

Human Resource Management Practices in Chinese Organisations

Song Lin¹

David Lamond²

1 Central University of Finance and Economics, Beijing, China

2 Victoria University, Melbourne, Australia

Purpose/Aim: This special issue of *Chinese Management Studies* focuses attention on a central activity of Chinese organisations – managing people. Our aim in doing so is to support efforts to move beyond HRM research in China as a subset of international or comparative HRM research and promote indigenous approaches to research in China.

Method/Approaches: Review and reflection.

Findings: The research presented in the eight articles that constitute this special issue not only use sample data from China, but also explore the mechanisms of different variables in the special Chinese condition, situation, and context, resulting in meaningful results on a practical level. As such, they provide valuable contributions to theory construction in human resource management and organisational behaviour, not just for China but for organisations around the world.

Implications for Research: Developing an indigenous understanding of Chinese HRM has a long way to go. The findings here provide a contribution to the growing foundation on which to base further efforts. They will not only help build knowledge about complex organisation dynamics in Chinese businesses, but also enrich the overall management knowledge base, not just Chinese organisations.

Keywords: Chinese HRM research, *CMS*, indigenous research.

Human Resource Management Practices in Chinese Organisations

In the 30 years since Helburn and Shearer (1984:3) noted that ‘one of the most important but least understood elements of the economic system of the Peoples’ Republic of China is that of human resource management’, much has been written about the theory and practice of HRM in China, albeit most often as something of a curiosity under the banner of “international human resource management” and only irregularly in the so-called “top tier” journals (Zhang and Lamond, 2009). More recently, though, a great deal of emphasis has been placed on redressing this approach. We see, for example, articles by Chinese HRM doyen, Malcolm Warner, on paradigms, theories and models in Chinese HRM (Warner, 2012), on the challenges in Chinese HRM research (Warner, 2013) and HRM practices in Chinese MNCs (Warner and Nankervis, 2012) as just some among many articles and special issues. We have also been witness to the establishment of the *Journal of Chinese Human Resource Management*, which is now in its 5th year of publication (Wang, *et al*, 2014).

Accordingly, we are honored to be the guest editors of this special issue of *Chinese Management Studies*, on organisational human resource practices, and to make our own contribution to this growing literature. The articles selected all focus on this theme, with topics ranging from job satisfaction, leadership, competence of top management, social network of employees, and knowledge. These articles provide a deeper understanding of human resource management in the Chinese context. The culturally aware members of our readership will no doubt have a wry smile at our choice of 8 papers in this issue. Whereas we may have gone for the “lucky 7” in a western context, this an issue rooted in Chinese tradition, where the number 8 (八, *bā*) is thought to be auspicious because it sounds similar to “prosper” or “wealth” (recall, for example, that the opening ceremony of the Summer Olympics in Beijing began on 8/8/08 at 8 minutes and 8 seconds past 8 pm Beijing local time). And so we proffer these ideas and insights to you, along with the hope they will enable you, the reader, to prosper from them.

The issue opens with Yang and Hwang’s (2014) exploration of the relationships among three important variables in the field of industrial psychology – personality traits, job performance, and job satisfaction. Utilising sample data from 360 respondents in 31 Taiwanese financial firms, the empirical show a mutually reinforcing relationship between job performance and job satisfaction – better performance in the job leads to more satisfaction leads to better performance. Of the Big Five personality traits, in the context of a culture that stresses the importance of harmony, it is perhaps not surprising that agreeableness shows the greatest effect.

Zhao and Peng (2014) have assessed the relative leader–member exchange (RLMX), which is widely researched in leadership and human resource management, via a sample of 358 supervisor–subordinate dyads from Chinese enterprises. Zhao and Peng

argued that RLMX positively affects employee voice, which is mediated by an affective commitment and is moderated by Chinese traditions. Their results confirm the relationships they posit, highlighting the importance of understanding and reflecting the cultural context within which behaviours and the research that examines them takes place.

Feng, Shen, and Zhao (2014), analyzed the relationship between the role of entrepreneurs and the innovation investment propensity of Chinese firms, with a particular emphasis on the combinations of managerial competence, cognition and institutional influence. Horizontal data comparison and four longitudinal case studies of representative firms in the Chinese power equipment industry were used to examine competence-building in these companies' top management teams. Their results show that the cognitive backgrounds of top managers are significant in directing strategic resource allocation, but that they are also influenced by institutional environments.

The relationships between occupational commitment, industrial relations, and turnover intention and the moderating role of turnover intention were investigated by Yuan and Li (2014). Responses from a sample of 429 respondents, collected in Beijing, Shanghai, Guangdong, and Hunan. The authors find that the affective, normative, and cumulative costs dimensions of occupational commitment, positively affect their perceptions of the industrial relations climate they experience. At the same time, their findings also showed that employees' turnover intention negatively moderated the relationship between occupational commitment and their perception of the industrial relations climate.

Face (面子, *miànzi*), relationships (关系, *guanxi*), and the obligation to maintain those relationships (人情, *rénqíng*) are central ideas in Chinese culture. Cai *et al* (2014) contribute to our greater understanding of these concepts in a work context and their HRM implications through their examination of employees' performance and their social network structures. The research, carried out in an SME, using data from face-to-face interviews with 118 employees, shows that informal networks have a significant impact on employee performance, and individual brokerage of performance is greater for direct contacts than it is for indirect contacts.

Moving from the social to the psychological, Pan, Qin and Gao (2014) reviewed the effect of organisational psychological ownership (ownership) and organisation-based self-esteem (esteem) on positive organisational behaviours (behaviours). Theirs was a large scale research effort, based on 2,566 employees from 45 production enterprises in China. On the basis of their findings, Pan *et al* (2014) demonstrate that behaviours are positively related to ownership and esteem. Further, they show that ownership and esteem are positive predictors of behaviours, while esteem has a partial mediating effect on the relationship between ownership and behaviours. In doing so, they confirm that ownership, consisting of the sense of possession of the

organisational entity and of people and events in the organisation (as embodied in the ownership of organisational reputation and achievement), has important effects on the behaviours of employees.

The research by Yao *et al* (2014) also focused on employees and their behaviour, but this time with a focus on the impact of different leadership styles. Having collected data from 347 respondents in 20 firms, the authors concluded that a positive correlation exists between the experience of work stress and negative employee behaviours. At the same time, while transactional leadership has a negative impact, increasing work stress and the incidence of negative employee behaviours, transformational leadership has a positive impact, reducing both work stress and negative employee behaviours. Moreover, transactional leadership moderates the relationship between the experience of work stress and the incidence of negative behaviours.

The effects of individualism and collectivism on knowledge sharing intention and the moderating effect of tacit knowledge on main causal relationships are assessed by Mi (2014). Using data from 400 employees in three Chinese companies, Mi shows that the personal cultural orientations of individualism and collectivism influence the knowledge sharing intention. Tacit knowledge has different effects on the two relationships by weakening the relationship between individualism and knowledge sharing intention and by strengthening the relationship between collectivism and knowledge sharing intention.

These eight articles then, focus on topics at the forefront of human resource management, and provide valuable contributions to theory construction in human resource management and organisational behaviour. These articles also investigate influence using a Chinese research framework. They not only use sample data from China, but also explore the mechanisms of different variables in the special Chinese condition, situation, and context, resulting in meaningful results on a practical level. For example, the article of Zhao and Peng (2014) argues that Chinese organisations must be more aware of the differential quality of LMX relationships within workgroups and must avoid the negative impacts associated with LMX differentiation. The article of Cai *et al* (2014) asserts that informal social contact in enterprises is highly significant in the context of China. HRM practitioners should recognize and focus on the enterprises' informal power centers, the "grass-roots stars", to avoid role conflicts.

Human resource management is an important tradition of organisation research and is widely discussed in the development of industries and organisations. This special issue aims to provide new insight to this research field using Chinese organisations and management as the research context. We would like to thank all the authors and reviewers who contributed to this special issue, and are grateful for the support of Professor Foo, the Editor-in-Chief of *CMS*.

References

Cai, M., Du, H., Du W. and Zhao, C. (2014) Relationship between employees' performance and social network structure: an empirical research based on a SME from whole-network perspective. *Chinese Management Studies*, 8(2)

Feng, K., Shen, Q. and Zhao, S. (2014) Institutional Influence, Cognition and Competence of Top Managers, and Innovative Firms: The Case of Chinese Power Equipment. *Chinese Management Studies*, 8(2)

Helburn, I.B., and Shearer, J.C. (1984) Human Resources and Industrial Relations in China: A Time of Ferment. *Industrial and Labor Relations Review*, 38, 3–15.

Mi, Y (2014) Examining the Effect of Individualism and Collectivism on Knowledge Sharing Intention: An Examination of Tacit Knowledge as Moderator. *Chinese Management Studies*, 8(2)

Pan, X., Qin, Q. and Gao, F. (2014) Psychological ownership, organization-based self-esteem and positive organizational behaviors. *Chinese Management Studies*, 8(2)

Wang, G. G., Zhang, Y., Lamond, D. and Ke, J. (2014) Moving forward: Exploring unique Chinese phenomena and advancing HRM Research, *Journal of Chinese Human Resource Management*, 5(1)

Warner, M. (2013) Originality: challenges in Chinese HRM research. *Journal of Chinese Human Resource Management*, 4(2), 117-120.

Warner, M. (2012) Whither Chinese HRM? Paradigms, models and theories. *The International Journal of Human Resource Management*, 23(19), 3943-3963.

Warner, M. and Nankervis, A. (2012) HRM practices in Chinese MNCs: rhetoric and reality. *Journal of General Management*, 37(3), 61-80.

Yang, C.L., and Hwang, M (2014) Personality traits and simultaneous reciprocal influences between job performance and job satisfaction. *Chinese Management Studies*, 8(2)

Yao, Y.H., Fan, Y.Y., Guo, Y.X. and Li, Y (2014) Leadership, Work Stress, and Employee Behavior. *Chinese Management Studies*, 8(2)

Yuan, L. and Li, J. (2014) Occupational commitment, industrial relations and turnover intention: empirical evidence from China. *Chinese Management Studies*, 8(2)

Zhao, H. and Peng, Z. (2014) “Relative leader–member exchange and employee voice: Mediating role of affective commitment and moderating role of Chinese traditionality. *Chinese Management Studies*, 8(2)

Zheng, C. and Lamond, D. (2009) A critical review of human resource management studies (1978–2007) in the People’s Republic of China. *The International Journal of Human Resource Management*, 20(11), 2194–2227