCE participants clearly understood the organisation's mission. In addition, the CFGCE participants agreed to comments raised by CFGCE members such as 'I also feel that my CEO will surely implement this in my work' and 'I think if the factory is really my home, then my products will be the best'.

In summary, at CS2, the organisation's vision, mission and values are embedded in a range of procedures, documentation and communication (e.g. company profile brochures, HR procedures, down-line verbal communication) and are generally well understood. However, observations made by the researcher in the focus group session did indicate that three CFGCE participants did not appear to understand the vision, mission and values as well as the others.

Theme 1 - Code 2: Motivation theory (punishment or reward) - CS1 findings

WCEO and CHRD independently reported that they apply Maslow's theory and McClelland's theory most to motivate staff (managers and employees) and that staff members are expected to do the same because it is reflected in their performance and the organisation's performance. WFGMM 6 (US, F, 36 – 45) stated: 'I use Western motivation theory to motive my subordinates to complete their tasks (daily yield of products in the production line) but there is no punishments for mistakes'. WFGMM 6 added 'I never punish my subordinates because organisational procedure does not permit this'. WFGMM 3 (CN, F, over 45) stated: 'Our organisation has a reward system. The operators are rewarded when they produce good quality products over the target'. These themes were also identified in the operator level focus group session. WFGCE 2 (CN, M, 26 – 35), WFGCE 5 (CN, M, 36 – 45), WFGCE 7 (CN, F, 26 – 45), WFGCE 8 (CN, M, 18 – 25) and WFGCE 9 (CN, M, 26 – 35) indicated that the organisation has a reward system to motivate me and WFGCE 1 (CN, F, 18 – 25), WFGCE 4 (CN, M, 18 – 25), WFGCE 7 (CN, F, 26 – 35), and WFGCE 15 (CN, F, 36 – 45) noted that we have bonuses after we produce output over the target.

In summary CS1 clearly applies Western motivation theory in practice and uses reward systems rather than any form of punishment to motivate employees.

Theme 1 - Code 2: Motivation theory (punishment or reward) - CS2 findings

CCEO stated: 'I really accept how legalism works, so I introduce many laws and rules to our subordinates for them to follow to complete any task without any discrepancy. However, I also believe that punishment should be meted out to staff when mistakes are made. If there are no punishments, they never do anything right. Normally, I do not breach the local laws when I serve punishment. In addition, I also empower my managers to implement this'.

CHRD stated: 'in our organisation procedures on HR practices, we set up more rules for managers and employees. They can do this, and they cannot do this. So, we have this reward system and we have this punishment system. This is very clearly written down in the procedures which act as our laws and rules in this organisation. I think everybody must understand this, because it is printed in our employee handbook'.

CFGMM 8 (CN, F, over 45) stated: 'many laws and rules in the organisational procedures to be followed are in implemented in my work. This is very clear to me'.

CFGLM 5 (CN, F, 36 – 45) stated: 'I order my subordinates to do all the activities which are based on the laws and rules from the organisational procedures'. Similar sentiments were apparent in the operator level focus group session. CFGCE 3 (CN, M, 36 – 45), CFGCE 7 (CN, M, 36 – 45), CFGCE 8 (CN, F, 18 – 25), CFGCE 9 (CN, F, 36 – 45), CFGCE 10 (CN, M, 36 – 45), CFGCE 13 (CN, F, 18 – 25), and CFGCE 15 (CN, F, 26 – 35) noted that there are many laws and rules written in employee handbook and that they fully understand what they should and should not do. CFGCE 6 (CN, M, 36 – 45) and CFGCE 11 (CN, F, 18 – 25) suggested they accept the laws and rules because they enjoy working in this organisation'. Whereas CFGCE 1 (CN, F 18 – 25) and CFGCE 2 (CN, F, 26 – 35) added further clarity by suggesting that because they have the organisational laws and rules to follow, they never do any wrong in this organisation.

In summary, CS2 does not apply Western motivational theory. Rather, it applies laws and rules, documented in the organisational procedures to govern all staff activities and all employees appear to accept the laws and rules and apply them in their work.

Theme 1 - Code 3: Communication style (order or request) - CS1 findings
WCEO stated: 'in my position, I always use the order style on my subordinates but sometimes; I will use the request style'. WHRD stated: 'When I want things done at the workplace, I give orders but at the same time, I also send requests. This is my communication style. For example, when I need to remind the staff to switch off the lights before they leave the office and production line, I will use the request style. However, when I need to order the operators to take their attendance from the electronic machine to calculate their overtime allowance, I will use the order style, so the style is not fixed'. WFGMM 10 (US, F, 26 – 35) stated: 'I use the order style to communicate with my subordinates but sometimes, will use request style' and this perspective was also reiterated by WFGMM 2 (US, M, over 45), WFGMM 4 (CN, F, over 45) and WFGMM 6 (US, F, 36 – 45). Interestingly, all CS1 line managers indicated that they receive orders from their line managers to complete the task daily inferring perhaps that they did not perceive the middle managers used a request style at all. Further, the line mangers all indicated that they only use the order style to communicate with their subordinates. Similar sentiments were apparent in the operator level focus group session in which most respondents stated that communication was normally in the form of

orders, although WFGCE 4 (CN, M, 18 – 25), WFGCE 7 (CN, F, 26 – 35), WFGCE 12 (CN, F, 26 – 35) suggested that their line manager will use a request style if asking that they do an extra task'.

In summary, the senior staff at CS1 normally uses an order style to instruct subordinates to complete their tasks, while the request style is rarely used, except perhaps in the case of asking staff to go above and beyond their normal duties.

Theme 1 - Code 3: Communication style (order or request) - CS2 findings:

CCEO stated: 'I must use the order style to communicate with my subordinates because I believe that if I do not order them, they will not be able to do the right things at the right time'. CHRD stated: 'I use the order style in my communication activities'. All the CS2 middle managers noted that they use the order style in their communication activity and all of the line managers stated that they must use the order style in their communication activity. At the operator level nine participants suggested that they follow the orders from their direct manager and that doing so was fine because they were never given wrong orders. Further, six suggested they must follow the orders from their supervisors because they are following the production schedule and operational procedure.

In summary, all of the senior staff at CS2 appear to use the order style and the local Chinese employees appear to accept orders from their superiors without question.

Theme 1 - Code 4: Leadership style - CS1 findings

WCEO indicated that he is a Christian and that his leadership style is based on the Protestant work ethic and Judeo-Christian values. 'I studied in the USA so I apply Western management philosophies in our organisation. These include the division of labour (Adam Smith), Theory X and Theory Y (McGregor), organisational theory (Max Weber) and I use the balance scorecard (Kaplan and Norton) to measure our organisation's performance'. At the operational level, our organisation uses scientific management methodology to ensure efficiency in operation. This is my leadership style'. [Note: WCEO studied management in USA and actually verbally expressed the aforementioned management theories and theorists in his explanation. The author was quite surprised the he expressed such terms during the interview].

WHRD stated: 'We consider that the staff members have individual human rights in their working environment. We also request that our management staff apply this style to their leadership of subordinates. This is written in an internal memo which is distributed to all our management. Moreover, new managers need to understand this memo'. This point was supported by the middle managers and line managers who indicated that their leadership style is concerned with individual human rights and was also supported by the operation staff who all concurred that our managers are concerned with individual human rights at my workplace.

In summary, the leadership style at CS1 draws strongly from Western management philosophy and has a strong focus on considering individual human rights. The concern for individual human rights is evident at all organisational levels.

Theme 1 - Code 4: Leadership style - CS2 findings:

CCEO and CHRD both indicated that our organisation has laws and rules and the managers used these to lead the operators. CFGMM 7 (CN, M, $36 - 45$) stated 'I use the laws and rules to lead my subordinates but sometimes, I feel that my subordinates and I apply the five bonds of Confucianism'. CFGLM 10 (CN, M, $36 - 45$) stated 'I lead my subordinates using my organisation's laws and rules and they must obey them. For example, I am the leader of my subordinates so they should respect my authority'. At the operator level, CFGCE 1 (CN, F, 18 -25), CFGCE 2 (CN, F, $26 - 35$), CFGCE 4 (CN, F, $18 - 25$), CFGCE 5 (CN, F, $26 - 35$), and CFGCE 7 (CN, M, $36 - 45$) suggested that the leadership of their managers are based on laws and rules of the organisation and CFGCE 3 (CN, M, $36 - 45$), CFGCE 6 (CN, M, $36 - 45$), CFGCE 8 (CN, F, $18 - 25$), CFGCE 9 (CN, F, $36 - 45$), and CFGCE 10 (CN, M, $36 - 45$) indicated that they respect their manager as their leader because that is their role. Interestingly and directly related to the comment made by CFGMM 7 (CN, M, 36 - 45), CFGCE 11 (CN, F, 18 - 25), CFGCE 12 (CN, F, $36 - 45$), CFGCE 13 (CN, F, $18 - 25$), CFGCE 14 (CN, M, 26 - 35), and CFGCE 15 (CN, F, $26 - 35$) all referred to the five bonds of Confucianism and that they follow their manager's instruction based on the premise that they would never be asked to do anything that was wrong. .

In summary, the leadership style at CS2 appears to stem from both Legalism and Confucianism. The employees feel that the managers display their leadership by the

setting up the laws and rules and some apply the Five Bonds (*wulun*) of Confucianism to accept the leadership style of their leaders.

4.4.2   Theme 2: **Effect of top-down communication style on employee attitudes**

This theme explores the effect of more indirect top-down communication on employee attitudes in terms of organisational cultural values, top management thought and authority vested in the organisational hierarchy. Bowen and Ostroff (2004, p.210) suggest that such communication should increase 'the probability that the HR messages will be encoded and interpreted uniformly among employees' in terms of distinctiveness; that is: understandability, relevance; consistency: instrumentality and validity'.

Theme 2 - Code 1: Organisational cultural values - CS1 findings

WCEO stated 'you [the researcher] have some questions about organisational and cultural values. I have this concept for my understanding on cultural values. Culture is inherited and it has been used to develop and further our thoughts, values and beliefs. Our organisational and cultural values come from our headquarters and are individualistic in nature'.

WHRD stated: 'the organisational procedures developed are based on the cultural values of our HR practices'. The middle and line managers had this training to align their personal values and organisational values'. These points appear to be well accepted at the middle and line manger level. For example, WFGMM 5 (CN, M, 26 – 35) stated 'I am Chinese but I agree with the values of this organisation, so I also implement these values to my subordinates'. WFGMM 7 (CN, M, 36 – 45) stated 'I feel the values of this organisation are individualistic… the human rights are also considered by the employers' and WFGLM 5 (US, M, over 45) stated: 'I feel the top management (CEO) can implement the organisation's values and I accept them'. However, at the operator level there were mixed reactions. WFGCE 2 (CN, M, 26 – 35), WFGCE 4 (CN, M, 18 -25), and WFGCE 6 (CN, F, 36 – 45) suggested that the organisational cultural values are different from Chinese values; WFGCE 14 (CN, M, 26 – 35) suggested that 'the cultural values in this organisation place importance on the individual. It can influence my working attitude because I feel that the CEO is

concerned about the career prospects and rights of each employee' and WFGCE 8 (CN, M, 18 – 25) suggested 'my working attitude is influenced by organisational values'.

In summary, the CEO and HR director implement a Western management philosophy and Western cultural values and such values are largely accepted (if not fully understood) by the local Chinese employees. Therefore, the attitude to work of the local Chinese employees appears to be affected by Western cultural values.

Theme 2 - Code 1: Organisational cultural values - CS2 findings

CCEO stated: 'I define our organisational cultural values as drawn from the 'Four Beginnings' from Confucianism, as compassion, shame, modesty and the distinction between right and wrong. These values are passed down to the operators from our policies and procedures'.

CHRD stated: 'I think the organisational values are printed on operational procedures and the managers and workers receive these documents'. CFGMM 2 (CN, M, 26 – 35) pointed out: 'organisational values are hard to define but my subordinates have applied Chinese culture in the organisation' and CFGMM 5 (CN, F, 26 – 35) suggested that 'Chinese values are also applied in the organisation so I think these are our organisational values'. CFGLM 6 (CN, F, 26 – 35) stated: 'I feel our organisational cultural values are both from the CEO and Chinese culture. My subordinates receive the organisational cultural values from the organisation and from their in-group cultures. … the working attitude is influenced by these values but they also understand it'. At the operator level, CFGCE 1 (CN, F, 18 – 25), CFGCE 2 (CN, F, 26 – 35), CFGCE 5 (CN, F, 26 – 35), CFGCE 6 (CN, M, 36 –45), CFGCE 10 (CN, M 36 – 45), CFGCE 11 (CN, F, 18 -25), CFGCE 12 (CN, F, 36 – 45), CFGCE 13 (CN, F, 18 - 25) simply acknowledged that they understand the organisations values, whereas CFGCE 14 (CN, M, 26 – 35) CFGCE 3 (CN, M, 36 – 45), CFGCE 4 (CN, F, 18 – 25), CFGCE 7 (CN, M 36 – 45), CFGCE 8 (CN, F, 18 – 25) and CFGCE 9 (CN, F, 36 – 45) provided more detail by indicating they understood the organisation's values and that their working attitude was also influenced by these values. CFGCE 15 (CN, F, 26 – 35) went further and suggested 'my organisation's cultural values have elements of Confucianism. I accept the cultural values because they are very similar to the values of Confucianism'.

In summary, the organisational cultural values of CS2 derive from the CEO and his Confucianist beliefs and are clearly understood and accepted by management and operational staff alike. Whilst not all staff appear cognisant of the deeper Confucian philosophy underpinning the organisation's cultural values, their attitudes are influenced by them.

Theme 2 - Code 2: Top management thought - CS1 findings

The CEO of CS1 suggested that his thinking about his work behaviour and the behaviour of his employees was based on his own culture. He noted that the organisation was developing new practices based on Western thought. WCEO stated: 'I draw on what I know to guide subordinates through our policies, messages and my own behaviour'.

Theme 2 - Code 2: Top management thought - CS2 findings:

The CEO stated: 'I set up the laws and rules in the organisational procedures [note: reflective of Legalism] and some motivation and reward system to motivate my subordinates [note: a reflective of Confucianism]. Also, I give autonomy to my employees to complete the task without any distractions [note: reflective of Taoism]. The senior management give fewer instructions to our employees at the operational level so they can make their own decisions. This gives them more room to develop their tasks. In this way, there will be more improvement where work is concerned'. CHRD supported the points made by the CEO and pointed out that 'HR practices are based on my CEOs management thinking'.

Theme 2 - Code 3: Organisational hierarchy authority - CS1 findings

CS1 has a clear organisation chart that shows its employees' names, job titles, job responsibilities and also their level within the organisation. The organisational chart also clearly shows the four levels of management – CEO, middle managers, line managers and operators. The organisational chart was obtained by the researcher, from the WHRD after approval by the WCEO. It is also posted on the wall of each department to make it easy for every employee to understand the organisation's hierarchy and lines of authority.

Theme 2 - Code 3: Organisational hierarchy authority - CS 2 findings:

CS2 had a clear organisational chart that shows the employees' names, job titles, job responsibilities and also the four levels of management. CHRD is responsible for posting it on the notice board and updating it when positions change. The organisational chart was obtained by the researcher from the CHRD after approval by the CCEO. The CCEO pointed out that 'Confucianism has a guideline for people's behaviour with regard to the relation of people of different roles in the organisation. I quote from Confucius' book - The Great Learning -*'a guideline for management state from back to base in which ordering first cultivated their persons, regulated families, ordered well their own states and last management the kingdom'*.

In summary, CCEO adheres to Confucian values and beliefs and provides clarity in relation to the organisational hierarchy by following Confucian tradition. Conversely, WCEO is guided by Western management philosophy and provides guidance in relation to the organisational hierarchy through documentation such as the organisational chart.

4.4.3 Theme 3: The impact of management philosophy on HR practices on employee perceptions and performance

This theme explores the effect of management philosophy on HR practices on the perceptions and performance of the operator level employees. Bowen and Ostroff (2004, p.212) suggest that HR systems and practices are effective when there is consensus throughout the organisation in their meaning and that 'consensus results when there is agreement among employees – the intended targets of influence by the HRM system – in their view of the event-effect relationship'.

Theme 3 - Code 1: Job commitment - CS1 findings

WCEO and WHRD both argued that the local operational level Chinese employees could not fully understand their organisation's operations, even if they were to provide them with more internal and external training. Therefore, it fell to relying on the job commitment of the middle and line managers to ensure that work was completed properly by managing through direct orders. WFGMM 5 (CN, M, 26 – 35) stated 'I must follow the organisation's policy and HR practices to complete my short term and daily tasks. This is my commitment'. WFGMM 6 (US, F, 36 – 45) stated 'my commitment is based on the organisational policies and I need to follow up on them'. At

the line manager level, WFGLM 1 (US, M, 26 – 35) and WFGCE 7 (CN, F, 26 – 35) reinforced the comment made by the WCEO and WHRD. They pointed out that top management had launched the organisational policies on HR practices and that even though they were written in procedures and instructions documents, they were difficult for line managers to understand let alone operator level staff. Consequently they suggested that such documents had no impact on job commitment at the operator level.

In summary, whilst job commitment is linked to roles and responsibilities at the management level in CS1, there appears to be no such link at the operator level.

Theme 3 - Code 1: Job commitment - CS2 findings:

CCEO stated: 'I think the employees in our organisation are mature. They have many years of work experience before joining my organisation. So I will take no action to influence them in their decision making and working procedures. I only give them the direction, like the mission and vision'. CFGMM 10 (CN, F, 36 – 45) and CFGLM 5 (CN, F, 36 – 45) both agreed that the CEO only gave the mission and vision to them. They were then given the space to do a task and were committed to doing it right themselves. At the operator level, all participants in the CFGCE focus group session agreed that they had autonomy to carry out their tasks but the middle and line managers provide them with the goals and mission to do so. They suggested that they were committed to complete assigned tasks given by their line managers.

In summary, management and operation staff appear to have a reasonable level of job commitment and this appears to be linked to being given sufficient autonomy to be responsible for their own decision making and work procedures.

Theme 3 - Code 2: Having responsibility for work - CS1 findings

The previous section identified that whilst job commitment is linked to roles and responsibilities at the management level at CS1, there appears to be no such link at the operator level. This sections drills deeper into the perceptions of operator level staff by analysing how instructions via formal means of communication impact a sense of responsibility for the work undertaken by operator level employees. WFGCE 3 (CN, M, 26 – 35), WFGCE 5 (CN, M, 36 – 45), WFGCE 7 (CN, F, 26 – 35), WFGCE 9 (CN, M, 26-35), WFGCE 10 (CN, F, 26 – 35), WFGCE 11 (CN, M, 36 – 45), WFGCE 13 (CN, M, over 45), and WFGCE 15 (CN, F, 36 – 45) all suggested that whilst there is a

written working procedure document, they hardly ever follow it. In a similar manner WFGCE 1 (CN, F, 18 – 25), WFGCE 2 (CN, M, 26 – 35), WFGCE 3 (CN, M, 26 – 35), WFGCE 4 (CN, M, 18 – 25), WFGCE 6 (CN, F, 36 – 45), WFGCE 7 (CN, F, 26 – 35), WFGCE 8 (CN, M, 18 - 25), WFGCE 13 (CN, M, over 45), WFGCE 14 (CN, M, 26 – 35), and WFGCE 15 (CN, F, 36 – 45) all suggested that they don't really feel sense of responsibility for their work because they rarely follow the organisation policies and procedures'. Finally, WFGCE 6 (CN, F, 36 – 45) added further clarity by stating 'I have been working here for about one year but many of my colleagues who joined at the same time have left. Therefore, the morale is very low and those who are still here no longer have a sense of responsibility'.

In summary, it would appear that even though CS1 has clearly defined organisational policies and procedures, the local Chinese employees find them difficult to understand and find them demotivating.

Theme 3 - Code 2: Having responsibility for work - CS2 findings:

As noted in the previous section, the CEO at CS2 takes no action to influence the decision making and working procedures undertaken by staff. He simply gives general direction through the mission and vision statement. Communication of instructions at CS2 whilst top down is through more informal verbal communication. Eleven operator level staff of both genders and encompassing each age cohort suggested that they understand the messages from their up-line manager and take the responsibility to complete it.

In summary, it would appear the general direction and informal communication processes at CS2 have a positive impact on staff in both clearly understanding what needs to be done and taking full responsibility for doing it.

Theme 3 - Code 3: Willingness to work - CS1 findings

Secondary data from internal company documentation and comments made in the focus group sessions indicate that in comparison to CS2, CS1 had a higher level of operator absenteeism, higher staff turnover (low retention rate) and a higher than average rework rate (poor manufacturing quality). These factors would tend to suggest that operator level staff at CS1 have a low level of willingness to work.

Theme 3 - Code 3: Willingness to work - CS2 findings

Conversely, secondary data from internal company documentation and comments made in the focus group sessions indicate that in comparison to CS1, CS2 had a lower level of operator absenteeism, lower staff turnover (high retention rate) and a lower than average rework rate (good manufacturing quality). Operator level staff at CS2 also volunteered to engage in extra work such as cleaning and maintaining the working environment and machines. These factors would tend to suggest that operator level staff at CS2 have a high level of willingness to work.

Theme 3 - Code 4: Job Satisfaction - CS1 findings

At CS1, it was not clear if the local Chinese employees were dissatisfied with the work itself, dissatisfied with the supervision, or were dissatisfied with their co-workers. WFGCE 3 (CN, M, 26 – 35) stated 'I work alone and nobody can help me', WFGCE 7 (CN, F, 26 – 35) pointed out 'the task has to be completed by three operators but I do not know if my up-line manager has arranged for two operators to do this task so I feel tired at work' and WFGCE 9 (CN, M, 26 – 35) stated 'I do not want to work with my co-workers because they do not cooperate with each other at the production line'. In any case however, it was quite obvious that there was little in the way of job satisfaction at the operator level at CS1.

Theme 3 - Code 4: Job Satisfaction - CS2 findings

At CS2, it was clear that the local Chinese employees were satisfied with the work itself, the supervision and that they were willing to work with co-workers as the following quotes attest. CFGCE 1 (CN, F, 18 – 25) stated 'I am proud of myself when I complete my task', CFGCE 6 (CN, M, 36 – 45) pointed out 'I always complete the task given by my line manager on a daily basis' and CFGCE 7 (CN, M, 36 – 45) stated 'I am willing to work with my co-worker because they are and helpful and I help them when they need help'.

Theme 3 - Code 5: Self-discipline - CS1 findings

Comments made in the CS1 operator level focus group session suggest that they have little no workplace self-discipline. They were not willing to go beyond the call of duty and do more than what was given. WFGCE 1 (CN, F, 18 – 25) stated: 'I only follow the

operational procedures to complete the task assigned by line manager', WFGCE 7 (CN, F, 26 – 35) pointed out 'I always take personal leave when I need to go shopping' and WFGCE 8 (CN, M, 18 – 25) stated that 'the working environment is not my business so I do not want to keep it clean'.

Theme 3 - Code 5: Self-discipline - CS2 findings

Comments made in the operator level focus group session at CS2 indicated that local Chinese employees had a good level of self-discipline and that the "Four Beginnings", embedded in Confucianism may underpin the self-discipline in some cases. CFGCE 2 (CN, F, 26 – 35) and CFGCE 4 (CN, F, 18 – 25) both commented that they feel the factory is our home so we need to keep it clean and safe. CFGCE 3 (CN, M, 36 – 45) and CFGCE 7 (CN, M, 36– 45) pointed out 'I shall complete my task first before I take my personal leave'. CFGCE 9 (CN, F, 36 - 45) stated 'I keep my working environment clean because I feel this is my home' and CFGCE 10 (CN, M, 36 – 45) and CFGCE 15 (CN, F, 26 – 35) both suggested that we must use Confucianism to judge right or wrong.

4.5   Discussion from research data in this study

This section summarises the findings of the analysis of the data gathered through the interviews.

The essence of theme 1 was to examine how management messages pass from top level to operator level via formal mechanisms and whether there was any loss of meaning as the messages cascaded down the organisational hierarchy. In the Chinese owned firm (CS2), most employees clearly understood the organisation's vision, mission and values and were happy to follow the direct instructions of superiors. In the American owned firm (CS1), fewer employees understood the vision, mission and values even though they were documented and circulated to all staff.

In CS1, Western motivation theories were applied to motivate employees rather than any form of punishment. Conversely CS2 did not appear to apply motivational theories but rather drew on laws, rules and punishment (Legalism) and Confucian human relationship principles to govern all staff behaviour.

Management at CS1 normally adopted an "order" as opposed to a "request" communications style to instruct subordinates and this appeared to result in a negative attitude in subordinates. The negative attitude was observed in the operator level focus

group session when some operators noted that a request style was only used if they were being asked to do something over and above their normal duties. Similarly, managers at SC2 also normally adopted the "order" communication style. However subordinates in CS2 did not have negative attitudes. Rather the responses from operator level staff indicated that they accepted this style because it was normal behaviour in terms of the Confucian *wulun* in which the *tai lu* (supervisor or "big brother") leads them in their tasks and protect their benefits in the workplace.

The leadership style in CS1 drew strongly from Western values and management philosophy and managers appeared to be quite cognisant of the importance of individual human rights in the workplace. In CS2 however, the leadership style appeared to draw on Legalist and Confucian *wulun* values rather than individual human rights and this was well accepted by employees.

Theme two relates to the effect of top down communication style on employee attitudes and the probability that HR messages will be encoded and interpreted uniformly among employees' in terms of distinctiveness; that is: understandability, relevance; consistency: instrumentality and validity. The findings from the analysis indicate that the organisational procedures and communication at CS1 are strongly aligned with the parent organisation's values (developed in the USA) and are communicated through formal documentation and in a highly instructive manner. The analysis indicates that such communication is largely accepted by local employees, even though it is not fully understood. CS1 also appears to actively try to inculcate local employees with organisational cultural values. Conversely, at CS2, organisational procedures and communication are strongly aligned with indigenous Chinese cultural values (Confucian, Legalist and Taoist) and are clearly understood and accepted by all local employees.

Theme three explores the effect of management philosophy on HR practices and its effect on the perceptions and performance of operator level employees. At CS1 HR practices are embedded through formal documentation and there is a strong focus on both internal and external training. However, whilst this results suggest a reasonably strong level of job commitment in management staff, it appears to have no impact on the job commitment of operator level staff. Further, despite the documentation of organisational policies and procedures, the local Chinese employees find them difficult to understand and find them demotivating, show a low level of willingness to do

anything more than they have to, have low levels of job satisfaction and have a general lack of interest in the work environment. Conversely, at CS2 there is little in the way of formal documentation, instruction or training, rather employees at all levels are granted a reasonable level of autonomy (a Taoist approach) to determine how they should go about completing tasks handed down from their respective *tai lu*. At CS2 management and operational staff appear to have a reasonable level of job commitment and this appears to be linked to being given sufficient autonomy to be responsible for their own decision making and work procedures. The informal communication processes appear to have a positive impact on staff in both understanding what needs to be done and taking full responsibility for doing it. Operator level staff appear to have a high level of willingness to work, good job satisfaction, take pride in their workplace, are self-disciplined and willing to go above and beyond what is required. Table 4.6 below summarises the key findings from the findings from the analysis.

Table 4.6   **Summary of findings from the analysis**

Critical Success Factors	CS1	CS2
Managerial Values (T1C1; T1C2; T1C3)	Organisation policy (Mission, Vision and Values)	Legalism: Laws and rules from the rulers (managers) to control people (employees).
	Motivation theory and communication style	Human relationships (Confucian)
	Managerial practices in organisational policy and procedures.	Advocacy of inaction by organisation's owner (Taoist)
Leadership Styles of managers (T1C4)	Management authority and leadership skills / behaviours	Law, statecraft and power from leader / owner (Legalism)
	Management authority and leadership skills / behaviours	Natural way to maintain a stable order in organisations (Taoist)
Manager-employee beliefs (T2C1; T2C2; T2C3)	Management systems and procedures	The 'four beginnings' feelings of compassion, shame, modesty and the distinction between right and wrong (Confucian)
Manager-employee thoughts (T2C1; T2C2; T2C3)	Organisational hierarchy authority	A guideline for a person's behaviour in relation to people of different roles in an organisation (Confucian)
Employee working attitudes and performance (T3C1; T3C2; T3C3; T3C4; T3C5)	Commitment, having responsibility for work, Self-discipline.	A guideline for management practice is based on the 'four beginnings' and 'five bonds' (Confucian)

4.6   Summary

This chapter discussed demographics of the participants studied in this research and the analysis of the data derived from the individual and focus group interviews. The same questions were posed in both firms and in the individual interviews with the CEOs and HR directors, in the focus group meetings with middle and line managers and in the focus group meetings with local Chinese employees. Where possible this chapter provided verbatim quotes from participants, insights into the feelings and experiences of the participants and data from company documents. However, there were several limitations inherent in the data analysis. The data collection was structured by the researcher's designed questions. Similarly, the findings were structured by the interview questions, so important aspects pertaining to the experiences of the managers and local Chinese employees may not be included in the findings. The data in relation to the attitudes and behaviours of the participants was self-reported from volunteer samples of employees and may therefore not fully be reflective of each organisation as a whole. It is also important to note that reported attitudes and behaviours may differ from actual attitudes and behaviours. Clearly, reports about behaviour are not equivalent to direct observations. Finally, these findings should not be generalised to all manufacturing organisations in China (e.g. German, UK, and Australian) as each have their own cultural nuances.

In studying, each day something is gained. In following the Tao, each day something is lost. Lost and again lost. Until there is nothing left to do. Not-doing, nothing is left undone. You can possess the world by never manipulating it. No matter how much you manipulate you can never possess the world.（為學日益，為道日損。損之又損，以至於無為。無為而無不為。取天下，常以無事；及其有事，不足以取天下。）

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Tao Ta Ching, 48

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CHAPTER FIVE: CONCLUSIONS AND IMPLICATIONS

5.0   Introduction

This chapter explores and discusses the findings uncovered in Chapter 4 and draws conclusions from the findings. It also examines the implications of the findings, the limitations of this study and possible implications for future research. This research has adopted a qualitative case study method in order to undertake a careful investigation of two Chinese manufacturing organisations, a multinational and a domestic enterprise. CEOs, managers and local Chinese employees were interviewed in individual and focus group sessions in order to achieve depth of information rather than breadth. The researcher has made an attempt to understand specific organisational realities and occurring phenomena from the perspective of those involved. The researcher adapted the Bowen and Ostroff (2004) model in the attempt to achieve a clear understanding of people's behaviour in certain working environments. The essence of this was a systematic search for the unknown and unfound before and during the research process (Chang & Lu, 2009; Fang, Zhao, & Worm, 2008; Salanova & Schaufeli, 2008).

The focus of the research was to explore the influence that management philosophy on HR practices has on Chinese employee attitudes and performance and subsequently, organisational performance. As a consequence of the approach adopted, this research has identified factors that account for the behaviour patterns in the two firms from which generalisations and inferences may be drawn (Dul & Hak, 2008; Hamel, Dufour, & Fortin, 1993; Mills, et al., 2010; Yin, 2003). During the research process, the researcher respected the situation of those involved as much as possible, not only by observing the working environment, but also by partaking in other activities, so that he became fully integrated into the organisations. This research also applied the concept of triangulation. Notice board posters highlighting the mission and vision of each organisation, annual reports, documentation of organisational procedures (secondary data) and interviews and focus group meetings (primary data) provided valuable data in

this research study (Corti & Thompson, 2004; Lee & Fielding, 2004). This research identifies that the Western management philosophy on HR practices provides challenges to employees in Chinese manufacturing organisations. The research finds that Chinese employees become de-motivated and have difficulties in clearly understanding their roles when HR practices are rooted in Western management philosophy. This finding supports claims made in the literature that management philosophy on HR practices does have a significant impact on local Chinese employee attitudes and performances, as well as on the management skills of their CEOs and managers. The following conclusions and implications are based on the previous chapters of this dissertation.

5.1   Conclusions from research findings

This research considers the impact of different management philosophies on the same working people. The "same working people" in this context are the local Chinese employees, that is, employees who were born and have lived in China throughout their lives. Data gathered from the personal interviews and the focus group sessions makes it quite clear that whilst both firms are similar in many respects, the management philosophies and HR practices within both firms are quite different. The top management team at the Western-oriented organisation applies a Western philosophy and Western management theories to manage its people. The thoughts and values of CEO, the HR Director and senior employees are underpinned by factors including the principles of individual human rights, the Protestant work ethic and Judeo-Christian values. Comments from the CEO, HR Director and other senior managers infer that they manage their workers through the division of labour, scientific management, bureaucracy theory and motivation theories. Conversely, the Chinese-oriented organisation applies Chinese philosophy and traditional Chinese culture to manage its people. The thoughts and values of the CEO and senior managers are influenced by the Legalist, Confucianist and Taoist schools of thought and the values and behaviours of the employees are influenced by Confucianism. The management theories applied by the CEO and senior managers stem from traditional Chinese values, such as family relationships, 'Five Bonds' and 'Four Beginnings'.

The literature discussed in Chapter 2 and comments made by Chinese participants in the interviews make it clear that the values, attitudes and beliefs of the local Chinese employees stem mainly from the Legalist, Confucianist and Taoist schools and deeply-

rooted traditional Chinese customs. Theoretically, this would suggest that they would be more comfortable working under a Chinese-oriented management philosophy and related HR practices. Comments made by participants in the individual and focus group interviews in the Chinese oriented firm support this theoretical position. Further, comments made by the Chinese employees of the Western oriented firm in relation to feeling confused, lacking motivation and not clearly understanding what is required because of the management style also supports this position. This suggests that if an organisation in the Chinese manufacturing context wants to ensure the optimum performance of its employees, it needs to ensure it implements a management philosophy and HR practices that are congruent with the values, attitudes and assumptions of the workers. This research suggests that a suitable approach to take in managing in Chinese manufacturing firms is for managers obtain their power from a combination of the rules laid down by the top management and the relationships they have with the local Chinese employees. This is somewhat like using the tai-chi diagram - one from hard (laws and rules) and one from soft (human relationship being akin to family relationship) to manage the local Chinese employees.

The CEOs values and thoughts are often reflected in the firm's vision and mission, as evidenced in the two firms studied in this research. Further, the vision and mission are often used by firms to guide the development of organisational policies and procedures. Consequently, organisational performance can depend how congruent the CEO's thoughts and values are in relation to those of the employees and how effectively these are communicated in HR practices and messages from the top to the bottom of the organisation. This research suggests that in the Chinese context, congruence needs to happen at each level of the organisation's hierarchy to ensure the smooth flow and interpretation of information. This suggests Western firms should modify their management philosophy when employing local Chinese to ensure congruence with Chinese values, beliefs and behaviours.

Job commitment, responsibility at work, willingness to work, job satisfaction and self-discipline are influenced by top-down directives, which in turn are based on the influence of management philosophy on HR practices. These factors are key performance indicators for measuring the effectiveness of management philosophy on HR practices in different cultures. This is because they all reflect how the HR messages are transmitted, transferred and translated to the local employees, as well as how the

employees understand and interpret them. The Bowen & Ostroff (2004, p.208) model proposes that if 'the HRM system is perceived as high in distinctiveness, consistency and consensus, it will create a strong situation' and will transmit HR messages that promote consistent management and employee behaviours. The low levels of job commitment, willingness to work, self-discipline and the high levels of absenteeism and staff turnover in the Western-oriented firm and an opposite finding at the Chinese-oriented firm again suggest that the top-down management philosophy and HR practices need to be congruent with the values, attitudes and beliefs of staff, if they are to be effective.

Whilst qualitative researchers rarely make explicit claims about the generalizability of their accounts (Eisenhardt, 1989; Eisenhardt & Graebner, 2007), this research does suggest one way to positively influencing employee attitudes and performance in Chinese manufacturing firms may be to encourage all levels of the managerial hierarchy to implement a management philosophy on HR practices that is congruent with the values, attitudes and beliefs of the subordinate employees. Messages are transmitted, transferred and translated from the top to the bottom, but unless there is congruence and correct interpretation at each level, the impact on employees' work attitudes is likely to be negative.

5.2   Implications from the research findings

Within HR practices of the past are relevant lessons for the future; there is a flow of events and ideas that link yesterday, today, and tomorrow in a continuous stream. The researcher has applied an adaptation of the Bowen and Ostroff (2004) model to identify themes, emerging situations and issues in two Chinese manufacturing organisations that utilise two different kinds of management philosophies and HR practices.

Throughout the preceding chapters, management philosophy has been viewed as the values, attitudes and beliefs held by a culture in relation to work behaviour and as an essential factor in influencing behaviours at the workplace. In both Chinese and Western cultures, management philosophy finds its basis in the efficient allocation and utilisation of the human resources necessary to achieve the mission and vision of the organisation. In the analysis of management thought and practices, management philosophy and practices are undeniably both outcomes of an historical process. The researcher has used such processes to explore ideas and an appropriate management

philosophy and HR practices for optimising employee attitudes and performance in Chinese manufacturing organisations in China. At the outset of Chapter 2 it was noted that scholars generally agree that in the context of management philosophy on HR practices, a critical success factor for organisational performance is employee attitudes and employee perceptions of what is required in terms of work performance. The analysis in Chapter 4 illustrates the CEOs of the organisations inject their values, beliefs and thought into organisational policies and procedures based on their own personal philosophies and that the mission, vision and values of each organisation reflects the CEOs management philosophy. A number of questions from the interview protocol were specifically designed to explore the impact of differences in management philosophy from the perspectives of both managers and employees. Responses to the questions made it clear that the operator level, employees of both firms have their own perceptions and attitudes of what is required in relation to work performance, based on their own values and beliefs rooted in Chinese philosophies.

The analysis in Chapter 4 clearly indicates that the local Chinese employees in the Western-oriented firm did not fully understand the HR directives from top management and they were not willing or able to work effectively, even though they were given specific and 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 indeed, were given latitude by the CEO to interpret the messages themselves in the Taoist and Confucian traditions. As illustrated in Table 4.5, these findings appear to indicate that adopting a prescriptive approach to the management of Chinese employees (in the case of the Western firm) has a negative impact on the perceptions and performance of the employees. Whereas, implementing policies and procedures drawing on Legalism (general rules), Confucianism (human relationships) and Taoism (no specific instructions) has a positive impact.

5.3   Limitations and Recommendations

No research is without limitations. This research study, like any other research, has limitations in both scope and methodology. The research scope focuses on employee attitude and performance under HR practices which are based on Western (using an American firm as proxy for a Western firm) and Chinese management philosophies.

The researcher acknowledges that there are variances in management philosophies across Western countries due to different historical processes. Being a qualitative case study, the approach is a naturalistic and an interpretative one, concerned with understanding the meanings that people attach to phenomena (actions, decisions, thoughts, beliefs and values) within their working environment in Chinese manufacturing organisations. Management philosophy has many variations in the West and East. This research study has only focused on one aspect of the underpinnings of Western management philosophy, the Protestant work ethic, which in turn is underpinned by Judeo-Christian values, due to its influence on US culture and thought. Western management philosophy is also impacted by other philosophical positions including the pre-Socratic, Socratic, Platonic, Aristotlean, post Aristotlean and the Catholic social justice ethic to name a few (Russell, 1996). Similarly, Chinese management philosophy is not only influenced by the Legalism, Confucianism and Taoism, although they arguably the strongest. It is also influenced by Mohism, Neo-Taoism, Buddhism, Neo-Confucianism and other schools (Mou, 2009). Further research could explore the impact these other philosophical influences have on management philosophy on HR practices.

It terms of the methodology, the data were collected through secondary sources, interviews and focus group meetings and some individual biases may have been present in the participants during the interview activity. Further, the participants were only interviewed once, so their responses may just reflect their thoughts at the time of the interview only. Consequently, the researcher recommends that further research on this topic, using both quantitative and qualitative methods, in order to validate or refute the findings of this research. Another limitation of this research is that it is a single industry study and therefore it is difficult to generalise the findings to firms operating in other industries.

5.4   Further research directions

5.4.1   Different countries and regions

China is not homogenous. In fact, it is made up of a number of vastly different regions, each with its own sub-culture and language or dialect. It has a long and eventful history, and a rich culture of which its people are proud. History and culture are very important

to the Chinese. History, in particular, exercises a powerful influence over thinking and behaviour. Similarly, the USA also consists of 50 states and a number of sub-cultures. Therefore, further research could be developed to study regional differences and how organisational performance is influenced by regional sub-cultural values in the USA. A similar study could also be undertaken of other foreign firms operating in China such as those from Germany, France and Australia.

5.4.2 Alternative methods to study management philosophy

This research was a cross-sectional study, one that explores a certain representative group, at a specific point in time. It is also called a descriptive study. In such a study, time is not considered available in the research design. This type of research is undertaken when seeking self-reported data such as opinions, attitudes, values, and beliefs and the characteristics of a sample population (Lavrakas & Smarr, 2008). Longitudinal studies on the other hand involve multiple follow-up measurements on a sample in order to detect change over time (Lavrakas & Smarr, 2008). Given that this study has been undertaken as part of a DBA dissertation with strict time restrains, it was not possible to undertake a longitudinal study.

5.4.3 Alternative scenarios in Chinese manufacturing firms

In this research each CEO implemented a management philosophy on HR practices derived from their own cultural values. However, the results on employee attitudes and performance might be different in each of the following scenarios and therefore each is suitable for further research.

(1) Scenario 1: What type of management philosophy and HR practices would be adopted if senior management of a Western-owned firm were all Chinese?

(2) Scenario 2: What type of management philosophy and HR practices would be adopted if senior management of a Chinese-owned firm were all Westerners?

(3) Scenario 3: In the case of an overseas Chinese-owned firm with Chinese senior management, how would Chinese management philosophy and HR practices influence the attitudes and performance of Western operator level employees?

5.5   Summary

This exploratory, qualitative research has investigated the effect Eastern and Western management philosophies on HR practices have on the workplace attitudes and performance of local Chinese employees. This research adopted an open systems approach: inputs (values, leadership style, thoughts and beliefs from top management) into the process (the employee attitudes) and then output of positive or negative employee effectiveness, behaviour and organisational performance.

This research has identified that the Western approach of providing direct and explicit, prescriptive written instructions has little impact in employee motivation or job commitment. Conversely a management philosophy influenced by *fa, shu, shi* (Legalism); *Wulun, jen,* (Confucianism); and *Tao* (Taoism) has the opposite effect. This suggests that key to improving employee motivation, job satisfaction and retention in Chinese manufacturing firms may be to consider the Chinese constructs of *renqing* (humanised obligation) and *mianzi* (face); constructs all Chinese are sensitive to in all aspects of their daily lives (Child & Möllering, 2003; Duo, 2005). Emotional feelings are more personal than social, whereas *renqing* is more social than personal. In a way, *renqing* can be interpreted as "human feelings", which covers not only sentiments but also social expressions such as the offering of congratulations or condolences and the giving of gifts on appropriate occasions. *Renqing* is one of the most commonly accepted social norms regulating Chinese interpersonal relationships and is based on the Confucian concept of reciprocity. In a sense, Confucian harmony is maintained through the gracious reciprocity of help (Wong & Chiu, 2005; Wright, et al., 2008). The analysis in Chapter 4 indicates that job commitment, taking responsibility for work and willingness to work improve when higher level staff interact with workers through *renqing*.

In Confucian culture, the central goal of *Mianzi* (face) is to seek to achieve social harmony. It 'depends not only on the maintenance of correct relationships among individuals, but also on the protection of an individual's "face" or one's dignity, self-respect, and prestige' (Hofstede & Bond, 1988, p. 8). Face can be classified into two dimensions – *Lian* and *Mianzi* (Buckley, Clegg, & Tan, 2006). The former is associated with personal behaviour whereas the latter is something valuable that can be achieved (Hu, 1944; Morgan, 2004). This may well indicate that explicit formal written policies and procedures in the Chinese workplace create stress and resistance for operator level

staff because they feel that if they do not follow everything to the letter, they will lose face (*mianzi*).

In conclusion, this research suggests that the in the case of manufacturing firms in China, implementing a Western management philosophy on HR practices has a negative impact on operator level workplace attitudes, perceptions and performance, whereas implementing a Chinese management philosophy has a positive effect on the same factors. This suggests that at least in the context of manufacturing firms in China, the management philosophy enacted by senior management needs to be congruent with the values, attitudes and beliefs of the workers.

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Appendix A: Invitation letter sent to selected organisation

Date: 8 Feb 11

Research Topic: A study on the impact of management philosophy on HR practices and employee attitudes and performance in two Chinese manufacturing organisations: A case study approach

Invitation Letter for Interview and Focus Group Meeting

Dear Valued Participant,

I am conducting a research project as part of my study in the Doctorate of Business Administration (DBA) programme at the Faculty of Business and Law at the University of Newcastle, Australia. Your company is invited to take part in this research project which examines the impact of management philosophy on employee attitudes and performance.

Your company is invited to participate in this research, and this will involve anonymous and confidential interviews and focus groups. I would like to be granted an opportunity to carry out a one-hour interview with your CEO and HR Director. I would also like to conduct 1.5-hour focus groups with your middle and line managers, and workers at your company's meeting room.

Participation in this project is **entirely voluntary**. You can withdraw any time and there will be no disadvantage if you decide not to complete the survey. Your response will be treated in strict confidence and will not be used for any purpose other than what has been explained above. All responses will be aggregated and treated in an aggregated way. There will be no mention of the name of the organisation or participants in any written reports or the DBA thesis. Once the data has been analysed and the study completed, in accordance with University Ethics Guidelines, all the data will be securely kept and destroyed after five years.

If you would like to know the results of this study, we will be happy to send you a summary of our findings once the research study has been finalised. Kindly provide your e-mail address for this purpose.

Should you have any concerns, please feel free to contact Mr. Alphaeus Tam or Dr. Timothy Bartram at the contact details below. Thank you very much for your time and feedback.

Yours faithfully,

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Complaints Clause: This project has been approved by the University's Human Research Ethics Committee, Approval No. H-2010-1229
The University requires that should you have concerns about your rights as a participant in this research, or you have a complaint about the manner in which the research is conducted, it may be given to the researcher, or if an independent person is preferred, to the Human Research Ethics Officer, Research Office, The Chancellery, The University of Newcastle, University Drive, Callaghan NSW 2308, telephone (612) 4921 6333, email **HumanEthics@newcastle.edu.au**

Appendix B: Interview questions for the research project

A study on the impact of management philosophy on HR practices and employee attitudes and performance in two Chinese manufacturing organisations: A case study approach.

Interview Schedule
1. Interviews lasting an hour each for the CEOs and senior managers.
2. Focus group meetings lasting for 1.5 hours each for middle and line managers and workers.

Section 1:   Demographic Questions:
1. What is your position in the organisation?
2. What is your business nature?
3. What is your organisational structure?
4. What is the size of your organisation? How many employees does your organisation employ?
5. Is your organisation a Chinese or Western manufacturing firm?

Interview Questions:
Section 2   Questions on general management philosophy on HR practices:
1. How do you define Chinese management philosophy and Western management philosophy on HR practices?
2. What are the major benefits and outcomes of management philosophy on HR practices?
3. Do you think there is a relationship between management philosophy and the HR practices in your manufacturing firm?
4. Do you think management philosophy on HR practices has an impact on the attitudes (e.g. managerial values / leadership styles) of managers in your firm? In your opinion, do these attitudes impact the performance of workers?
5. Do you think that management philosophy on HR practices has an impact on the performance of workers? If so, can you explain? If not, please explain why?
6. What are the major challenges/barriers of applying management philosophy on the HR practices in your firm?
7. Which management philosophy on HR practices do you see at the most effective?
8. What are the key influences of management philosophy on the HR practices in your firm?
9. Which management philosophy on HR practices is seen as important in your firm?

Section 3   Questions exploring the Bowen and Ostroff (2004) model:

1. Do you think the management philosophy on the HR practices in your firm is salient and readily observable by up-line supervisors in their daily work activities? Or do think that up-line supervisors operate in isolation of management philosophy on HR practices?

2. Do you think management philosophy on the HR practices in your firm is very clear and comprehensible by the management?

3. To what extent is the HR team in your firm involved in strategic planning using management philosophy?

4. Do you think that the management philosophy on HR function enjoys a high-status and credibility among the managers and workers?

5. Do you think management philosophy on the HR practices in your firm is aligned with both individual and organisational goals?

6. Do you believe that management philosophy on your HR system ensures adequate incentives for the managers in your firm?

7. Do you think that management philosophy on the HR practices in your firm displays consistency between what managers purport to do and what they actually do?

8. Do you believe that management philosophy on the HR system of your firm is designed with practices that complement one another and fit together as a whole in achieving organisational goals?

9. What do you think about the agreement among managers as to what is expected of them by the firm and what they expect of the firm in return?

10. Do you think the principle of management philosophy on HR practices in your firm is in agreement with management philosophy on the HR practices and policies?

11. Do you think that the management philosophy on the HR system is concerned with the fair allocation of rewards among the managers?

12. Do you consider the managers' input in the design of the performance appraisal system?

Appendix C: Template of interview data sheet

Interview Data Sheet

A. General Information:

Topic:			
Date:		Time:	
Interviewer:		Interviewee:	
Interview Type:			

B. Content of Interview:

Interviewee:	Transcript:

Appendix D: Ethical clearance approval

HUMAN RESEARCH ETHICS COMMITTEE

Notification of Expedited Approval

To Chief Investigator or Project Supervisor:	**Associate Professor Timothy Bartram**
Cc Co-investigators / Research Students:	**Mr Wai Kau Alphaeus Tam**
Re Protocol:	**A study on the impact of Management Philosophy on HR practices and employee attitudes and performance in two Chinese manufacturing organisations: A case study approach**
Date:	**01-Feb-2011**
Reference No:	**H-2010-1229**
Date of Initial Approval:	**01-Feb-2011**

Thank you for your **Response to Conditional Approval (minor amendments)** submission to the Human Research Ethics Committee (HREC) seeking approval in relation to the above protocol.

Your submission was considered under **Expedited** review by the Ethics Administrator.

I am pleased to advise that the decision on your submission is **Approved** effective **01-Feb-2011**.

In approving this protocol, the Human Research Ethics Committee (HREC) is of the opinion that the project complies with the provisions contained in the National Statement on Ethical Conduct in Human Research, 2007, and the requirements within this University relating to human research.

Approval will remain valid subject to the submission, and satisfactory assessment, of annual progress reports. If the approval of an External HREC has been "noted" the approval period is as determined by that HREC.

The full Committee will be asked to ratify this decision at its next scheduled meeting. A formal Certificate of Approval will be available upon request. Your approval number is **H-2010-1229.**

If the research requires the use of an Information Statement, ensure this number is inserted at the relevant point in the Complaints paragraph prior to distribution to potential participants. You may then proceed with the research.

Conditions of Approval

This approval has been granted subject to you complying with the requirements for *Monitoring of Progress, Reporting of Adverse Events, and Variations to the Approved Protocol as detailed below.*

PLEASE NOTE:

In the case where the HREC has "noted" the approval of an External HREC, progress reports and reports of adverse events are to be submitted to the External HREC only. In the case of Variations to the approved protocol, or a Renewal of approval, you will apply to the External HREC for approval in the first instance and then Register that approval with the University's HREC.

- **Monitoring of Progress**

Other than above, the University is obliged to monitor the progress of research projects involving human participants to ensure that they are conducted according to the protocol as approved by the HREC. A progress report is required on an annual basis. Continuation of your HREC approval for this project is conditional upon receipt, and satisfactory assessment, of annual progress reports. You will be advised when a report is due.

- **Reporting of Adverse Events**

1. It is the responsibility of the person **first named on this Approval Advice** to report adverse events.
2. Adverse events, however minor, must be recorded by the investigator as observed by the investigator or as volunteered by a participant in the research. Full details are to be documented, whether or not the investigator, or his/her deputies, consider the event to be related to the research substance or procedure.
3. Serious or unforeseen adverse events that occur during the research or within six (6) months of completion of the research, must be reported by the person first named on the Approval Advice to the (HREC) by way of the Adverse Event Report form within 72 hours of the occurrence of the event or the investigator receiving advice of the event.
4. Serious adverse events are defined as:
   ◦ Causing death, life threatening or serious disability.
   ◦ Causing or prolonging hospitalisation.
   ◦ Overdoses, cancers, congenital abnormalities, tissue damage, whether or not they are judged to be caused by the investigational agent or procedure.
   ◦ Causing psycho-social and/or financial harm. This covers everything from perceived invasion of privacy, breach of confidentiality, or the diminution of social reputation, to the creation of psychological fears and trauma.
   ◦ Any other event which might affect the continued ethical acceptability of the project.
5. Reports of adverse events must include:
   ◦ Participant's study identification number;
   ◦ date of birth;
   ◦ date of entry into the study;
   ◦ treatment arm (if applicable);
   ◦ date of event;
   ◦ details of event;

- the investigator's opinion as to whether the event is related to the research procedures; and
- action taken in response to the event.

6. Adverse events which do not fall within the definition of serious or unexpected, including those reported from other sites involved in the research, are to be reported in detail at the time of the annual progress report to the HREC.

- **Variations to approved protocol**

If you wish to change, or deviate from, the approved protocol, you will need to submit an Application for Variation to Approved Human Research. Variations may include, but are not limited to, changes or additions to investigators, study design, study population, number of participants, methods of recruitment, or participant information/consent documentation. Variations must be approved by the (HREC) before they are implemented except when Registering an approval of a variation from an external HREC which has been designated the lead HREC, in which case you may proceed as soon as you receive an acknowledgement of your Registration.

Linkage of ethics approval to a new Grant

HREC approvals cannot be assigned to a new grant or award (i.e. those that were not identified on the application for ethics approval) without confirmation of the approval from the Human Research Ethics Officer on behalf of the HREC.

Best wishes for a successful project.

Professor Alison Ferguson
Chair, Human Research Ethics Committee

For communications and enquiries:
Human Research Ethics Administration

Research Services
Research Office
The University of Newcastle
Callaghan NSW 2308
T +61 2 492 18999
F +61 2 492 17164
Human-Ethics@newcastle.edu.au

Appendix E: Letter and information statement sent to interview participants

For further information, contact:
Newcastle Graduate School of Business
Faculty of Business and Law
Level 3, University House
Corner King and Auckland Street
Newcastle 2300
University of Newcastle
AUSTRALIA
Researcher: Wai Kau Alphaeus Tam
e-mail: waikaualphaeus.tam@uon.edu.au

School of Management
Faculty of Law and Management
Donald Whitehead Building Room 330
Victoria 3086
La Trobe University
AUSTRALIA
Research Supervisor: Dr Timothy Bartram
e-mail: t.bartram@latrobe.edu.au

Information Statement for the Research Project:
A study on the impact of management philosophy on HR practices and employee attitudes and performance in two Chinese manufacturing organisations: A case study approach

[Version 2 dated 10 December 2010]

You are invited to participate in the research project identified above which is conducted by Mr Wai Kau Alphaeus Tam, a candidate for the Doctor of Business Administration degree from the Newcastle Graduate Business School, University of Newcastle and Dr. Timothy Bartram, School of Management, La Trobe University.

The research is part of Mr Tam's Doctor of Business Administration studies at the University of Newcastle, supervised by Dr. Bartram.

Why is the research being undertaken?
This project involves an investigation into the comparative study on the attitudes of Chinese managers and workers at manufacturing firms in both multinational and domestic enterprises. We are studying the attitudes and views of Chinese managers and workers in relation to both Western and Chinese management philosophical approaches and their potential effect on managerial practice, worker attitudes and performance. The

result of this study will benefit the field of management philosophy on HR practice research.

Who can participate in the research?

Any employee in the target organisations is able to participate in this research, provided that he is able to speak English. The CEO and HR manager of each organisation will be asked to participate in the research via an interview. In addition, middle and line managers, and employees will be encouraged to participate in focus groups (i.e., one focus group for middle managers, one focus group of line managers and one focus group for employees). These individuals may also participate via an interview but it will be limited to the first 15 requests per organisation. This is because the target organisations are large, and the researchers are constrained by time and resources. There will be three separate focus groups – one each for middle managers, line managers and employees. Unfortunately, additional participants will not be able to participate in the research.

Regardless of your participation in this research, your relationship with the University of Newcastle or your employer will be not affected in any way. The interview and focus group meeting will be conducted at your company's meeting room as arranged by the HR department.

Do you have to participate?

Participation in this research is entirely your choice. Only organisations and individuals that have consented to be involved in this will be included in this research. You can give your consent to participate in the research by signing the attached consent form. Whether or not you decide to participate, your decision will NOT disadvantage you in any way.

If you do decide to participate, you may withdraw from the project at any time without giving any reason. You also have the option of withholding any data which may identify you.

What will you be asked to do?

If you agree to participate, you will be asked to take part in a face-to-face interview or focus group, to give your views and experiences of working in your firm, with Mr Wai Kau Alphaeus Tam at a time and venue agreed by you. Questions regarding management philosophy on your HR practices will be asked. You will be asked if the interview can be tape recorded. If you are not comfortable with this, there will be no tape recording and the researcher will take down notes instead.

The researchers will also request a copy of your company's annual report from the CEO. This will help them to better understand the background of the company's operations.

How much time will it take?

The interview will take about an hour to for the CEOs and members of the senior management while the focus group meetings will take about 1.5 hours for the middle and line managers, and workers.

What are the risks and benefits of participating?

We will not use your name or the name of the company in the data collection process. All data will be de-identified – no names of participants or their organisation will be used in the thesis. As such, all the participants will not be identified.

There will be no personal benefits to you in participating in this research.

How will your privacy be protected?

The data collected through this research will be de-identified in during its collection and analyses process. All information provided by you will be treated as confidential. Access to the data will be limited to the student researcher and supervisor. The audio tape and/or notes of the interview and subsequent transcript of your interview will be stored securely in a locked filing cabinet. It will not be released to any other party. The original interview audio recording will be destroyed once the student's thesis has been accepted, and verified transcripts have been prepared. The transcripts will be destroyed five years after the interview. As this is a University research, a verified electronic copy of data will be held on the University's premises for a minimum of five years in the

school of the project supervisor (or at NGSB). Your identity will at all times remain anonymous. Pseudonyms will be used to protect your privacy. Any quotes used from your interview will not contain information that will identify you to potential readers. You will be able to review the recording to edit or erase your contribution prior to its inclusion.

How will the information collected be used?

The information collected will be used in the thesis to be submitted by Mr Wai Kau Alphaeus Tam as part of his Doctor of Business Administration degree, and may be included in reports.

No individual participants or participant-organisations will be named in any reports or papers resulting from the research.

The interview will be audio taped, if you agree, and transcribed. You will be able to review the recording and/or the transcript to edit or erase your contribution if you wish.

Your quotes from the interview may be used in the thesis, but you will not be identified.

A summary report of the research findings will be available to participants on request. If you would like to receive a report, please contact the researcher at the contact details above.

What do you need to do to participate?

Please read this Information Statement and be sure you understand its contents before you consent to participate. If there is something you do not understand, or have questions, please contact the researcher.

If you would like to participate, please e-mail me at waikaualphaeus.tam@uon.edu.au. I will then contact you to arrange a time convenient for you to conduct the interview / focus group meeting. The consent form will be signed prior to the interview / focus group.

Further information

If you would like further information, please contact Mr Wai Kau Alphaeus Tam at Tel: (852) 9667 1148 in Hong Kong or e-mail waikaualphaeus.tam@uon.edu.au. Alternatively, you may also contact Dr. Timothy Bartram in Australia (please refer to the contact information on the first page of this letter). Thank you for considering this invitation.

Dr. Timothy Bartram   Mr Wai Kau Alphaeus Tam

Research Supervisor   Researcher

Complaints about this research

This project has been approved by the University's Human Research Ethics Committee. (Approval No.H-2010-1229).

Should you have concerns about your rights as a participant in this research, or if you have a complaint about the manner in which the research is conducted, you may direct it to the researcher. However, if an independent person is preferred, you may approach the Human Research Ethics Officer, Research Office, The Chancellery, The University of Newcastle, University Drive, Callaghan NSW 2308, Australia. Telephone: (02) 49216333. Email: Human-Ethics@newcastle.edu.au.

Appendix F: Participant consent form

For further information, contact:
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University of Newcastle
AUSTRALIA
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e-mail: waikaualphaeus.tam@uon.edu.au

School of Management
Faculty of Law and Management
Donald Whitehead Building Room 330
Victoria 3086
La Trobe University
AUSTRALIA
Research Supervisor: Dr Timothy Bartram
e-mail: t.bartram@latrobe.edu.au

Consent Form for the Research Project:
A study on the impact of management philosophy on HR practices and employee attitudes and performance in two Chinese manufacturing organisations: A case study approach

[Version 2 dated 10 December 2010]

I / We agree to participate in the above research project and give my / our consent.

I / We understand that the project will be conducted as described in the Information Statement, a copy of which I / we have retained.

I / We understand I / we can withdraw from the project at any time and no reasons need to be given.

I / We consent to participating in the interviews / group meetings which will be recorded and transcribed.

I / We understand that my / our personal information will remain confidential to the researchers involved in this project.

I / We have had the opportunity to have questions answered to my / our satisfaction.

Print Name:

Signature:

Date: